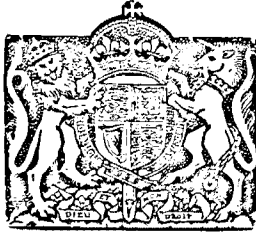


GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR



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.

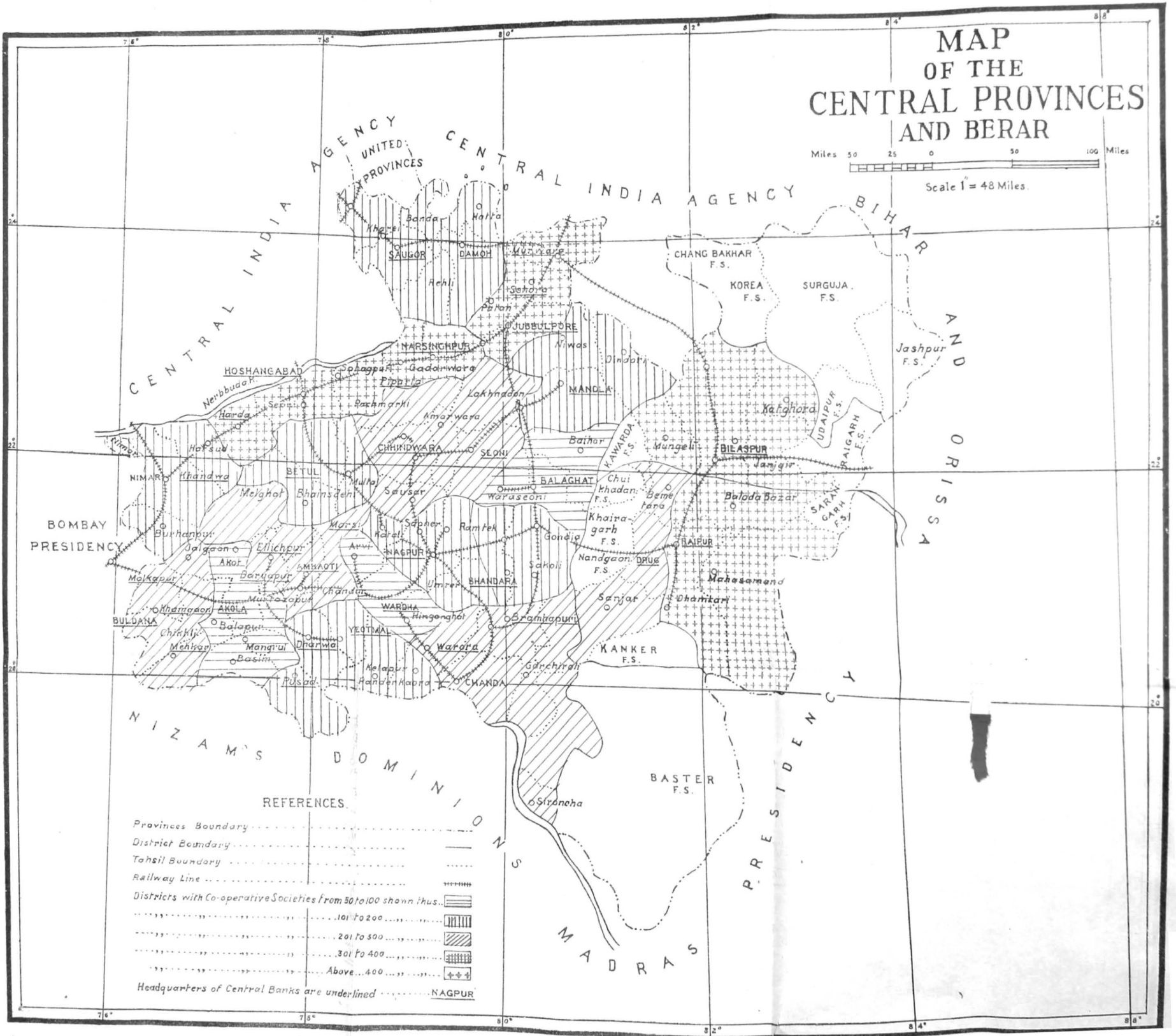
ORDER.—Ordered that a copy of the Resolution together with the enclosures be forwarded to the Registrar, Co-operative Societies, and to all Commissioners and Deputy Commissioners, Central Provinces and Berar, for information and guidance, and that it be published in Part I of the *Central Provinces and 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 50 100 Miles

Scale 1" = 48 Miles.



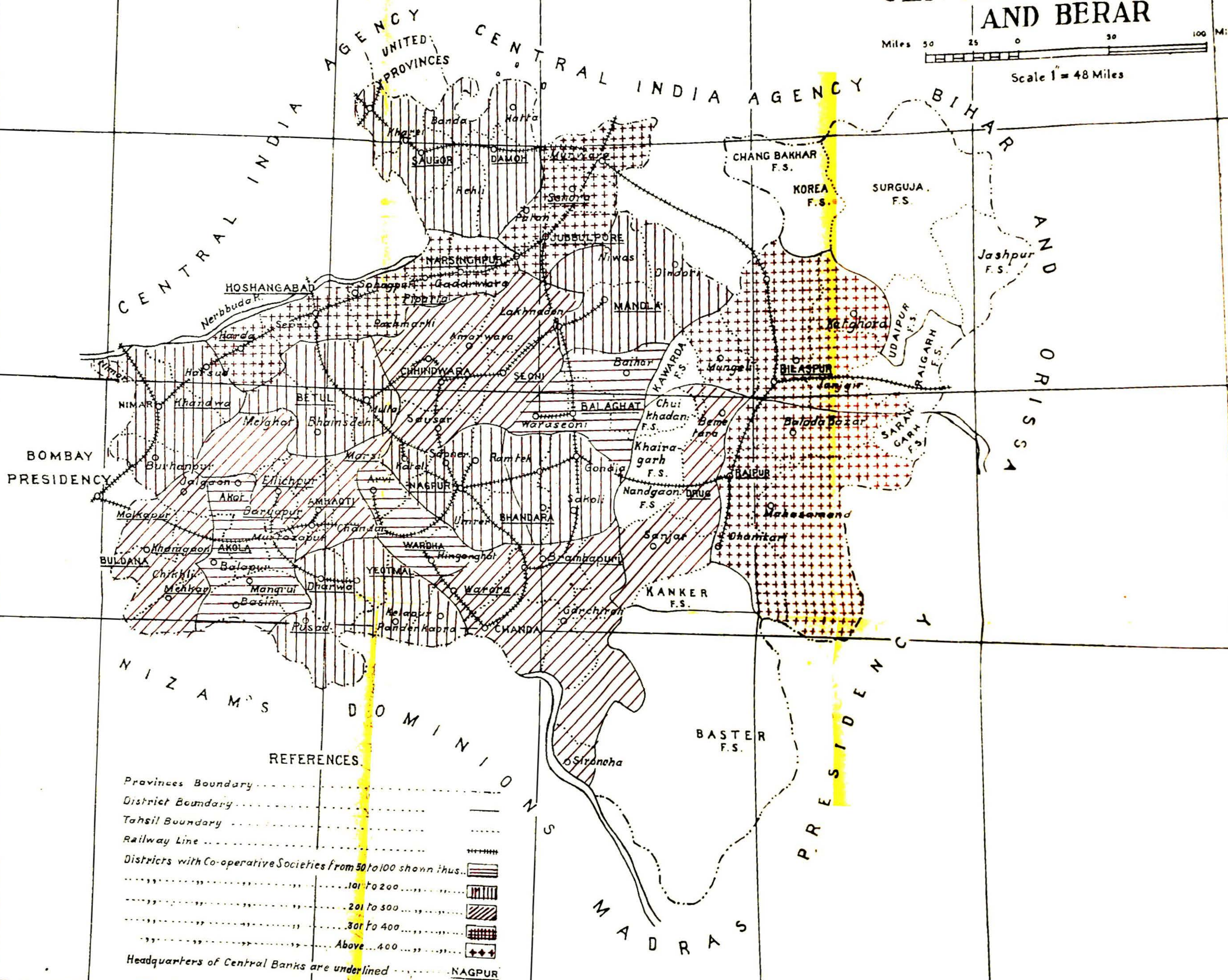
REFERENCES.

- 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 500 [vertical lines]
- 301 to 400 [cross-hatch]
- Above 400 [dotted]
- Headquarters of Central Banks are underlined NAGPUR

MAP OF THE CENTRAL PROVINCES AND BERAR

Miles 50 25 0 25 50 100 Miles

Scale 1" = 48 Miles



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

[NOTE.—*Figures within brackets indicate the
figures of the previous year*]

I.—ADMINISTRATION

Staff.—This report is for the year ending the 30th June 1938. The post of Registrar of Co-operative Societies, combined as it is, for reasons of economy, with the posts of Director of Industries, Registrar of Joint Stock Companies, Registrar of Trade Unions, Registrar of Firms, and Secretary, Village Uplift Board, was held by me throughout the year under report. The post of the Senior Deputy Registrar was held by Mr. H. S. Kamath, I.C.S., till the 16th November 1937. Thereafter the post remained vacant till the 30th November 1937, when Rao Sahib N. R. Chandorkar took over charge.

2. Postings, transfers, etc., of the Assistant Registrars were as follows :—

Berar.

Mr. S. B. Dave, Junior Deputy Registrar—
Throughout the year.

Circle I—Headquarters, Jubbulpore.

Mr. V. A. Sant—1st July 1937 to 3rd March 1938.
Proceeded on leave for four months on
4th March 1938. (4th to 9th March 1938
post remained vacant.)

Mr. K. Y. Mahajan—10th March 1938 till end
of year. Officiating Assistant Registrar.

Circle III—Headquarters, Nagpur.

Mr. M. D. Singru—Throughout the year. Con-
firmed, *vice* Rao Sahib G. K. Hardas
retired on 15th March 1938.

Circle IV—Headquarters, Hoshangabad till 9th December 1937 and Betul thereafter.

- Mr. B. W. Phansalkar—1st to 23rd July 1938.
Reverted on relief by Mr. Mukhtyar who returned from leave.
- Mr. G. C. Mukhtyar—24th July to 21st November 1938.
- Mr. B. W. Phansalkar—22nd November 1938 to end of year.

Land Mortgage Banks.

- Rao Sahib G. K. Hardas—1st July to 21st November 1938. Then went on leave preparatory to retirement.
- Mr. G. C. Mukhtyar—22nd November 1938 till end of year

Second Post of Assistant Registrar, Land Mortgage Banks.

(New post created by the Provincial Government from 7th March 1938.)

- Mr. S. N. Hardas—7th March 1938 to end of year.

The Provincial Government has since sanctioned the continuance of the post of Second Assistant Registrar, Land Mortgage Banks, till the 31st March 1939. The scheme of training and education financed out of the Government of India grant was carried out by the Educational Inspector assisted by three Assistant Educational Inspectors as in the previous year. The temporary staff consisting of five auditors, three from the 1st September 1936, and two from the 15th November 1936, and two clerks from the 1st April 1937, created up to the 31st March 1938, for land mortgage banks was continued during the year. An additional staff consisting of five auditors, two clerks and seven posts of peons (five for five Circle Auditors and two for the new Assistant Registrar) was created for land mortgage banks. The whole temporary staff for land mortgage banks will continue till the 31st March, 1939. Besides a temporary post of a clerk for debt conciliation work was also created with effect from the 1st October 1937, for two years.

3. **Touring.**—I was out on tour for 96 [98] days, the Senior Deputy Registrar for 90 days and the Junior Deputy Registrar for 109 days, while the Assistant Registrars in charge of circles I, III and IV and

Assistant Registrars, Land Mortgage Banks, I and II, toured for 164, 145, 135, 154 and 55 days, respectively. The touring was satisfactory.

4. **Cost to the movement.**—The cost to Government decreased from Rs. 2,40,193 to Rs. 2,38,873. The decrease of Rs. 1,320, despite increase in the land mortgage bank staff, is due to retirement of senior officers.

The turnover of all co-operative institutions increased by 14.9 per cent from Rs. 9,99,13,654 to Rs. 11,47,60,347, while the percentage of the cost of administration to the turnover decreased to 0.46 [0.51].

The staff maintained by the co-operative institutions numbered 471 [466] and the cost was Rs. 5,24,325 [Rs. 5,09,766].

II.—SUMMARY OF GENERAL PROGRESS

5. **Character of the agricultural season.**—The following summary is based on the season and crop report of the Director of Land Records for the year ending the 31st May 1938.

Light to moderate showers of rain received in the third week of June heralded the regular monsoon which set in at the end of the month. The rainfall for the Central Provinces as a whole was 57.40 inches, as compared with the 70 years' average of 49.70 inches. For Berar, it was 41.09 inches against the average of 34.70 inches. The rainfall was in excess of the average in all districts except Seoni sub-division (Chhindwara) and Chanda.

The excessive rainfall of the early monsoon proved unfavourable to kharif crops except rice, while inadequate winter rain coupled with frost and cold reduced the outturn of rabi, rust and insect pests making the position still worse.

The provincial outturn of rice was 12.3 annas [14.4 annas]; of juar 11.7 annas [10 annas]; of cotton 9.2 annas [10.4 annas]; of wheat 10.8 annas [10.4 annas]; of gram 10.4 annas [9.9 annas]; and of linseed 11.2 annas [10.4 annas].

The rice districts of Chanda, Bhandara, Drug and Bilaspur enjoyed a pretty nearly normal crop while in the remaining districts it was 73 to 91 per cent. The provincial yield was 83 per cent, the same as in the previous year.

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During the year, the wholesale prices of rice, cotton, wheat, gram, til and linseed fell by 7, 27, 20, 8, 8 and 23 per cent, respectively, while the average price of juar rose by 3 per cent. The average retail rate per rupee of rice was 11.9 seers [12.1 seers], of juar 16.0 seers [17.1 seers], of kodonkutki 16.8 seers [18.5 seers], of wheat 12.7 seers [10.1 seers], of gram 13.8 seers [12.9 seers], of til 7.5 seers [6.5 seers] and of linseed 9.3 seers [7.8 seers].

Owing to a partial failure of cotton and the fall in prices which was specially pronounced in the case of cotton, the economic condition of agriculturists in general remained unchanged except in the northern districts where it improved slightly as a result of the better yield of rabi. The effects of economic depression are less felt in the rice country thanks to a series of favourable rice seasons. The establishment of debt conciliation boards and land mortgage banks, together with the various ameliorative measures, such as relief to small holders in the matter of land revenue, reduction in grazing dues, restrictions on sales of lands and encouragement of cottage and subsidiary industries, has served, to some extent, to mitigate the hardships caused by an unfavourable year.

6. Recoveries.—Recoveries of loans due by societies to central banks amounted to Rs. 12,36,982 [Rs. 14,44,647]. Recoveries of principal amounted to Rs. 6,91,556 and Rs. 1,62,629 [Rs. 671,999 and Rs. 3,29,160] while the total of both principal and interest recovered was Rs. 8,98,411 and Rs. 3,38,571 [Rs. 9,30,881 and Rs. 5,13,766] in the Central Provinces and Berar, respectively. The total cash recoveries decreased by 0.35 per cent in Central Provinces and by 34.1 per cent in Berar. The total demand which the central banks had to recover during the year was Rs. 1,34,12,355. The actual recoveries, therefore, amounted to 9.2 [10.4] per cent of the demand. To the figure of recovery in Berar may be added 9,714 acres of land purchased by the Berar banks valued at Rs. 5,34,370 during the course of coercive proceedings.

7. Cash advances.—There was an increase in cash advances during the year which amounted to Rs. 9,70,320 [Rs. 8,57,563]. In the Central Provinces they increased to Rs. 7,81,631 [Rs. 7,20,041]. All the banks in Chhattisgarh along with Betul and Mandla are responsible for

this increase. In Berar these increased to Rs. 1,88,689 [Rs. 1,37,522]. Six banks in Berar, viz., Ellichpur, Daryapur, Yeotmal, Akola, Mehkar and Malkapur, shared this increase. The bulk of fresh financing in the Central Provinces—Rs. 6,63,746 out of Rs. 7,81,631—was done by the Nagpur, Brahmapuri, Narsingpur, Raipur, Bilaspur, Drug and Bhandara banks. Elsewhere the business continued to be meagre. Most of the financing in Berar took place in the new crop loan societies which have been formed during the last two years. The older societies are mostly under award and liquidation and exist mainly as debt collecting bodies. Fresh finance on the lines of controlled credit is the true test to judge whether the movement is healthy and is fulfilling its principal functions or not.

8. **Outstanding loans.**—The total loans outstanding against members of societies in the Central Provinces decreased from Rs. 60,84,822 to Rs. 59,30,281, while in Berar, they rose from Rs. 1,06,88,190 to Rs. 1,13,01,970. The increase in Berar is due to the system of capitalization of interest, which continued during the year. It has since been stopped. The proportion of overdues to the total dues decreased from 80 to 75 per cent in the Central Provinces, but it increased from 97 to 98 per cent in Berar. Renewals granted in the Central Provinces increased from Rs. 2,00,280 to Rs. 2,65,768, and in Berar from Rs. 2,315 to Rs. 12,269. Taking the renewals and overdues together the arrears increased from Rs. 1,54,43,505 to Rs. 1,57,51,225. The percentage of such arrears to the total outstanding was 80 and 98 [84 and 97] in the Central Provinces and Berar, respectively. Excluding the sum due from societies under award and liquidation, the overdues amounted to 50 [59] per cent in the Central Provinces, while the percentage of such overdues in Berar rose to 93 [89]. The closeness of the figures of overdues in working societies and in societies under coercion indicates the rot that has set in in the movement in Berar. With 93 per cent overdues in working societies, and 98 per cent in all societies it is no wonder that co-operation in its present form is on its last legs in Berar and would demand a herculean effort to rehabilitate it and to invest it with “go” and grit.

9. **Financial balance sheet of the co-operative movement as a whole.**—The financial position of the central banks of the province and the Provincial Bank taken

together on the 30th June 1938 is indicated in the rough balance sheet given below:—

Serial No.	Liabilities	Amount	Serial No.	Assets	Amount
		Rs.			Rs.
1	Deposits—		1	Cash in hand and in banks outside the movement.	4,55,617
	(a) Fixed deposits.	1,50,62,673	2	Surplus in Government securities.	7,35,229
	(b) Savings deposits.	33,80,953	3	Fluid resource and reserve fund in Government securities.	61,86,449
	(c) Current deposits.	6,90,630	4	Demand loans on security of deposits and Government paper.	77,224
2	Debentures ..	4,00,000	5	Deposits in approved banks outside the movement.	44,40,149
3	Provident Fund of employees.	3,16,551		A—Total liquid assets	1,18,94,668
4	Loans due to banks outside the movement.	1,09,623	6	Building and stock ..	7,03,864
	Total liabilities to outside creditors.	1,99,60,430	7	Landed property ..	29,37,326
5	Paid up share capital.	21,02,215		B—Total fixed assets	36,41,190
	Grand total of liabilities.	2,20,62,645		Total liquid and fixed assets (A and B).	1,55,35,858
			8	Good debt outstanding against societies.	75,88,015
				Grand total of assets.	2,31,23,873

The outside liabilities amount to Rs. 1,99,60,430 against which the movement holds assets estimated at Rs. 2,31,23,873. Of the total assets, Rs. 1,18,94,668 or 51.4 [52.1] per cent are in cash and liquid form and Rs. 36,41,190 or 15.7 [14.6] per cent in other fixed assets. For the liquidation of outside liabilities, an amount of Rs. 44,24,572 or 58.3 [63.4] per cent of good debts outstanding against societies would suffice, while the proportion, of outside liabilities, the repayments of which would depend on recoveries of good debts is 22.2 [24.0] per cent. Of the good debts Rs. 65,32,726 [Rs. 75,88,015] are secured by first mortgages on lands of members. In Berar, the banks hold first mortgages on 58,663 acres of land. The Berar banks also own 50,263 acres of land acquired for the total value of Rs. 28,94,059 which gives an average of Rs. 57 per acre. That there exists a fluid cover of over 50 per cent of the total liabilities of the movement is a sign of strength and

stability of the movement in the province taken as a whole. In ordinary times such a cover would be considered a waste of funds, but at the present moment, this factor, more than any other, enables the movement to face the difficulties ahead confidently and unflinchingly. If today the Provincial Bank is not frightened of the liquidation of a bad bank or two, it is because of its strong fluid resources built up by cautious and sound management since the last debacle of 1921. While the main body of the movement is sound, some of its individual parts are in a state of decay. Hitherto, the Provincial Bank, as the apex bank, was supporting these diseased limbs, but now it finds that it cannot continue to do so without danger to its life and prefers, to continue the metaphor, to amputate those diseased limbs which have a disintegrating effect on the general body.

10. Societies and membership.—Eighty-eight proposals were pending at the commencement of the year and 575 proposals were received during the year. Out of the total of 663, 547 [221] were accepted, 42 rejected, 28 returned for further enquiry and 46 were pending at the close of the year. All those pending at the close of the year were registered in July 1938. Three hundred and ninety-two societies were registered in the Central Provinces and 155 in Berar. Out of 392 societies registered in the Central Provinces, Chhattisgarh banks, where the movement is most healthy, were responsible for 171 societies. Bhandara and Mandla banks did equally well contributing 47 and 51 societies respectively. In Berar 28 and 22 were registered under Yeotmal and Akola, respectively, 20 each under Malkapur and Daryapur, 17 under Mehkar and the remaining 48 under six other banks except Pusad. Out of 547 societies registered, 479 were primary agricultural credit societies, 11 non-agricultural credit societies, seven agricultural associations, one seed union, six clerks' societies, five stores, two industrial associations, seven housing, seven better living, four thrift, two compulsory and adult education, one village development, six general purposes, two cattle-breeding and seven land mortgage banks. Of the 479 primary agricultural credit societies, 466 were on unlimited liability basis, while 13 were crop loan societies with limited liability in Berar. The rapid growth of the movement, even in Berar, as evidenced by the number of new societies is a proof of the contraction of credit of the agriculturist in the countryside who has no alternative but to join a

society for his seasonal needs. Learning from past experience, if loans are advanced on the basis of paying capacity and for only productive purposes, the movement will prosper and go from strength to strength. In rates of interest and purity of business, a co-operative society has nothing to fear from competition of a private moneylender. Repayments in crop loan societies in Berar are satisfactory. Formation of societies of other types is also to be welcomed.

The registration of 105 [75] societies was cancelled. Of these, 103 were primary agricultural credit societies, one non-agricultural credit society and one adat shop. The number of co-operative societies of all types thus increased from 3,966 to 4,408, of which 4,071 were primary agricultural credit societies and 13 crop loan societies with limited liability. The total membership and working capital increased to Rs. 1,22,503 [Rs. 1,14,411] and Rs. 5,52,26,487 [Rs. 5,38,15,795], respectively. The primary agricultural societies on share basis further increased to 2,513 [2,069] of which 636 are old societies converted into share societies and 1,877 registered on a share basis.

Government sanctioned a scheme of establishing 10 multi-purpose societies in the province at a cost of Rs. 5,100. Since the close of the year, six have been registered and the rest are under investigation.

11. Education and supervision of societies.—The group system which is based on bifurcation of finance from education and supervision, and which was first introduced in 1929, was continued. The sub-committee appointed by the Federation Congress in 1937 met in June 1938 and reviewed the whole position and presented its report which was considered at the Federation Congress held in October 1938. The conclusion reached in the report was that the present system is the best in the circumstances and should be continued subject to modifications to be left to the local option. The committee was of opinion that there was no inherent defect in the system and that the difficulties and drawbacks which had come to notice arose from the financial depression which would be a common factor to any system, that scrapping of the system would not be of any advantage, financially or administratively, to the central banks, that nothing was to be gained by asking Government to impart education through its own staff and thereby duplicating the staff that will go round the societies

and that while the cardinal feature of the system remains the same, each division should be left to deviate from the system so as to suit local conditions. The variation contemplated by the committee was the setting up of a common cadre of society inspectors for intensive duty adopted first by the Nerbudda Division Institute and later by the Northern Division Institute.

Of the two banks, *viz.*, Wardha and Balaghat, who had held out from the Institutes, Balaghat agreed to join the Chhattisgarh Institute but the decision has not been implemented owing to certain differences which have arisen over the liability of the bank to contribute to the education fund of the Institute. The obstinacy of Wardha to keep to itself is inexplicable. The loss is that of the bank, and not of the Institute.

All the institutes had difficulty in balancing their budgets and clamoured for enhanced grants. Government could not sanction additional grants in view of its expanding expenditure on the co-operative movement consequent upon the land mortgage banks activities. Meanwhile, the department impressed on the institutes the advisability of living within their means, of husbanding their capital and of adjusting strength and scale of remuneration of the staff to the income and money available for expenditure on establishment.

Relations between the institutes and central banks were generally cordial, except in Chhindwara where the central bank disapproved of the retrenchment policy pursued by the institute and actually disaffiliated itself from the central organization. Good sense has since prevailed and the bank has decided to get itself restored to the institute.

The movement being overwhelmed with the problem of liquifying frozen overdues in order to maintain the financial stability, very little constructive work, except organization of new societies, could be attended to. Education, as such, was conspicuous by its absence, save in the areas of the Chhattisgarh banks. The group and assistant group officers were mainly engaged as bill collectors and land management agents and many co-operators asked the question whether, in these circumstances, education and supervision should not be suspended and *purbhaiyas* on small salaries should not be employed with possible better prospects of recoveries.

12. **Training and Propaganda.**—Two hundred and forty-one [262] rallies were held during the year, 210 in the Central Provinces and 31 in Berar. They were attended by 13,085 members of 2,401 societies and by 18,291 outsiders. The largest number of rallies was held in Chhattisgarh, Raipur continues to lead with 41 rallies and Bilaspur stands second again with 31. Agricultural and Veterinary Assistants attended 46 and 28 rallies, respectively.

The scheme of training and education of the co-operative staff and the members of primary societies, financed out of the Government of India grant was continued during the year. As in the preceding year, the educational staff of the department consisting of the Educational Inspector and his three assistants, conducted at Nagpur during the first half of the year six training classes for (i) Circle Auditors, Valuers of Land Mortgage Banks and Chief Group Officers, (ii) Society Auditors, (iii) Group Officers, (iv) Managers, (v) Assistant Group Officers and (vi) Accountants, for periods varying from one to three months. Two classes were conducted side by side during this period. At these classes 189 persons including 141 officials of the department and 48 outsiders received training. Of these, 118 employees and 19 private candidates came out successful at the examinations held after the different training classes.

In the second half of the year 37 training classes were held by the educational staff with the help of the Divisional Co-operative Institutes. These classes were attended by 2,022 members and office-bearers of rural societies including 537 literate persons. Each class lasted for about eight days and the elementary principles and methods of co-operation and the working of primary societies were explained in simple language. Literate members were taught how to write accounts, record minutes of societies' meetings and loan applications and calculate interest. A written test was held for the literate members and the illiterate members were examined orally. Of the 1,103 members that came out successful, 289 were literate and 814 illiterate. At least one class was organized in the area of each bank but the classes arranged in Nimar, Harda and Betul had to be cancelled on account of the prevalence of cholera in those areas. Bilaspur and Raipur Central Banks organized four training classes each. The members attending the training classes from places other than the one where the class

was held, were paid out-of-pocket expenses and conveyance charges up to a maximum of Rs. 3 per head, from the Government of India grant. A sum of Rs. 2,579 was disbursed on this account during the year. The Institutes have been advised to see that the services of the trained literate members are utilized in the writing of accounts, minute books and the loan applications, with the help of the field staff, if necessary. The value and utility of this training cannot be denied, but it is doubtful if the training is put to any practical use after return to their villages. I fear these people soon relapse into ignorance and apathy. However, in a matter like this the progress must be slow and quick results cannot be expected. The efforts must continue until there is a real and substantial awakening accompanied by a change in the angle of vision. The members must feel that the society belongs to them and they to the society.

13. General position.—The improvement noticed in the previous year in the economic condition of the agriculturists was unfortunately not maintained during the year under report. There was a decline in both the outturn and prices of the principal crops of the province, *viz.*, cotton, rice and wheat, with the result that the recoveries which are the life-blood of the movement suffered a set-back. The poorer financial condition of the people was further reflected in the growing demand for the withdrawal of deposits. Those who had entertained the hopes in the previous year that the economic cycle had taken a turn for the better were soon disillusioned. In spite of the unfavourable circumstances, or perhaps because of them, there was a record number (479) of new societies formed which is the most gratifying feature of the year. It cannot be denied that the demand for fresh societies has its roots in the contraction of credit following in the wake of the debt relief legislation which has in recent days characterised the relief policy of Government. The belief that co-operative societies would be needed more than in the past to meet the needs of the agriculturists has thus come true. The demand for new societies was common to the whole province, not excluding Berar, but it was most keen in the districts of the old Chhattisgarh division and Mandla and Berar. There was no relaxing in the severity of scrutiny of proposals, and only those which were credit-worthy were allowed to be passed. In Berar they were all short-term credit or crop-loan societies and loans were advanced at not

more than Rs. 5 per acre and mortgages were taken for all loans above Rs. 50 and in many cases for each and every loan. The bulk of the financing in Berar is now in crop-loan societies and the recoveries are satisfactory though I must sound a note of warning that it is yet too early to judge whether these societies have really benefited by the experience of the past and whether banks even now are taking steps not to allow the grass to grow under their feet in the form of overdues. The demand in Mandla came mostly from backward and aboriginal tracts where the people harassed by local money-lenders preferred to have transactions with a co-operative bank. The supervision over these far-flung societies, will be difficult but the honesty and conscientiousness of an average aboriginal, whose illiteracy may be taken as a blessing in disguise, may prevent the bank from coming to grief, if our experience of the movement in the Chhat-tigarh districts is any guide.

The balance sheet of the central banks and the Provincial Bank as a whole depicted in paragraph 9 shows that the financial position of the movement is still quite sound with over 50 per cent of the liabilities in a fluid form. The movement has nothing to fear from a financial landslide unless there is a sudden widespread, and unprecedented lack of confidence. The banks in Berar continued to be the weak spot in the movement. The consequences of the uneconomic management of land were not so manifest as long as the Provincial Bank was willing to meet the demands of the Berar banks for assistance, but this process could not obviously go on indefinitely. A perusal of the previous reports will show that it was never intended that the advancing of loans by the Provincial Bank to central banks for the repayment of their deposits should be anything but a temporary phase. Mr. Banerjee, the then Registrar, in his report for the year ending the 30th June 1931 was the first to sound a note of warning. He pointed out that the cry for loans for the repayment of deposits irrespective of the question as to whether it was safe for the Provincial Bank to interlock its short-term capital with central banks was raised on a misconception of the true function of an apex bank and cited the authority of the MacLagan Committee for the proposition that the Provincial Bank should finance only such central banks as it was safe to finance on business principles (*vide* paragraph 29 of his report) and this

policy was duly endorsed by Government, *vide* paragraph 4 of the Government Resolution No. 536-319-XIV, dated the 10th May 1932. To begin with, advances for the repayment of deposits were made by the Provincial Bank as a temporary accommodation, but the demand became increasingly insistent in the later years with the result that today as much as 33 lakhs of the Provincial Bank funds are locked up in central banks in Berar with doubtful prospects of recovery. The bulk of this loan to Berar is no doubt secured by mortgages and assignments of lands owned by or mortgaged to central banks, but that is a poor consolation, for the real difficulty would arise when the Provincial Bank would try to convert this landed security into cash. This process may well take years during which the accumulation of interest may, for all practical purposes, neutralize the value of the security. The Provincial Bank had continually to tackle this question and although it accommodated the central banks during the year, it was clear that the time was coming near when the bank would have to cry halt and would have to refuse to lock up any of its short-term capital in long-term investment either in Berar or elsewhere. This position actually arrived within four months of the close of the year and the result has been the failure of at least three banks in Berar to repay their deposits in full when due. The Provincial Bank was accused particularly in Berar, of following an unsympathetic, unco-operative and unapex-like policy. Some prominent co-operators felt that the motto of "all for one and one for all", which is the foundation of the co-operative edifice, should apply to even financial transactions between the Provincial Bank and the central banks and that all the banks in a truly co-operative world should swim or sink together. On the other hand, the Provincial Bank felt it must in the first instance safeguard its own position and, secondly, ensure that all transactions are justified on strictly financial grounds. Business, and not sentiment, must guide the relations between the apex bank and the central banks.

In Berar the two main problems were financial accommodation and land management. There was a steady drain of deposits which in the absence of better recoveries compelled the banks to fall more and more at the mercy of the Provincial Bank. Apart from this immediate cause of anxiety, the banks had no easy task in managing the vast areas of lands that they had to acquire much against their will. Berar now owns as

much as 57,000 acres of land and pays land revenue of only a little less than one lakh of rupees. These lands are scattered all over the division which renders efficient management at once difficult and expensive. The lands are in a neglected condition, having been left uncared for during the last few years of coercive recovery. The only concern of the owner was to catch as much crop as he could before he was forced by the collector finally to part with his land. The extent of deterioration cannot be better exemplified than by the instance of Akola where according to an agricultural expert, who was for long associated with the management of land under the Akola central bank, one-third of the total land is unfit for cultivation which the bank would do well to surrender to Government. The total lease money works out at 1.5 times the land revenue and the total recoveries just equal to land revenue. There is no margin for cost of management or for interest on the capital invested in the lands and a clear profit is, of course, out of question. This has led to annual deficits in the budgets of central banks ranging from Rs. 5,000 in Malkapur to as much as Rs. 60,000 in Akola and the tendency is for the deficits to widen as more lands are passing into the possession of banks. It is thus clear that revival of the movement in Berar is impossible so long as the question of land management is not satisfactorily settled. As to how this should be achieved is at present being actively investigated by a committee which Government has appointed since the close of the year.

The hire purchase system on the Burma model referred to in my report for the previous year, was brought into force in the area of the Yeotmal Central Bank and was also commended to the other central banks in the province. The scheme was modified in certain particulars, and especially in the rate of interest and the number of instalments, in order that the annual instalment should be within the paying capacity, without which no such scheme could ever hope to succeed. Even with this liberalization, the scheme has not proved particularly attractive and so far only 17 members of primary societies have taken advantage of it in respect of overdues amounting to Rs. 46,761. Stray cases are reported by other banks but on the whole it can be said that the hopes of solving the twin problems of liquefaction of frozen overdues and restoration of lands to ex-owners have remained singularly unrealized.

As against the dark background of Berar, there is the brighter picture of the movement in the rice tracts and especially in the banks of the old Chhattisgarh division. These banks witnessed an activity in the formation of new societies including non-credit and non-agricultural societies. Financing, recoveries amounting practically to cent per cent, absence of overdues, non-existence of coercion, no signs of bad or doubtful debts, and genuine interest by the honorary workers in the growth of the movement were the main features of the state of co-operation. They will gladden the heart of any co-operator. Co-operation here is a real live agency of rural credit.

The land mortgage banks are being increasingly availed of as they receive wider publicity. The policy of having at least one land mortgage bank in every district has been accepted and is being rapidly given effect to. Within a year, the net-work of the land mortgage banks for the entire province will have been completed. These banks have touched merely a fringe of the agriculturists but such progress as has been made is not to be scoffed at and considering the evil results that flowed from the policy of hectic expansion of co-operative societies in the early days of the movement, the policy of *festina lente* is sound. Mortgage banks functioning as a lever for conciliation and reduction of debts have been a disappointment. The terms of conciliation boards are so liberal and accommodating that the debtors naturally prefer them to mortgage banks. Instructions have been issued recently that the lure of ready cash should be fully exploited and creditors should be beaten down so as to give an instalment much within the paying capacity of the borrower. Also in calculating the liabilities, interest should not be allowed at more than the legal rates, no matter what the stipulated rates might be. In short, mortgage banks should be so manipulated as to ensure maximum benefit to the agriculturist in consideration of the ready cash made available to the creditor without recourse to trouble, litigation and expense. The above exposition of the present position of the movement makes it clear that while the movement has broken down in a major part of the province as an "instrument for raising the level of the agriculturist", it has still no rival in the field of rural economy for providing cheap agricultural credit. Liquidation of the movement and suspension of all co-operative activities will be a counsel of

despair. All creative genius must be mobilised to resuscitate the movement in the paramount interest of agriculture. The disease being desperate, the remedy must of necessity be desperate. Only a bold action can save the movement when it is in a state of collapse. Land management is the crux of the problem and any method, howsoever extraordinary or revolutionary, which can enable the movement to get rid of this parasite, which is slowly but steadily eating into the vitals of the plant of co-operative credit, would deserve the most sympathetic consideration. The next step would be to bring down rates of interest on deposits to the level of the Provincial Bank. An annual surplus will thus take the place of the recurring deficits and in course of time will serve to wipe out the capital or accumulated deficit. Debts due from members must be scrutinized, bad debt written off and good debt spread over in easy instalments, thus enabling frozen overdues to move once more. Side by side, the movement must embrace other forms of co-operative activities and banking facilities and supplant its income from purely rural business. Formation of new societies, financing of honest members of old societies, speedy disposal of coercive cases, widening of the scope of societies so as to become centres of comprehensive village activities, continuation of efforts at education and supervision and tightening of control over societies, may constitute the other main items in any practical programme for the *revivification* of the co-operative movement.

III.—THE WORKING OF AGRICULTURAL CREDIT SOCIETIES WITH UNLIMITED AND LIMITED LIABILITY

14. Number of societies.—The total number of primary credit societies with unlimited and limited liability, increased by 376 to 4,084, of which 3,414 were in the Central Provinces and 670 in Berar. Of the 670 societies in Berar, 13 are crop-loan societies with limited liability, registered during the year as an experiment. The increase was shared by all the banks in the province except Wardha and Balaghat in the III circle, Sihora and Murwara in the I circle, Hoshangabad and Harda in the IV circle and Amraoti, Pusad, Buldana and Khamgaon in Berar. The number remained the same as at the end of the last year in the three banks at Sihora,

Amraoti and Pusad, while in the remaining seven banks, it decreased. Four hundred and seventy-nine [197] new societies were registered, of which 339 were in the Central Provinces and 140 in Berar. In the III circle 68 and 47 societies were contributed by Bilaspur and Drug along with 46 each by Raipur and Bhandara and 19 by Warora. As many as 50 were registered under Mandla and the remaining 63 societies were shared by 11 other banks. In Berar, Yeotmal contributed 23 societies, Daryapur and Malkapur 20 each and Akola and Mehkar 18 and 17 respectively, while the remaining 42 were shared by other banks except Pusad.

One hundred and three [74] societies were cancelled, 51 in the Central Provinces and 52 in Berar. Bilaspur and Wardha are responsible for 12 each, while the remaining 27 societies are spread over 13 other banks sharing this cancellation. In Berar, Khamgaon heads the list with 13 societies and Buldana comes next with 11. For the remaining 28 societies Yeotmal, Amraoti, Malkapur, Ellichpur and Akola are responsible with 9, 7, 5, 4 and 3, respectively.

15. Working Capital and Membership.—The working capital of societies in the province excluding those under liquidation decreased from Rs. 1,08,26,940 to Rs. 1,05,39,352; in the Central Provinces it fell from Rs. 55,59,805 to Rs. 53,02,025. The loans due by members also fell from Rs. 83,27,893 to Rs. 81,26,882 (from Rs. 39,55,477 to Rs. 38,07,519 in the Central Provinces and from Rs. 43,72,416 to Rs. 43,19,363 in Berar). The total cash recoveries of central bank loans due from societies (including those under liquidation) increased from Rs. 6,71,999 to Rs. 6,91,556 in the Central Provinces, while they decreased from Rs. 3,29,160 to Rs. 1,62,629 in Berar. Cash recoveries from members of working societies, however, decreased from Rs. 8,19,442 to Rs. 7,88,873 in the Central Provinces and from Rs. 4,38,278 to Rs. 2,58,422 in Berar.

The membership of societies other than those under liquidation increased from 42,151 and 6,218 to 45,983 and 7,316 in the Central Provinces and Berar, respectively. The average number of members per society continued to be 13 as in the last year, the average being 13.5 in the Central Provinces and 10.9 in Berar. The average is low and there is much scope for enlarging the societies

in Chhattisgarh; Bhandara and Brahmपुरi where they are flourishing so well and where principles of co-operation are fairly well understood and practised. A society should not be a close preserve of a few. Attempts should be made to bring in its fold as many cultivators as possible consistent with its safety and unity.

16. Loans and purposes of loans.—The average loan per member, excluding members of societies under liquidation decreased from 172 to 152 in the province as a whole, the average in the Central Provinces being Rs. 83 [Rs. 94] and in Berar Rs. 590 [Rs. 703]. The total of loans advanced by societies to members increased from Rs. 17,20,905 to Rs. 19,78,121. Cash advances also increased from Rs. 7,53,173 to Rs. 9,32,903, being Rs. 7,50,673 [Rs. 6,26,265] in the Central Provinces and Rs. 1,82,230 [Rs. 1,26,908] in Berar, respectively. The purposes for which the loans were advanced are shown below :—

	Central Pro- vinces	Berar*	Total
	Rs.	Rs.	Rs.
1. For purchase of seed ..	20,617	2,810	23,427
2. For cultivation expenses ..	51,911	1,41,114	1,93,025
3. For purchase of bullocks and plough cattle	4,71,763	3,160	4,74,923
4. For agricultural implements	2,614	300	2,914
5. For purchase of land ..	13,226	2,695	15,921
6. For improvement of land ..	44,984	298	45,282
7. For house building and re- pairs	4,114	2,120	6,234
8. For payment of rent and revenue	35,942	4,213	40,155
9. For payment of old debts ..	10,187	550	10,737
10. For marriage and other ceremonies	8,513	260	8,773
11. For other purposes ..	86,802	24,710	1,11,512
Total ..	7,50,673	1,82,230	9,32,903

In the Central Provinces the largest amount was advanced for purchase of cattle, of which 73 per cent was absorbed in Chhattisgarh, where cattle mortality is the highest in the province and about 15 per cent was shared by Bhandara and Brahmपुरi and remaining 12 per cent being utilized by other banks.

17. Big borrowers.—Big borrowers or members owing more than Rs. 1,000 each were 247 or 0.61 [0.59] per cent of the total number of borrowing members in the Central Provinces and they absorbed Rs. 4,40,234 out of Rs. 38,07,519 or 11.6 [12.6] per cent of the total loans; while in Berar they were 932 or 15.3 [16] per cent of the total number of borrowing members and were responsible

for loans amounting to Rs. 34,32,279 out of Rs. 43,19,363 or 80 [77.2] per cent of the total outstandings against members. There were 175 [146] members owing more than Rs. 5,000 each, responsible for a sum of Rs. 19,06,551. Amraoti, Morsi, Yeotmal and Akola have 70, 36, 18 and 31 such members, respectively. The problem of big borrowers continues to be formidable in Berar, where the movement is facing a crisis. There is no big borrower at all in any of the Chhattisgarh banks, where the movement is at its best. These facts throw a flood of light on the working of the movement in the two parts of the province and explain the cause of failure in one and success in the other. The department has been tirelessly pressing the banks to show no mercy to these exploiters who have brought ruin in the societies and the movement. I have to note with regret that Morsi, Wardha and Sihora banks still have a soft corner for them. One reason for this is that some of the big borrowers are office-bearers or in the managing committees of these banks. The rule disqualifying defaulters is circumvented by the system of renewals.

18. Repayments and overdues.—The proportion of overdues in the loans of societies (excluding those under liquidation) against members has come down to 60.7 [69.9] per cent in the Central Provinces while it has gone up to 93.9 [92.2] in Berar. Including renewals the percentage would be 67.7 [75] and 94.2 [92.2] in the Central Provinces and Berar, respectively. The renewals granted in Berar were nominal for Rs. 12,269 only. Out of 4,084 societies, 651 in the Central Provinces and 212 in Berar failed to pay even the interest during the year (530 and 206 respectively). The number of societies which took no loans from central banks was 1,571 [1,616] in the Central Provinces and 144 [136] in Berar.

19. Classification of societies.—The result of the audit classification for 1937-38 is compared below with that for 1936-37 :—

	1936-37			1937-38		
	Central Provinces—	Berar	Total	Central Provinces	Berar	Total
A—Very good ..	2	2	4	5	3	8
B—Good ..	93	34	127	123	22	145
C—Fair ..	1,967	235	2,232	1,991	318	2,309
D—Bad and unco-operative	766	156	922	711	143	854
E—Financially dangerous	158	63	221	199	45	244
Total ..	2,986	520	3,506	3,029	531	3,560

Three societies in the Central Provinces and one in Berar have been promoted from B to A class. Similarly there has been an increase in B class societies in the Central Provinces. In Berar, however, a large number of societies have deteriorated and gone to a lower class.

The number of C class societies has increased, while that of D class decreased in the Central Provinces and Berar both. As against this decrease in D class societies, the number of E class societies has increased in the Central Provinces. The decrease in E class societies in Berar is due to the liquidation of the most ineffete of these societies. On the whole the position both in the Central Provinces and Berar has slightly improved, which may perhaps be a tribute to the persistent efforts of Government to ensure better education and supervision.

20. Reorganization of societies.—Out of the 35 central banks the work of reorganization was taken in hand by 32 central banks. 609 societies in all were chosen for this purpose. Of these 68 societies were finally organized (63 in the Central Provinces and 5 in Berar), 59 rejected and the rest kept for further trial. Thus in all 127 societies out of 609 were either finally organized or rejected. Although there is a great improvement as compared with the figures of the preceding year, many central banks did not devote adequate time and energy to this important work on the success of which depends the rehabilitation of the movement. The necessity of concentrating on this work cannot be over-emphasized. The co-operative movement has much to gain from a timely reorganization of a decadent society. It should be remembered that a stitch in time saves nine. Reorganization, while the society still retains rudiments of life, is far easier than revival of a dead society or organization on the ashes of an old society. The difficulty of organizing new societies in Balaghat despite plenty of funds is an instance in point.

21. Rates of interest.—The rate of interest charged by banks to societies varied between $6\frac{1}{2}$ to 10 per cent. Five banks in the Central Provinces and six banks in Berar charged differential rates of interest.

The policy of allowing the interest on reserve funds to be used for reducing the rates of interest was continued with the effect that in societies the rates of interest to members ranged between 4 and $10\frac{1}{2}$. The bulk of

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members are not required to pay more than $8\frac{1}{2}$ per cent on their loans. Attempts are being made to bring down the lending rate in the case of other members. Central Banks are being pressed to cut down their expenditure and reduce their rates of interest on deposit so that they may be able to lower their lending rate and thus pass on the benefit of cheap capital to the members of primary societies for whom the movement mainly exists. The rates are still high in Chhattisgarh where management expenses are high owing to small individual loans. Weak banks are afraid of lowering rates of interest on deposits lest they should lose their capital and have to face a financial crisis.

22. Deposits in societies.—Deposits in societies further decreased from Rs. 3,16,179 to Rs. 2,84,242 in the province as a whole. In the Central Provinces the deposits of members increased from Rs. 86,076 to Rs. 90,950 while those of non-members decreased from Rs. 10,442 to Rs. 8,277. In Berar there was a further decrease in members' deposits from Rs. 30,245 to Rs. 20,992, and in non-members' deposits from Rs. 1,89,416 to Rs. 1,64,023. The poor deposits of members are an indication of both the economic depression and the absence of a spirit of thrift among members of societies.

IV.—LAND MORTGAGE BANKS

23. At the beginning of the year under report there were 12 primary land mortgage banks working in the province. Seven new banks were registered during the year at the following headquarters :—

Central Provinces.

- | | |
|------------|----------------|
| 1. Mandla. | 3. Chhindwara. |
| 2. Drug. | 4. Khandwa. |
| 5. Saugor. | |

Berar.

- | | |
|--------------|-----------|
| 1. Khamgaon. | 2. Akola. |
|--------------|-----------|

The total number of land mortgage banks at the close of the year was 19. Since then one bank has been registered at Hoshangabad. The proposals for land mortgage banks for the Betul district and the Damoh sub-division are under preparation. All the banks except Akola and

Saugor were working during the year. Akola and Saugor were busy preparing the ground by collection of share capital, having been registered towards the close of the year. The following figures will show the working of the banks during the year :—

1. Number of members	..	3,107	[	2,234]
2. Number of applications	..	1,479	[	500]
3. Total amount of loan applied for	..	Rs. 17,18,537	[Rs. 6,01,570]	
4. Number of applications rejected	..	339	[	613]
5. Number of applications sanctioned	..	348	[	286]
5. Number of applications pending	..	857	[	281]
7. Loans advanced	..	Rs. 3,79,245	[Rs. 2,64,385]	
8. Loans recovered	..	Rs. 54,481	[Rs. 17,727]	
9. Loans outstanding on the 30th June 1938.		Rs. 7,16,089	[Rs. 3,85,753]	
10. Overdues	..	Rs. 6,479	[Rs. 2,076]	
11. Cost of management	..	Rs. 10,750	[Rs. 7,773]	
12. Share capital	..	Rs. 85,451	[Rs. 59,274]	
13. Deposits (temporarily held at the end of the year from individuals).		Rs. 63,445	[Rs. 30,064]	
14. Provincial Bank loan outstanding	..	Rs. 6,63,068	[Rs. 3,52,573]	
15. Working capital	..	Rs. 8,12,030	[Rs. 4,42,092]	

There was a slight increase in the volume of work. In tackling the problem of long-term and heavy indebtedness we have merely touched the fringe, but slow and steady progress is to be preferred to spectacular advance based on incomplete scrutiny and exaggerated repaying capacity. The Nagpur, Sihora, Narsinghpur, Raipur, Yeotmal, Amraoti, Basim and Mehkar banks have done better than the banks at Wardha, Chhindwara, Seoni, Khandwa, Bilaspur and Bhandara, all of which except Seoni and Bhandara started work in the latter half of the year. Although there is a slight improvement in the Bhandara and Seoni banks, the business done by them is very small and they have still to justify their existence. Saugor, Mandla, Drug, Akola and Khamgaon banks did not advance any loans.

During the year 1,479 applications were received as against 500 in the previous year. The increase is due partly to the registration of new banks and partly to the increasing demand for loans in the older and better established banks. The number of loan applications sanctioned has also increased. As the bank authorities have become familiar with the requirements of the department and the Provincial Bank, they do not send up weak and unsound applications and naturally the percentage of rejected loan applications has fallen. It is observed that when a new bank is established, there is a rush of applications but as the proper procedure is understood, untenable cases do not come up and the business returns to normal proportions. The bank also

takes some time to assimilate the conditions precedent to sanction of loans, but as experience is gained the weak or "sporting" applications are weeded out in the early stage and only good or border-line cases are sent up for sanction. There is also a tendency for a rush of applications in the last quarter which makes it difficult to come with all loan applications. It has not yet been possible to give one Government valuer to each land mortgage bank. These factors account for the accumulation of undisposed of applications at the close of the year.

Instalments fell due only in the 10 old banks and the total cash recoveries from them during the year amounted to Rs. 54,481, Rs. 32,475 towards principal, Rs. 19,982 towards interest and Rs. 2,024 as advance payment of future kists from 19 borrowers in the area of the Raipur Land Mortgage Bank. In some banks, some borrowers have paid their debts in full. The overdues of 10 old banks amounted to Rs. 9,728, Rs. 6,479 on account of principal and Rs. 3,249 on account of interest. Since the close of the year the Raipur and Yeotmal Land Mortgage Banks have recovered the overdue amounts in full. In some banks a part of the overdues has been recovered. The question of postponement of instalments in case of crop failures is under the consideration of the department. With all the care and strictness in estimating the value of assets and particularly the paying capacity, even at the risk of the progress being called unsatisfactory, the demon of overdues is already raising its head in the land mortgage business, but it is a matter for gratification that the banks are determined not to allow grass to grow under their feet and with one solitary exception, lost no time in putting the coercive machinery into motion.

During the year under report, Nagpur, Raipur, Yeotmal, Amraoti and Narsinghpur were the only banks which earned a profit. So far no bank has declared any dividend but out of the above banks Narsinghpur and Raipur banks have got sufficient realized profit for declaring a dividend of about 3 per cent. The Nagpur, Bhandara, Raipur, Yeotmal, Amraoti, Basim, Seoni, Narsinghpur and Sihora banks were given grants to the extent of Rs. 3,532 by the Provincial Government for making good the deficit for 1935-36 and the Nagpur, Bhandara, Basim, Seoni and Sihora banks Rs. 1,955 for recouping the deficit for 1936-37. The grants for both the years were distributed to the banks during the year 1937-38.

Mehkar bank showed profit even without a grant. The Sihora, Seoni and Bhandara banks, though old, have not yet been able to wipe out their losses in spite of Government grants for two years. The other banks were new and started work during the year under report and naturally suffered a loss. The total loss which these banks have to make up is Rs. 1,760.

The functions of the central land mortgage bank continued to be performed by the Central Provinces and Berar Provincial Co-operative Bank, Ltd., Nagpur. It has been decided to take up the question of the establishment of a central land mortgage bank when the land mortgage banks business exceeds Rs. 15 lakhs. The Provincial Bank floated the second series of debentures at $3\frac{1}{2}$ per cent for an amount of Rs. 3 lakhs on the 1st October 1937, which were over-subscribed. The total debentures floated by the Provincial Bank till the close of the year amounted to Rs. 4 lakhs. The total Provincial Bank loan due from land mortgage banks being Rs. 6,63,068 at the close of the year; the excess of Rs. 2,63,068 represented the general funds of the Provincial Bank locked up in the land mortgage bank business.

There was a demand from several land mortgage banks, and particularly those working in paddy tracts of the east, that the minimum limit for a loan should be reduced from Rs. 250 to Rs. 150 for the Central Provinces. There was, on the other hand, a demand from some banks that the maximum should be raised from Rs. 10,000 to Rs. 25,000. In response to these reasonable demands and also with a view to making the benefits of land mortgage banks available to a larger number of agriculturists, a proviso was added with the permission of the Provincial Government to byelaw 45 lowering the minimum limit of a loan from Rs. 250 to Rs. 150 and raising the maximum from Rs. 10,000 to Rs. 25,000.

The attitude of the urban public was on the whole sympathetic towards the land mortgage bank movement. The rural population has been taking advantage of the movement in increasing numbers. The entire province has been covered with land mortgage banks except Chanda and Balaghat districts. No demand for a land mortgage bank has been received from the Balaghat district, but some of the residents of Brahmapuri made a request during the year for an early establishment of a

land mortgage bank for the Chanda district with headquarters at Brahmapuri. Steps will be taken shortly to start the work of organizing land mortgage banks for the Chanda and Balaghat districts.

The chapter on land mortgage banks cannot be complete without a word of gratitude to Rao Bahadur H. S. Munje who worked as legal adviser to the Provincial Bank free of remuneration and gave of his best in all complicated cases referred to him either by the Managing Director or by me.

V.—CENTRAL BANKS

24. Number of central banks.—The number of central banks continued to be 35.

25. Capital and resources, loan outstanding and bad and doubtful debts.—The total working capital of central banks increased to Rs. 2,45,81,314 [Rs. 2,45,46,639]. The share capital declined further to Rs. 15,78,195 [Rs. 15,97,438]; it fell from Rs. 10,12,112 to Rs. 10,01,734 in the Central Provinces and from Rs. 5,85,326 to Rs. 5,76,461 in Berar. The reduction is mostly due to the redemption of shares held by members of societies brought under liquidation. Reserve and other funds, however, further increased to Rs. 53,46,402 [Rs. 51,46,315], out of which a sum of Rs. 33,15,111 was earmarked as provision for bad and doubtful debts. The total loans outstanding against affiliated societies increased to Rs. 1,30,72,932 [Rs. 1,30,14,480]. It increased to Rs. 48,49,513 [Rs. 48,32,770] in the Central Provinces and to Rs. 82,23,419 [Rs. 81,81,710] in Berar. Bad debts amounted to Rs. 10,75,247 and Rs. 32,85,661 and doubtful debts to Rs. 3,46,009 and Rs. 18,120 in the Central Provinces and Berar, respectively. Bad debts decreased in the Central Provinces by Rs. 75,247, while they increased in Berar by Rs. 2,14,268. Doubtful debts decreased in the Central Provinces and Berar by Rs. 17,829 and Rs. 8, respectively. The percentage of bad debts to the total loan outstanding works out in the Central Provinces at 22.2 and in Berar at 40 per cent, while that of doubtful debts at 7.1 and 0.2, respectively. In Chhattisgarh bad debts are nominal amounting to Rs. 1,574. The estimating of bad debts is a difficult matter in Berar owing to different views held by different people regarding value of land. A slight variation in land values makes all the difference in the assets of members, societies and banks.

26. Deposits.—Deposits from individuals decreased to Rs. 1,18,95,206 [Rs. 1,22,90,072] for the province as a whole. In the Central Provinces they increased to Rs. 51,08,596 [Rs. 50,70,766], while in Berar they decreased to Rs. 67,86,610 [Rs. 72,19,306]. Withdrawals in cash totalled Rs. 17,88,175 in the Central Provinces and Rs. 39,28,863 in Berar. Fresh deposits received in cash amounted to Rs. 20,64,486 in the Central Provinces and Rs. 34,35,440 in Berar. There is a marked decrease of about a lakh and a half in each of the Amraoti and A'ola banks. Other banks also share the decrease except Yeotmal and Malkapur, where deposits increased by Rs. 36,000 and Rs. 8,000, respectively.

Out of the 35 central banks in the province, the fluid resources maintained by the 20 [24] banks exceeded the percentage prescribed for the fixed, savings bank and current deposits, while that of 15 [11] central banks fell short of the standard. At the close of the year, the amount repayable during the next 12 months was Rs. 49,35,021. Out of this a sum of Rs. 2,86,872 was in deposit with the Provincial Bank which maintains an adequate cover for it. The cover required for the balance of Rs. 46,48,149 was Rs. 26,25,849. Against this the total fluid resource of all the central banks amounted to Rs. 20,36,999 out of which a sum of Rs. 9,46,623 was invested in Government securities or held in cash or cash credits granted by the Provincial Bank and other joint stock banks. The position of the fluid resource of the central banks as a whole is not satisfactory. The increase in the number of deficit central banks is due to some central banks returning high rated deposits from their fluid resource in cases in which the depositors declined to renew their deposits at reduced rates of interest. This will reduce the annual interest charges of the banks and enable them to make up the deficit in their fluid resource in the long run, provided that the confidence of the public in the banks is maintained as at present.

27. Cost and profits.—The cost of management increased to Rs. 1,08,282 [Rs. 1,08,070] and Rs. 82,943 [Rs. 76,011] in the Central Provinces and Berar, respectively. For the province as a whole the cost increased from Rs. 1,84,081 to Rs. 1,91,225. The net profits during the year decreased to Rs. 1,26,399 [Rs. 2,59,475].

The sharp fall is explained by stoppage of interest by some banks combined with losses consequent upon settlements through debt conciliation proceedings. The unrealized and overdue interest amounted to Rs. 26,04,343 [Rs. 25,74,886]. Twenty-three central banks were not able to distribute any dividend. Nine banks in the Central Provinces paid dividend at rates varying from 2 to 6 per cent, and in Berar, three banks—Darwha, Yeotmal and Pusad—paid dividend at $2\frac{1}{2}$, 3 and 5 per cent, respectively.

28. Working of central banks.—The problems confronting the central banks during the year were practically the same as before. In the I circle, the condition of the Jubbulpore bank continued to cause anxiety. As the bank authorities have reduced rates of interest on deposits, paid off high rated deposits and changed the Manager as advised by the department, there is reason to hope that the affairs of the bank may improve. The management, however, must make every effort to arrest deterioration. Condition of the Sihora bank has worsened and its control may have to be taken over by the Provincial Bank. Dissensions among the office-bearers and consequent lack of interest in the affairs of the bank characterize the Murwara bank. The future of the bank will not be hopeful unless the honorary workers can compose their differences and work whole-heartedly in the interest of the bank. Damoh and Saugor banks are vegetating and lack vitality. With a greater and closer control of the staff Seoni bank is capable of showing better results. The Mandla bank is the bright spot in this circle and continues to maintain its good record. Mandla is to be particularly complimented on its fresh organization and its attempts to carry the message of co-operation to the doors of its backward, aboriginal population.

In the III circle, the Raipur, Bilaspur and Drug continued to be the best managed banks in the province, the Brahmपुरi bank coming out as the next best. These banks have all the signs of a healthy life. There are no bad and doubtful debts and no lingering liquidation; formation of new societies proceeds apace; fresh finance is adequate; and members, though illiterate, are not ignorant of the basic principles of co-operation. Want of local enthusiasm has told adversely on the growth of the movement in the Balaghat bank which is financially

very sound. Wardha and Warora banks are deteriorating, while the affairs of the Nagpur bank leave much to be desired. Reorganization and the breaking of fresh ground are the greatest needs of these banks.

In the IV circle, the Nimar bank is easily the best. It should try to pass on the benefits of its prosperity to the members of the primary societies. The Harda and Betul banks have maintained their reputation for soundness while the Narsinghpur bank has distinctly improved. The affairs of the Hoshangabad bank have worsened owing to dissensions among the directors. The Chhindwara bank is financially fairly sound although there is a great scope for improvement in the working of the bank. Recently the authorities of the Harrai Pagara Zamindari have been taking considerable interest in the movement and there are good chances of a number of societies of different kinds such as cattle-breeding, dairy, credit, etc., springing up in the Zamindari under the aegis of the Chhindwara Central Bank. The Piparia bank has recently effected a change in the management. The Board of Directors and Managing Committee have been suspended and in their place an Officer in charge and a committee have been appointed in which the Registrar and the Provincial Bank will have a controlling voice. It is hoped that under the new order the bank will be put on its legs again.

In Berar, the movement is, as graphically described by one of the *ex*-Registrars, on the edge of a volcano. A catastrophe may have occurred at any time and was averted by the help of the Provincial Bank against canons of sound business. On the one hand, to curtail annual expenditure, banks had to retire old deposits and on the other hand financial accommodation was difficult to obtain. Land was pouring in through coercive action but it could not be made to pay more than bare land revenue. The only hope of Berar seems to lie in appreciation of land values, for which there are no indications, or in early disposal of land combined with financial accommodation until restoration of normal conditions.

VI.—PROVINCIAL BANK

29. Working of the year.—The working capital of the Bank has increased to Rs. 1,64,98,915 [Rs. 1,52,33,198]. The net profit which amounts to Rs. 46,859 [Rs. 45,790] shows a slight increase. The

amount due from central banks and societies on account of loans, cash credits and overdraft accounts increased from Rs. 33,82,391 to Rs. 37,22,434 of which Rs. 7,32,305 [Rs. 10,50,073] were due from the Central Provinces and Rs. 29,90,130 [Rs. 23,32,319] from the Berar banks and societies. Against the ordinary loans and cash credits due by banks and societies in the Central Provinces, the Bank holds security of Government paper of the face value of Rs. 5,000, fixed deposit receipts of this Bank aggregating Rs. 1,04,634, building mortgages of Rs. 4,000 and a charge on the fluid resource of Rs. 2,000. Besides these, the loans due by the Narsinghpur Landlords' Society aggregating Rs. 66,857 are fully secured by the mortgages of the village shares of members. Similarly; all the loans due by housing societies are adequately secured. As against the loans and cash credits, etc., due by Berar banks the security offered is the aggregate area of 31,643 acres, fixed deposit receipts of Rs. 28,000, Government paper of the face value of Rs. 2,02,000 and building mortgages of Rs. 35,000. Besides these, Rs. 30,676 due by the Amraoti Central Bank are secured by the reserve funds of the societies in liquidation or awaiting liquidation. The Bank is associated with the management of two central banks in Berar and one in the Central Provinces and has so far been meeting the calls of its depositors satisfactorily. No loans are usually advanced or cash credits granted without the security of mortgages of central banks' own lands or assignments of lands belonging to members of societies made by the latter in favour of central banks, Government paper or fixed deposit receipts of this Bank. Since the close of the year two more banks in Berar, *viz.*, Khamgaon and Akola, have gone under similar management. The Provincial Bank has cried halt in the matter of long-term finance to banks with the consequence that some banks are unable to make repayments of deposits.

Rates on fixed deposits varied from $1\frac{3}{4}$ to $3\frac{1}{2}$ per cent, while the rate on savings bank continued to be $1\frac{1}{2}$ per cent. Except in the case of Registrar's deposits, there has been an all round increase in the deposits of all kinds. The Registrar's deposits decreased to Rs. 53,22,816 [Rs. 55,99,476], while those from the individuals and central banks rose to Rs. 48,75,394 [Rs. 40,37,953] and Rs. 11,77,737 [Rs. 11,01,593] respectively. The savings bank and current deposits increased to Rs. 24,31,141 [Rs. 22,92,757]. The cash

recoveries of loans during the year decreased to Rs. 4,87,717, while the cash advances rose to Rs. 2,47,530. Drawings against cash credits amounted to Rs. 9,94,282, while credits amounted to Rs. 5,40,467. Overdues from central banks and societies amounted to Rs. 7,64,217 [Rs. 16,45,888], the decrease being partly due to the fact that long and easy instalments have been granted to some of the central banks which have given security for the loans outstanding against them.

30. Surplus funds, share capital, reserve fund, etc.—The Bank continued to have surplus funds which ranged between Rs. 7,00,000 and Rs. 33,00,000 during the year. In the absence of more profitable channels of investment, these were invested partly in Government paper and other gilt-edged securities and partly in short-term deposits with commercial banks within and without the province and with some apex co-operative banks in the country.

The share capital and reserve fund of the Bank amount to Rs. 5,24,020 [Rs. 5,23,870] and Rs. 5,00,000 [Rs. 4,05,000] respectively. The provision for bad and doubtful debts has been further augmented by Rs. 34,000 so as to raise it to Rs. 5,84,000 [Rs. 5,50,000] which represents about 75 per cent of the overdues. The Bank's other funds amount to Rs. 1,35,427 [Rs. 1,53,620]. Thus the Bank's own capital works out at 10.5 per cent of the borrowed capital. Further, the current value of the Bank's investments in Government paper is considerably in excess of what appears on the balance sheet and this latent reserve is a source of additional strength. The bank declared a dividend of 4 per cent. The financial position of the bank continues to be strong and will provide a safe rallying post to the co-operative movement in times of danger or distress.

For its present position of tower of strength to the co-operative movement in the province, the Bank owes a debt of gratitude to its Chairman and Managing Director Sir Madho Rao Deshpande, K.B.E., whose wise, cautious and careful management has evoked admiration from all interested in the welfare of the movement. Surrounded by a number of weak banks always wanting loans, often without security, his has been an unenviable position. If he agreed to advance loans he was accused by the members of his Managing Committee of weakness, of unsound business and of jeopardizing the apex bank. If he insisted on security or refused loans, he was accused

of being unsympathetic, prejudiced and grasping. Thanks of all are due to him for discharging an onerous duty in the best interest of the apex bank as well as the co-operative movement. In his difficult task he was ably assisted by his colleagues in the Managing Committee, viz., Messrs. Lakhe and Kocher among others.

31. The Federation.—The annual Federation Congress met at Jubbulpore in August 1937 when the inaugural address was delivered by the Hon'ble Pandit Ravi Shankar Shukla, Minister for Education (now the Prime Minister). Mr. K. G. Ambegaonkar, I.C.S., Officer-in-charge, Agricultural Credit, Reserve Bank of India, was also present. The Congress discussed several important questions, such as, Bulletin No. 1 issued by the Credit Department of the Reserve Bank of India containing the report on the banking union at Kodinar, Statutory report of the Reserve Bank, insertion of new rules, review of the system of education and audit of primary co-operative societies, abolition of *per capita* subscription, etc. One of the important rules passed by the Congress was that no member who was a defaulter to the society for a period exceeding 12 months could be appointed to its committee or to the committee of another society or to represent the society in another society. As regards review of education and audit of primary co-operative societies the matter was referred to a sub-committee appointed by the Congress which will be dealt with in the next year's report.

VII.—(i) THE CENTRAL PROVINCES AND BERAR CO-OPERATIVE FEDERATION, AND (ii) THE CO-OPERATIVE INSTITUTES, NORTHERN NERBUDDA, CHHATTISGARH, NAGPUR AND BERAR DIVISIONS

32. The Institutes.—The province continues to be divided into five institutes and all the banks except Wardha have been affiliated to them. The Balaghat bank joined the Chhattisgarh Institute in the beginning of the year under report but, owing to differences which have cropped up between the bank and the institute on the question of contribution, the work of supervision and education of societies under this bank has not been undertaken by the Institute. I hope these institutions would make up their differences early and act in a really co-operative spirit for the well being of the members. I would advise the Wardha bank to join the Nagpur

Institute and take advantage of its larger resources and varied experience. It is waste of money, time and energy to continue to plough one's lonely furrow.

During the year the Nerbudda Institute adopted a reorganization scheme of its staff to balance its budget, by which the cadre of group officers and assistant group officers was combined into one called society inspectors. Their scale of pay is fixed at Rs. 20 to Rs. 30 and they are placed in charge of 20 societies each. The Northern Institute has followed suit by adopting a similar scheme since the close of the year. The scale of pay of the society inspectors is fixed at Rs. 15 to Rs. 35 and they are placed in charge of 25 societies each. The Chhindwara Central Bank which was affiliated to the Nerbudda Institute did not, however, agree with the above scheme and it gave a notice of withdrawal which was accepted by the Institute. The bank reconsidered the question and has requested the Institute for its reaffiliation. The matter is under the consideration of the Institute. The ninth session of the Berar Co-operative Conference was held at Khamgaon on 11th July 1937 under the presidency of the Hon'ble V. Ramdas Pantulu (President, All India Co-operative Institutes' Association), in which several important questions were discussed, such as, formation of a co-operative banking union for Berar, establishment of societies for doing the work of town banks, etc. Government continued to make grants to the institutes totalling Rs. 24,000 as in the previous year. The grants are considered inadequate by the institutes and have been enhanced by Rs. 5,000 in the current year. There is obviously a limit to increase in grants by Government and the remedy to balance the budgets lies in controlling expenditure, even at the cost of some efficiency, and in raising revenue by formation of new societies.

VIII.—AGRICULTURAL SOCIETIES FOR PURPOSES OTHER THAN CREDIT

33. The number of such societies rose by seven to 79. They consist of two landholders' associations, 52 agricultural associations, 16 seed unions and nine adat shops. Seven agricultural associations and one seed union were registered during the year, while the registration of one adat shop was cancelled.

The main activity of the two landholders' associations at Mehkar and Narsinghpur continues to be

the advancing of loans to their members. Their working capital and reserve and other funds amounted to Rs. 1,69,707 [Rs. 1,78,810] and Rs. 17,443 [Rs. 17,056], respectively, and they made a profit of Rs. 2,298 [Rs. 3,471]. The working capital and the reserve and other funds of the agricultural associations increased to Rs. 1,75,926 and Rs. 61,748 [Rs. 1,68,809 and Rs. 60,589], respectively, while their profits decreased to Rs. 8,081 [Rs. 9,942]. Their membership rose from 2,095 to 2,253.

IX.—NON-AGRICULTURAL CREDIT SOCIETIES WITH UNLIMITED LIABILITY

34. Eleven societies of this class were registered during the year and the registration of one was cancelled. The total number now stands at 45 with a membership of 672 (35 and 517), respectively. The working capital and outstanding loans rose to Rs. 50,106 and Rs. 38,874 [Rs. 46,314 and Rs. 34,834], respectively.

X.—NON-AGRICULTURAL SOCIETIES WITH LIMITED LIABILITY

35. Six new societies of this class (clerks' societies) were registered during the year. The number thus increased to 50 [44]. The membership also increased to 21,384 [19,865]. The working capital and loan outstanding have gone up to Rs. 15,72,657 and Rs. 13,37,734 [Rs. 15,25,705 and Rs. 13,08,641], respectively. They made a profit of Rs. 72,661 [Rs. 75,400]. These societies are doing well and their number may well be increased.

XI.—NON-AGRICULTURAL SOCIETIES FOR PURPOSES OTHER THAN CREDIT

36. The total number of such societies at the close of the year was 89 [53], 18 of which were for purchase and sale (stores), two dairies, 10 industrial associations, 17 housing societies, 14 thrift societies, five adult education societies, four compulsory education societies, nine better living societies, two village development societies, two cattle-breeding societies and six general purposes societies.

The membership and the working capital of the stores increased from 880 to 1,234 and from Rs. 75,217 to Rs. 77,248, respectively. The sales of goods also rose from Rs. 1,02,151 to Rs. 1,09,466 and profits from Rs. 7,869 to Rs. 9,297.

The Telinkheri Dairy at Nagpur which is managed by the Agricultural Department is flourishing; the other registered at Drug last year has also made a good start. Their membership and working capital were 33 and Rs. 16,995. The sales of goods amounted to Rs. 30,283 and they made a profit of Rs. 870.

Ten industrial associations include the Central Provinces and Berar Weavers' Co-operative Society, Nagpur, for which aid from the Government of India has been received for the development of the handloom industry. It had 349 [343] members and working capital (including Government loan of Rs.10,490) of Rs. 14,049 [Rs. 25,750]. It worked at a profit of Rs. 1,472 [Rs. 767] during the year. Yeotmal industrial association with 81 members and the working capital of Rs. 8,506 made a profit of Rs. 180. Chhindwara industrial association with the membership and working capital of Rs. 25 and Rs. 2,207 earned a profit of Rs. 128. The Betul traders' industrial association registered during the year started work with 14 members and made a profit of Rs. 22. The other associations remained dormant.

The number of housing societies increased by seven to 17. Their membership and loans outstanding rose to 673 and Rs. 5,79,659 [487 and Rs. 5,61,582] respectively. The working capital, however, decreased to Rs. 6,54,477 [Rs. 6,75,806]. The number of thrift societies increased from 10 to 14. The membership decreased by one to 247, while the working capital rose from Rs. 16,844 to Rs. 17,284. The adult education society at Yeotmal with 38 members and working capital of Rs. 1,220 made a profit of Rs. 50. The better living society at Kelwad in Chikhli taluq of Buldana district worked with 31 members and a working capital of Rs. 141 and made a profit of Rs. 19. The cattle-breeding society at Raipur registered during the year started work with 139 members and made a profit of Rs. 53.

Similarly three general purposes societies registered during the year at Umaranala, Rohankalan and Gangiwada in the Chhindwara district started work with 65 members and a working capital of Rs. 713, while the other two such societies in the same district and one in Betul, four adult education societies in the Jubbulpore district, four compulsory education societies and one better living society in Sohagpur tahsil, seven better living societies in Chhindwara, Raipur and Bilaspur districts,

one cattle-breeding society at Drug and two other societies, *viz.*, village development societies at Akola and village uplift society at Kherda in Khamgaon taluq, did not start work. The progress in the organization of non-agricultural non-credit co-operative societies is slow notwithstanding the vast field crying out for exploitation, but this is inevitable in view of the back-ground of failure of the orthodox co-operative society for primary rural credit. It is better that the demand should be spontaneous and from within.

XII.—RESERVE FUNDS

37. The reserve funds of societies of all kinds increased to Rs. 71,55,963 [Rs. 69,75,882]. That of the Provincial Bank amounted to Rs. 5,00,000, of the central banks Rs. 14,25,425, of the primary and other agricultural societies to Rs. 49,96,873 and of other kinds of non-agricultural societies to Rs. 2,33,665. The figures include the reserve funds of societies under liquidation which amounted to Rs. 23,81,302. Reserve funds constituted 5.8 [5.6] per cent of the working capital of central banks and 24.4 [25.1] per cent of primary societies.

38. Out of the total reserve fund of the movement amounting to Rs. 71,55,963, a sum of Rs. 34,55,751 is invested in Government securities and Post Office Cash Certificates. The balance of Rs. 37,00,212 is mixed up in the working capital of banks and societies as detailed below :—

	Rs.
In Provincial Bank shares ..	4,82,890
In Central Bank shares ..	37,210
In Reserve Bank shares ..	10,100
In the working capital of share societies and societies under reserve fund scheme.	6,66,972
Uninvested ..	25,03,040
Total ..	37,00,212

The value of this policy of investing a substantial portion of the reserve fund outside the movement so as to be readily available in a fluid form is now being appreciated when the movement is in need of immediate financial accommodation.

XIII.—DISPUTES AND LITIGATION

39. Awards.—The number of final awards issued during the year increased from 1,057 to 1,087, while draft awards issued decreased from 1,130 to 1,049. All these awards were issued against members of societies. At the close of the year the total number of awards outstanding in the Central Provinces decreased to 3,459 [4,104] the amount involved being Rs. 13,79,039 [Rs. 16,86,899]. Out of these, 332 involving Rs. 7,87,272 were against societies and 3,127 involving Rs. 5,89,807 against members. In Berar the total number of awards outstanding was 1,233 [1,410] involving Rs. 21,33,537 [Rs. 25,99,674] out of which 50 involving Rs. 6,63,349 were against societies and 1,183 involving Rs. 14,70,188 against members. Thus in the province as a whole, the awards against societies at the close of the year were 382 [450] for a total sum of Rs. 14,52,581 [Rs. 18,59,252] and against members 4,310 [5,064] for a total sum of Rs. 20,59,995 [Rs. 24,27,321]. The total number of awards thus decreased from 5,514 to 4,692 and the total amount also decreased from Rs. 42,86,573 to Rs. 35,12,576. Harda, Piparia, Narsinghpur, Balaghat and Amraoti have struck off all awards against societies from the list as they were inoperative due to the decision of the High Court in one case at Piparia that the bank cannot attach the property of individual members in execution of award against societies.

Certificates for recovery as arrears of land revenue of sums under award were issued in 61 cases against members only. None was issued against societies. Orders of attachment before award were issued in 24 cases against members of societies under section 42 (A) of the Co-operative Societies Act.

40. Liquidation.—At the beginning of the year, the total number of societies under liquidation was 1,246 of which 823 were in the Central Provinces and 423 in Berar. The amount due from them was Rs. 54,46,974, of which Rs. 13,72,034 were due from societies in the Central Provinces and Rs. 40,74,940 in Berar. During the year under report 45 [38] societies involving a sum of Rs. 1,22,464 [Rs. 93,984] were placed under liquidation in the Central Provinces and 50 [30] societies involving a sum of Rs. 5,20,209 [Rs. 2,96,230] in Berar. The liquidation proceedings of 38 [57] societies in the Central Provinces and 2 [12] societies in Berar were

closed during the year. At the end of the year the total number of societies increased by 55 to 1,301 and the amount outstanding against them to Rs. 61,00,750 of which 830 involving an amount of Rs. 13,75,495 were in the Central Provinces and 471 societies with a loan of Rs. 47,25,255 were in Berar.

41. In the Central Provinces, the central banks with a large number of societies under liquidation are Balaghat with 70, Saugor with 61, Sihora with 60, Nagpur with 58, Hoshangabad with 57, Piparia with 53, Narsinghpur with 49, Chhindwara with 46, Mandla with 45, Nimar with 44, Seoni and Damoh with 41 each, Jubbulpore with 37, Wardha with 33, and Betul with 30, while the remaining 105 are shared by others except Bilaspur where there is no society under liquidation. Out of Rs. 13.75 lakhs [Rs. 13.72 lakhs] of loans outstanding against societies under liquidation in the Central Provinces, about Rs. 3.61 lakhs [Rs. 3.9 lakhs] is considered good, about Rs. 1.11 lakhs [Rs. 1.68 lakhs] doubtful and Rs. 9.03 lakhs [Rs. 8.85 lakhs] bad. A sum of Rs. 79,837 [Rs. 55,656] was written off during the year. In Berar, the central banks with a large number of societies under liquidation are Khamgaon with 105, Akola with 95, Amraoti with 53, Yeotmal with 51, Malkapur with 37, Ellichpur and Mehkar with 33 each and remaining 64 are shared by three others except Pusad and Darwha where there are no societies under liquidation. Out of Rs. 47.25 lakhs [Rs. 40.75 lakhs] of loans involved in liquidation in Berar, about Rs. 18.47 lakhs [Rs. 14.16 lakhs] is considered good, Rs. 28.68 lakhs [Rs. 26.56 lakhs] considered bad and about Rs. 10,000 or 0.10 lakhs [Rs. 3,000 or 0.03 lakhs] considered doubtful. A sum of Rs. 3,000 [Rs. 7,089] was written off during the year.

Recoveries made from societies under liquidation totalled Rs. 7,30,484 [Rs. 7,87,363] of which Rs. 1,88,554 [Rs. 2,50,639] were recovered in the Central Provinces and Rs. 5,41,930 [Rs. 5,36,724] in Berar. The Berar banks also acquired 9,714 acres of land valued at Rs. 5,34,370 in the course of coercive measures during the year.

Causes of the protraction of liquidation proceedings are many and varied. Liquidators have to approach civil courts for mortgage decrees; sales are postponed by revenue courts with the slightest pretext; once a case goes to a Collector, it is struck there for never less than two

years ; and if the debtor after trying all means of delaying final disposal goes to a debt conciliation board, he gets a life from eighteen to twenty-four months. With all that, a little more sympathetic attitude on the part of banks may achieve a substantial reduction in liquidation cases which do more harm than good to the movement as a whole. Opinion is now gathering ground that a definite time limit should be set to liquidation proceedings and all cases beyond the limit must be compulsorily filed.

42. Twenty-two certificates were issued for recovery of dues as arrears of land revenue under section 225 (d) of the Central Provinces Land Revenue Act, while none was issued under section 164(d) of the Berar Land Revenue Code during the year under report.

43. Loans due from societies and members under award and societies under liquidation.—The total loan due from societies and members under award and from societies under liquidation was Rs. 96,13,326 [Rs. 97,33,547] or 73.5 [74.8] per cent of the total loan outstanding against societies. These figures give an idea of failure of co-operation and the straits to which the movement based on thrift and mutual supervision has been reduced. The percentage of central bank loans under coercive recovery decreased in the Central Provinces from 63.3 to 56.8, while it increased in Berar from 81.5 to 83.4.

XIV.—AUDIT AND INSPECTION

44. Audit.—All the societies due for audit except seventy-four were audited. Two have since been audited, two are under audit and the audit of the other 70 societies in Berar will be taken up early during the year.

The actual expenditure on the audit of primary societies during 1937-38 amounted to Rs. 28,328 [Rs. 27,759] in the Central Provinces, the amount collected by way of audit contribution being Rs. 33,491 [Rs. 33,582]. In Berar the audit work was done entirely by Government auditors, for reasons already given in previous reports. The audit of societies not affiliated to central banks was done by auditors appointed by the societies concerned and approved by the Registrar.

45. Writing of accounts.—At the beginning of the year there were 3,070 members trained in writing accounts and eight in audit. During the year 501 members in the Central Provinces and 180 in Berar were

trained in accounts [412 and 288], respectively. The number of societies in which accounts were written by members decreased to 145 and 179 [216 and 230] in the Central Provinces and Berar, respectively. In Berar a sum of Rs. 2,347 was paid as remuneration to the members, who wrote accounts. In view of the intensive efforts at education of members of societies from the Government of India grant, it is disappointing to find that there is actually a fall in the number of societies which stand on their own legs in the matter of writing of their accounts. Knowledge is there, but the will to make a practical use of it is lacking and needs to be cultivated.

46. Inspection.—I inspected 14 central banks, four land mortgage banks and three societies and attended most of the meetings of the Provincial Bank and the institutes. The Senior Deputy Registrar inspected seven central banks, four land mortgage banks and 16 societies and attended 30 meetings of central banks and institutes, besides one rally. Both the Assistant Registrars, Land Mortgage Banks, inspected 13 land mortgage banks and attended 38 meetings of these banks and five meetings of the Provincial Bank (for land mortgage banks' business). The Junior Deputy Registrar and the Assistant Registrars together inspected 32 central banks, 324 primary societies and attended various meetings of the central banks and institutes. The Chief Auditors supraudited 18 central banks and made a test audit of 56 societies.

47. Attitude of the public and general remarks.—The general attitude of the public towards the movement was one of disappointment. It would even be true to say that there was a feeling of sullen resentment among members of societies in a major part of the province. The pioneer workers too did not escape this atmosphere of despair and disillusionment. Those who had joined and directed the movement in the good old days prior to the depression were getting somewhat tired of the continuous tale of coercion, failure and crisis, and were gradually withdrawing themselves from the movement. It is not that they have lost faith in the basic principles of the movement, but they despair of the present, and still more of the future. The movement lost all charm when they found that the nursing and association on their part for over 20 years had not enabled indebted members to be free from debt. On the other hand, many of those who had joined societies in order to help them, while they

themselves did not require any loan, were saddled with joint liability, their only fault being slackness and neglect of mutual supervision. Facile credit had been a curse in disguise. Thrift, punctuality, honesty and mutual aid, which were their guiding principles in the beginning, were as remote as ever. The large scale coercive operation, mainly in Berar, and to some extent in the Jubbulpore division and tracts of the old Hoshangabad division contributed not a little to the unpopularity of the movement. This estrangement of people was visibly seen in land management in Berar where difficulty was found in securing good lessees in the village in which the persons from whom the land was taken resided, and in the difficulty of replacing retiring workers by new recruits.

The relations between the department and the honorary workers continued to be friendly. Each appreciated the others' views and both worked together with the common object of advancing the well-being of the movement. The only occasions affording scope for misunderstanding were when banks, especially in Berar, expected the Registrar to bring pressure on the Provincial Bank to make advances for the repayment of deposits. It is sometimes believed by many that the Provincial Bank is in the hollow of the hands of the Registrar. While there is no doubt that closest and most friendly relations exist between the department and the Provincial Bank, to say that the word of the Registrar is final with the apex bank is to do grave injustice to the independence of thought and decision of the members of the Managing Committee of the Provincial Bank. The Managing Director of the Provincial Bank also came in for some of the mistrust evinced by some Berar banks towards the Registrar, forgetting that even the Provincial Bank cannot safely digress from the path of strict business principles. The task of the workers, particularly in Berar was not easy or enviable. All credit is therefore due to those who have stuck to their posts and have not thought of deserting the ship at the appearance of trouble. The workers elsewhere have not flinched at the partial failure of the movement and worked with redoubled vigour to extend the beneficent activities of co-operation into agricultural as well as non-agricultural, credit as well as non-credit, channels.

I gratefully acknowledge the assistance and co-operation received by me from all honorary workers, notwithstanding our differences in individual matters. With

the expansion of the movement, addition of land mortgage banks, springing up of perplexing problems natural in periods of adversity, the lot of the Registrar is becoming unenviable. His duties as Director of Industries and Secretary, Village Uplift Board, are also rapidly increasing and it is my considered opinion that if he is to do justice to all his manifold duties, there ought to be a separate, whole-time Registrar.

C. C. DESAI,

*Registrar, Co-operative Societies,
Central Provinces & Berar.*

NAGPUR :

The 31st December 1938.

APPENDICES

APPENDIX

Operations of Central Banks

Name of bank	Number of members		Number of affiliated societies holding shares in Central Banks			
	Individuals	Societies	Central credit	Agricultural credit	Non-agricultural credit	Others
(1)	(2)	(3)	(4)	(5)	(6)	(7)
I						
(a) Provincial Bank ..	78	2,033	35	1,979	14	5
II						
(b) Central Banks						
Nagpur—						
Nagpur ..	1,101	140	..	135	2	3
Chanda—						
Brahmapuri ..	2,052	158	..	157	..	1
Wa.ora ..	456	93	..	92	..	1
Mandla—						
Mandla ..	479	48	..	47	..	1
Betul—						
Betul ..	1,783	162	..	156	4	2
Chhindwara—						
Chhindwara ..	1,204	116	..	99	15	2
Seoni ..	958	113	..	108	3	2
Jubbulpore—						
Jubbulpore ..	1,192	140	..	135	3	2
Sehora ..	2,423	175	..	173	1	1
Nurwara ..	1,351	93	..	92	..	1
Saugor—						
Saugor ..	894	56	..	55	..	1
Damoh ..	663	63	..	59	3	1
Mandla—						
Mandla ..	672	119	..	117	1	1
Hoshangabad—						
Hoshangabad ..	1,261	76	..	70	5	1
Harda ..	696	64	..	61	2	1
Sohagpur ..	1,760	145	..	141	1	3
Narsinghpur ..	1,939	192	..	188	3	1
Nima —						
Nimar ..	1,739	126	..	124	1	1
Raipur—						
Raipur ..	646	403	..	401	1	1
Bilaspur—						
Bilaspur ..	240	432	..	431	..	1
Drug—						
Drug ..	859	246	..	243	2	1
Bhandara—						
Bhandara ..	1,173	150	..	148	1	1
Balaghat—						
Balaghat ..	1,496	71	..	69	1	1
Total for Central Provinces.	27,037	3,381	..	3,301	49	31

A

in 1937-38.

Loans made during the year to—						Receipts from loans repaid during the year by		
Individuals	Provincial Bank and others	Societies				Total	Individuals	Provincial Bank and others
		Cash	Paper renewal	Book adjustment				
(8)	(9)	(10 a)	(10 b)	(10 c)	(10)	(11)	(12)	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1,52,105	76,48,135	18,34,357	10,93,467	13,63,027	42,90,851	1,59,598	72,60,000	
7,192	92,276	55,873	..	21,195	77,068	4,044	1,10,796	
985	42,902	49,140	5,500	11,155	65,795	885	36,190	
5,293	66,950	16,409	3,609	7,668	27,686	2,213	60,351	
3,154	3,97,172	9,770	40,164	13,992	63,926	3,081	3,33,850	
4,919	66,848	12,564	..	89,273	1,01,337	1,078	94,960	
2,294	1,27,966	6,901	..	258	7,159	2,172	1,10,810	
7,010	98,708	14,570	836	3082	18,488	7,040	1,00,328	
1,826	1,63,412	2,096	..	22,987	25,083	452	1,70,917	
848		1,618	..	26,862	28,480	815	..	
17	23,005	409	..	4,135	4,544	17	28,953	
23,536	4,85,296	3,256	..	2,959	6,215	23,588	4,71,071	
3,277	89,274	4,014	..	6,004	10,018	7,811	91,431	
16,698	39,784	9,981	..	57,395	67,376	16,677	39,731	
959	17,138	3,734	..	1,499	5,233	1,047	18,804	
1,228	1,08,738	1,604	..	6,296	7,900	1,203	1,03,183	
1,499	25,501	4,040	81,472	16,105	1,01,617	1,604	20,552	
55,687	1,35,018	54,011	68,730	14,644	1,37,385	54,455	1,23,069	
46	3,00,823	18,354	..	6,651	25,005	46	2,58,755	
4,895	1,50,097	1,11,925	161	9,959	1,22,045	3,198	1,55,303	
3,878	7,02,211	2,58,114	..	27,516	2,85,630	1,429	7,07,796	
1,821	81,760	95,361	..	10,764	1,06,125	1,757	79,579	
1,559	3,80,482	39,322	..	6,631	45,953	1,459	3,39,247	
580	1,12,492	8,565	..	4,611	13,176	520	1,10,371	
<u>1,49,101</u>	<u>37,07,853</u>	<u>7,81,631</u>	<u>2,00,472</u>	<u>3,71,641</u>	<u>13,53,744</u>	<u>1,36,591</u>	<u>36,16,053</u>	

APPENDIX

Operations of Central

Name of bank (1)	Receipts from loans repaid during the year by—			
	Societies			Total (13)
	Cash (13 a) Rs.	Paper renewal (13 b) Rs.	Book adjustment (13 c) Rs.	
I				
(a) Provincial Bank	13,17,221	10,93,467	12,40,612	36,51,300
II				
(b) Central Banks—				
Nagpur—				
Nagpur ..	64,471	..	7,212	71,683
Chanda—				
Brahmapuri ..	58,076	5,500	8,412	71,988
Warora ..	18,141	3,609	4,303	26,053
Wardha—				
Wardha ..	34,264	40,164	6,671	81,099
Betul—				
Betul ..	7,607	..	2,381	9,988
Chhindwara—				
Chhindwara ..	9,063	..	1,558	10,621
Seoni ..	13,541	836	2,664	17,041
Jubbulpore—				
Jubbulpore ..	16,352	..	8,184	24,536
Sehora ..	30,194	..	35,222	65,416
Murwara ..	3,537	..	13	3,550
Saugor—				
Saugor ..	5,075	..	5,101	10,176
Damoh ..	7,516	..	50,855	58,371
Mandla—				
Mandla ..	15,748	..	28,421	44,169
Hoshangabad—				
Hoshangabad ..	2,766	..	12,616	15,382
Harda ..	3,859	..	8,131	11,990
Sohagpur ..	12,407	81,472	1,901	95,780
Narsinghpur ..	1,36,052	68,730	24,038	2,28,820
Nimar—				
Nimar ..	21,735	..	2,289	24,024
Raipur—				
Raipur ..	1,04,599	161	388	1,05,148
Bilaspur—				
Bilaspur ..	1,99,295	..	9,732	2,09,027
Drug—				
Drug ..	87,417	..	5,682	93,099
Bhandara—				
Bhandara ..	34,865	..	4,495	39,360
Balaghat—				
Balaghat ..	11,831	..	7,849	19,680
Total for Central Provinces.	8,98,411	2,00,472	2,38,118	13,37,001

A—contd.

Banks in 1937-38—contd.

Loans due by		Loans and deposits received during the year from			Cost of management	Share capital paid up
Individuals	Banks and societies	Provincial or Central Banks	Primary societies	Individuals and other societies		
(14)	(15)	(16)	(17)	(18)	(19)	(20)
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
51,730	97,70,260	83,85,620	4,85,826	86,87,990	46,512	5,24,020
3,706	3,25,068	15,708	6,253	1,45,806	9,731	51,175
30	1,47,170	..	10,412	34,567	5,400	39,034
3,676	1,10,211	4,002	6,628	41,571	2,373	22,193
220	2,75,401	..	4,389	2,05,032	4,572	51,310
5,169	3,74,732	7,824	7,164	1,55,037	4,348	58,380
5,336	2,70,411	..	2,052	3,12,254	5,560	52,235
876	1,36,959	..	6,418	1,69,406	3,067	30,805
2,985	4,18,411	..	10,744	4,42,904	3,186	33,830
57	5,85,495	3,82,525	14,000	1,56,161	5,119	55,080
..	1,85,392	1,401	6,073	54,652	2,918	17,424
5,188	2,28,022	..	2,638	6,19,967	3,060	34,195
4,290	2,01,778	15	3,142	2,06,122	3,503	50,445
101	1,85,002	39,692	17,330	1,03,879	3,756	15,951
22	2,65,382	..	3,910	1,58,465	2,635	45,440
681	1,46,401	..	62,643	1,04,520	3,627	34,255
..	2,67,852	1,83,554	11,413	1,11,740	4,278	32,522
6,445	4,68,973	1,90,525	57,376	5,06,630	6,123	53,417
..	3,46,502	..	14,817	1,91,844	4,419	69,625
1,972	3,24,114	..	45,708	2,08,355	8,125	79,650
2,449	4,00,610	82,688	22,063	3,56,752	8,004	55,601
76	1,81,616	..	43,272	59,549	3,968	41,258
308	2,10,303	598	13,157	4,12,534	6,040	36,555
1,458	2,45,190	..	2,741	1,53,121	4,470	41,354
45,045	63,00,995	9,08,531	3,74,343	49,10,868	1,08,282	10,01,734

APPENDIX

Operations of Central Banks

Loans and deposits held at the end of the year from—

Name of bank	Societies	Provincial or Central Banks	Government	Individuals and other sources
	(21)	(22)	(23)	(24)
	Rs.	Rs.	Rs.	Rs.
I				
(a) Provincial Bank	1,05,534	67,51,225	..	73,93,609
II				
(b) Central Banks				
Nagpur—				
Nagpur ..	58,890	..	..	2,85,605
Chanda—				
Brahmapuri ..	58,605	..	..	1,04,815
Warora ..	41,017	4,002	..	90,418
Wardha—				
Wardha ..	50,901	..	..	2,36,135
Betul—				
Betul ..	99,600	5,024	..	2,88,917
Chhindwara—				
Chhindwara ..	53,795	..	..	2,58,505
Seoni ..	27,472	..	..	1,42,866
Jubbulpore—				
Jubbulpore ..	73,785	..	..	5,53,917
Sehora ..	1,48,444	3,34,689	..	1,56,764
Murwara ..	43,437	35,355	..	1,59,074
Saugor—				
Saugor ..	34,685	..	..	2,16,011
Damoh ..	37,658	..	..	2,30,969
Mandla—				
Mandla ..	8,676	35,799	..	1,10,505
Hoshangabad—				
Hoshangabad ..	78,737	..	..	2,55,207
Harda ..	33,169	..	..	1,21,096
Sohagpur ..	80,311	1,57,943	..	1,43,085
Narsinghpur ..	92,568	5,631	..	5,06,043
Nimar—				
Nimar ..	72,394	..	..	2,31,098
Raipur—				
Raipur ..	76,429	2,361	..	2,52,234
Bilaspur—				
Bilaspur ..	77,747	77,576	..	3,59,848
Drug—				
Drug ..	33,019	..	..	1,04,304
Bhandara—				
Bhandara ..	33,411	598	..	2,14,210
Balaghat—				
Balaghat ..	50,426	..	..	96,970
Total for Central Provinces.	13,45,176	6,58,978	..	51,08,596

A—contd.

in 1937-38—contd.

Reserve fund	Other funds	Working capital	Profit and loss for the year	Dividend paid on shares during the year	Most usual rate of interest		Uncalled and subscribed share capital
					On borrowings	On lendings	
(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Rs.	Rs.	Rs.	Rs.	Per cent	Per cent	Per cent	Rs.
5,00,000	7,19,427	1,64,98,915	+82,529	4	2	4	..
44,479	76,369	5,16,518	+7,243	4	4	9	..
23,525	22,253	2,28,232	+1,168	3½	3	7½	..
11,090	20,628	1,89,348	+926	..	2½	8	32
33,456	80,423	4,52,225	+13,598	4	3	8	..
62,483	88,990	6,03,394	+6,579	..	4	8	..
22,643	87,144	4,74,322	+3,111	..	3	8½	..
8,012	32,962	2,42,117	+1,575	..	3	7	..
29,576	55,354	7,46,462	-2,143	..	4	8	..
66,423	1,27,014	8,88,414	-22,549	..	4	8	..
16,086	54,233	3,25,609	+3,024	..	4	8	..
27,548	60,771	3,73,210	+649	..	3	7	..
25,839	37,557	3,82,468	+451	..	4	8	..
1,723	42,837	2,15,491	+1,025	..	4	8	..
42,282	92,560	5,14,226	+3,828	..	4	8	..
33,821	36,019	2,58,360	+2,355	..	3	7	..
35,467	45,071	4,94,399	+541	..	4	8	..
34,094	1,25,473	8,17,226	-28,316	..	4	7	..
43,548	92,320	4,98,985	+4,870	5	4	8	..
57,952	46,702	5,15,328	+3,725	2	2½	9	..
41,562	36,694	6,49,028	+8,633	3½	2½	8	2,796
56,404	54,885	2,89,870	+5,025	3½	2½	8	..
25,575	31,723	3,42,072	+1,791	6	3	7½	..
99,883	1,68,935	4,57,568	+9,379	5	2	6½	..
8,43,471	15,16,917	1,04,74,872	+26,488	..	..	..	2,828

APPENDIX

Operations of Central Banks in

Name of bank	Number of members		Number of affiliated societies holding shares in Central Banks			
	Individuals	Societies	Central credit	Agricultural credit	Non-agricultural credit	Others
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Central Banks—						
Amraoti—						
Amraoti	.. 1,624	121	..	116	3	2
Ellichpur	.. 303	55	..	55	..	..
Morsi	.. 832	54	..	54	..	..
Daryapur	.. 446	51	..	51	..	..
Yeotmal—						
Yeotmal	.. 1,076	109	..	107	..	2
Pusad	.. 73	11	..	11	..	..
Darwah	.. 24	31	..	28	3	..
Akola—						
Akola	.. 1,791	69	..	68	1	..
Buldana—						
Buldana	.. 302	39	..	39	..	..
Khamgaon	.. 1,484	65	..	62	2	1
Mehkar	.. 1,286	67	..	64	3	..
Malkapur	.. 1,048	99	..	98	1	..
Total for Berar	.. 10,289	771	..	753	13	5
Total for Central Provinces and Berar.	37,326	4,152	..	4,054	62	36

A—contd.

1937-38.—contd.

Loans made during the year to—						Receipts from loans repaid during the year by	
Individuals	Provincial Bank and others	Societies				Individuals	Provincial Bank and others
		Cash	Paper renewal	Book adjustment	Total		
(8)	(9)	(10a)	(10b)	(10c)	(10)	(11)	(12)
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
26,178	21,965	15,418	..	70,791	86,209	27,765	21,924
4,415	64,578	36,777	..	70,330	1,07,107	3,927	72,271
8,420	1,53,971	12,420	..	3,03,137	3,15,557	12,037	1,48,680
11,556	35,440	19,308	..	63,131	82,439	8,725	32,278
44,032	68,110	33,913	..	77,356	1,11,269	43,242	75,326
59	1,340	370	..	3,030	3,400	..	1,305
90	400	6,497	9,597	408	16,502	95	400
1,37,182	17,18,851	20,284	..	1,30,718	1,51,002	1,09,020	17,18,413
5,110	67,251	7,537	..	13,610	21,147	4,480	72,287
8,371	48,995	6,543	..	86,957	93,500	8,657	48,844
5,571	1,38,577	16,514	..	28,696	45,210	12,088	1,49,589
22,622	35,608	13,108	..	26,474	39,582	19,778	33,789
2,73,606	23,55,086	1,88,689	9,597	8,74,638	10,72,924	2,49,814	23,75,106
4,22,707	60,62,939	9,70,320	2,10,069	12,46,279	24,26,668	3,86,405	59,91,159

APPENDIX

Operations of Central Banks

Receipts from loans repaid during the year by—

Name of bank	Society			Total (13c) Rs.
	Cash	Paper renewal	Book adjustment	
	(13)	(13a)	(13b)	
	Rs.	Rs.	Rs.	
Central Banks—				
Amraoti—				
Amraoti ..	48,055	..	63,629	1,11,684
Elli hpur ..	34,239	..	30,646	64,885
Morsi ..	26,242	..	22,571	48,813
Daryapur ..	19,725	..	97,478	1,17,203
Yeotmal—				
Yeotmal ..	38,690	..	2,24,437	2,63,127
Pusad ..	1,935	..	230	2,165
Darwa ..	6,080	9,597	20	15,697
Akola—				
Akola ..	71,433	..	1,31,379	2,02,812
Buldana—				
Buldana ..	10,462	..	36,800	47,262
Khamgaon ..	13,339	..	37,270	50,609
Mehkar ..	54,886	..	21,562	76,448
Malkapur ..	13,485	..	17,025	30,510
Total for Berar ..	3,38,571	9,597	6,83,047	10,31,215
Total Central Provinces and Berar.	12,36,982	2,10,069	9,21,165	23,68,216

A—contd.

in 1937-38—contd.

Loans due by—		Loans and deposits received during the year from—			Cost of management	Share capital paid up
Individuals	Banks and societies	Provincial of Central Banks	Primary societies	Individuals and other sources		
(14)	(15)	(16)	(17)	(18)	(19)	(20)
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
5,855	17,43,467	7,42,882	16,146	6,31,395	14,002	1,15,785
2,417	3,39,142	33,671	5,098	2,63,607	2,539	24,160
2,566	10,75,549	87,983	6,232	4,23,586	4,167	56,190
5,186	1,96,911	1,867	5,714	2,11,352	4,486	28,350
6,880	10,54,314	3,36,173	10,634	8,98,211	15,089	79,455
123	32,481	—	539	78	597	10,930
..	17,495	10,016	1,629	1,995	543	3,350
97,251	16,26,375	21,63,140	48,174	25,49,791	14,316	88,785
1,536	2,51,158	4,652	985	3,01,050	3,031	22,920
29,691	8,59,761	1,44,970	8,748	2,36,176	6,368	59,460
1,932	5,01,819	..	5,363	4,40,936	7,904	59,681
7,229	6,62,103	3,41,544	1,982	1,47,298	9,901	27,395
1,60,666	83,60,575	38,66,898	1,11,244	61,05,475	82,943	5,76,461
2,05,711	1,46,61,570	47,75,429	4,85,587	1,10,16,343	1,91,225	15,78,195

APPENDIX

Operations of Central Banks

Name of banks	Loans and deposits held at the end of the year from			
	Societies	Provincial or Central Banks	Government	Individuals and other sources
	(21)	(22)	(23)	(24)
	Rs.	Rs.	Rs.	Rs.
Central Banks—				
Amraoti—				
Amraoti ..	2,21,167	9,45,526	..	10,75,699
Ellichpur ..	35,929	20,195	..	3,42,820
Morsi ..	95,901	3,12,009	..	7,53,093
Daryapur ..	37,741	35,227	..	2,91,044
Yemotal—				
Yeotmal ..	1,02,797	2,26,508	..	11,23,611
Pusad ..	3,032	..	..	16,900
Darwah ..	410	10,017	..	7,548
Akola—				
Akola ..	1,23,812	6,48,285	..	18,58,315
Buldana—				
Buldana ..	20,712	91,574	..	2,79,647
Khamgaon ..	22,388	4,43,193	..	3,51,925
Mehkar ..	76,256	..	..	4,09,056
Malkapur ..	17,651	2,67,027	..	2,76,952
Total for Berar ..	7,57,796	29,99,561	..	67,86,610
Total for Central Prov- and Berar.	21,02,972	36,58,539	..	1,18,95,206

A—concl'd.

in 1937-38—concl'd.

Reserve fund	Other funds	Working capital	Profit and loss for the year	Dividend paid on shares during the year	Most usual rate of interest		Uncalled and subscribed share capital
					On borrowings	On lendings	
(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Rs.	Rs.	Rs.	Rs.	Per cent	Per cent	Per cent	Rs.
1,46,073	5,51,257	30,55,507	+38,057	..	4½	10	..
23,979	55,234	5,02,317	+2,564	..	3½	9	..
26,072	1,57,306	14,00,571	+41,084	..	4	9	..
18,900	48,631	4,59,893	+1,262	..	3½	7½	..
66,470	2,80,953	18,79,794	+15,549	3	4	6½	..
3,270	2,498	36,630	-969	5	4	8	..
91	183	21,599	+189	2½	4	8	..
1,51,807	4,48,917	33,19,921	+6,619	..	4	8	..
18,447	90,127	5,23,427	+2,023	..	3	8	..
47,087	3,25,531	12,49,584	+2,061	..	4	9	16,925
70,626	2,23,985	8,39,604	-11,690	..	4	7	..
9,132	2,19,438	8,17,595	+3,162	..	4	10	..
5,81,954	24,04,060	1,41,06,442	+99,911	..	..	..	16,925
14,25,425	39,20,977	2,45,81,314	+1,26,399	..	..	..	19,753

APPENDIX
Balance sheet of Central Banks

Name of bank	Cash in hand and in banks	Market value of investment	Loans due in from members (individuals)	Deposits with Provincial Bank and others
(1)	(2)	(3)	(4)	(5)
	Rs.	Rs.	Rs.	Rs.
I				
(a) Provincial Bank	2,91,386	63,76,679	51,730	53,88,764
II				
(b) Central Bank				
Nagpur—				
Nagpur ..	960	1,58,918	3,706	1,17,189
Chanda—				
Brahampuri ..	2,329	74,491	30	69,044
Warora ..	2,611	67,783	3,676	34,820
Wardha—				
Wardha ..	311	1,68,726	220	73,680
Betul—				
Betul ..	4,787	2,16,761	5,169	19,174
Chhindwara—				
Chhindwara ..	795	1,51,196	5,336	27,161
Seoni ..	20,267	70,128	876	34,918
Jubbulpore—				
Jubbulpore ..	1,249	1,75,975	2,985	13,845
Sehora ..	5,391	2,12,114	57	..
Murwara ..	2,591	65,700	..	864
Saugor—				
Saugor ..	12,630	1,13,380	5,188	90,399
Damoh ..	4,979	1,20,879	4,290	11,662
Mandla—				
Mandla ..	3,263	19,881	101	1,194
Hoshangabad—				
Hoshangabad ..	2,066	1,59,496	22	960
Harda ..	2,845	94,742	681	35,890
Sohagpur ..	2,037	1,12,304	..	10,465
Narsinghpur ..	5,214	2,44,431	6,445	37,441
Nimar—				
Nimar ..	1,842	1,52,583	..	1,48,737
Raipur—				
Raipur ..	7,231	1,36,080	1,972	2,01,120
Bilaspur—				
Bilaspur ..	22,416	1,98,672	2,449	1,84,904
Drug—				
Drug ..	3,147	1,00,538	76	80,446
Bhandara—				
Bhandara ..	6,452	1,10,994	308	1,44,805
Balaghat—				
Balaghat ..	699	2,00,598	1,458	1,12,764
Total for Central Prov. cc's.	1,16,012	31,26,370	45,045	14,51,482

NOTE.—The figures contained in this
Include loans due in from Central Banks and such societies as are

B

as on 30th June 1938.

Assets

Loans due from societies				Interest accrued to the bank	Value of stock in hand		Other items	Total
Total loans due in from affiliate societies	Of which over due	Consi- dered bad	Consi- dered doubtful		Land	Buildings, furniture and other stock		
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
*43,81,496	7,80,978	..	..	1,48,367	...	73,964	...	1,67,12,386
2,07,879	1,66,785	33,242	2,238	19,611	3,805	19,028	45	5,31,141
78,126	9,171	4,163	243	3,112	...	6,934	...	2,34,066
75,391	50,491	13,841	1,190	6,328	1,086	487	...	1,92,182
2,01,721	1,56,154	13,432	61,830	8,250	...	18,384	...	4,71,192
3,55,558	2,62,222	49,701	11,980	7,248	3,376	24,583	...	6,36,656
2,43,250	2,21,002	90,444	7,694	51,693	2,795	1,198	...	4,83,424
1,02,041	80,938	20,191	11,715	7,932	1,705	7,800	...	2,45,667
4,04,566	3,04,824	59,743	36,821	1,37,872	160	19,416	...	7,56,068
5,85,495	5,84,472	2,01,635	38,460	69,110	7,881	15,699	1,851	8,97,598
1,84,528	1,83,938	38,067	35,550	63,231	...	14,582	...	3,31,496
1,37,623	1,10,629	60,193	2,535	16,209	199	2,120	15	3,77,763
1,90,116	1,21,906	58,592	9,330	47,121	744	10,658	63	3,90,512
1,83,808	1,37,513	39,062	10,710	563	...	9,261	433	2,18,504
2,64,422	2,48,528	82,025	17,321	82,618	3,058	10,065	...	5,22,707
1,10,511	1,09,298	13,051	1,068	13,190	4,205	1,788	...	2,63,852
2,57,387	1,88,067	69,253	30,162	1,03,116	7,828	11,172	...	5,04,309
4,31,532	3,28,021	71,720	37,529	72,194	4,353	27,236	234	8,29,080
1,97,765	1,89,204	69,330	9,820	16,290	...	571	..	5,17,788
1,22,994	4,751	1,586	1,044	7,165	146	47,376	44	5,24,128
2,15,706	..	...	...	7,109	...	33,319	...	6,64,575
1,01,170	6,216	541	530	4,704	...	14,429	...	3,04,510
65,498	22,101	6,922	2,140	9,511	35	9,935	...	3,47,538
1,32,426	1,20,864	78,513	16,099	12,240	1,891	7,848	...	4,69,924
48,49,513	36,07,095	10,75,247	3,46,009	7,66,417	43,267	3,13,889	2,685	1,07,14,680

balance sheet are unaudited.
not affiliated to any Central Bank.

APPENDIX

Balance sheet of Central Banks

Name of bank (1)	Loans and deposits from non-members and from members in an individual capacity (15) Rs.	Loans and deposits from Provincial and Central Banks (16) Rs.	Loans and deposits from societies (17) Rs.	Loans from Government (18) Rs.	Liabilities	
					Share capital paid up (19) Rs.	Interest due by the bank (20) Rs.
I						
(a) Provincial Bank ..	78,98,609	67,51,225	1,05,634	...	5,24,020	1,66,004
II						
(b) Central Banks						
District Central Bank						
Nagpur—						
Nagpur ..	2,85,605	..	58,890	...	51,175	5,904
Chanda—						
Brahmapuri ..	1,04,815	...	38,605	...	39,034	3,381
Warora ..	90,418	4,002	41,017	...	22,193	1,365
Wardha—						
Wardha ..	2,36,135	...	50,901	...	51,310	2,031
Betul—						
Betul ..	2,88,917	5,024	99,600	...	58,380	11,557
Chhindwara—						
Chhindwara ..	2,58,505	...	53,795	...	52,235	4,582
Seoni ..	1,42,866	...	27,472	...	30,805	1,819
Jubbulpore—						
Jubbulpore ..	5,53,917	...	73,785	...	33,830	9,872
Sehora ..	1,56,764	3,34,689	1,48,444	...	55,080	6,611
Murwara ..	1,59,074	35,355	43,437	...	17,424	2,728
Saugor—						
Saugor ..	2,16,011	...	34,685	...	34,195	3,366
Damoh ..	2,30,969	...	37,658	...	50,445	6,704
Mandla—						
Mandla ..	1,10,505	35,799	8,676	...	15,951	1,861
Hoshangabad—						
Hoshangabad ..	2,55,207	...	78,737	...	45,440	4,429
Harda ..	1,21,096	...	33,169	...	34,255	1,300
Sohagpur ..	1,43,085	1,57,943	80,311	...	32,522	8,067
Narsinghpur ..	5,06,043	5,631	92,568	...	53,417	6,997
Nimar—						
Nimar ..	2,21,098	...	72,394	...	69,625	3,105
Raipur—						
Raipur ..	2,52,234	2,361	76,429	...	79,650	3,542
Bilaspur—						
Bilaspur ..	3,59,848	77,576	77,747	...	55,601	4,324
Drug—						
Drug ..	1,04,304	...	33,019	...	41,258	2,417
Bhandara—						
Bhandara ..	2,14,210	598	33,411	...	36,555	2,333
Balaghat—						
Balaghat ..	96,970	...	50,426	..	41,354	515
Total for Central Provinces.	51,08,596	6,58,978	13,45,176	...	10,01,734	98,810

B—contd.

as on 30th June 1938—contd.

Cost of management due	Other items	Reserve fund under section 33 of Act II of 1912	Other funds created out of profits		Other undistributed profits carried forward	Total	Profit or loss
			Provision for bad and doubtful debts	Other funds			
(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	...	5,00,000	5,84,000	1,35,427	560	1,66,65,479	+46,907
621	...	44,479	35,764	40,605	1,157	5,24,200	+6,941
335	238	23,525	3,864	18,389	...	2,32,186	+1,880
136	...	11,090	18,574	2,054	407	1,91,256	+926
352	175	33,456	39,219	41,204	1,378	4,56,161	+15,031
209	...	62,483	56,828	32,162	...	6,15,160	+21,496
924	...	22,643	86,967	177	...	4,79,828	+3,596
156	...	8,012	27,966	4,996	...	2,44,092	+1,575
192	...	29,576	49,309	6,045	203	7,56,729	-661
409	1,851	66,423	1,24,692	2,322	...	8,97,285	+313
135	...	16,086	49,917	4,316	...	3,28,472	+3,024
515	...	27,548	60,255	516	23	3,77,114	+649
187	92	25,839	36,008	1,549	294	3,89,745	+767
127	...	1,723	42,638	199	...	2,17,479	+1,025
174	50	42,282	88,836	3,724	...	5,18,879	+3,828
262	...	33,821	18,187	17,832	925	2,60,847	+3,005
304	...	35,467	42,642	2,429	...	5,02,770	+1,539
487	331	34,094	1,20,523	4,950	...	8,25,041	+4,039
287	...	43,548	72,940	19,380	10,143	5,12,520	+5,268
469	...	57,952	1,934	44,768	...	5,19,339	+4,789
511	...	41,562	...	36,694	51	6,53,914	+10,661
253	...	56,404	567	54,318	6,405	2,98,945	+5,565
351	...	25,575	11,582	20,141	178	3,44,934	+2,604
180	...	99,883	83,696	85,239	3,108	4,61,371	+8,553
7,576	2,737	8,43,471	10,72,908	4,44,009	24,272	1,06,08,267	+1,06,413

APPENDIX

Balance sheet of Central Banks

Name of bank	Cash in hand and in banks	Market value of investments	Loans due in from members (individuals)	Deposits with Provincial Banks and others
(1)	(2)	(3)	(4)	(5)
	Rs.	Rs.	Rs.	Rs.
Central Banks—				
Amraoti—				
Amraoti ..	5,177	3,44,311	5,855	252
Ellichpur ..	1,152	1,05,727	2,417	61,676
Morsi ..	4,399	1,42,860	2,566	8,345
Deryapur ..	2,356	1,04,708	5,186	3,505
Yeotmal—				
Yeotmal ..	3,371	4,59,478	6,880	2,179
Pusad ..	615	6,627	123	4,558
Darwah ..	3,438	979	..	..
Akola—				
Akola ..	2,280	3,70,041	97,251	11,166
Buldana—				
Buldana ..	11,021	78,009	1,536	158
Khamgaon ..	778	71,061	29,691	181
Mehkar ..	8,732	2,35,486	1,932	43,317
Malkapur ..	4,900	24,770	7,229	1,819
Total for Berar ..	48,219	19,44,057	1,60,666	1,37,156
Total for Central Provinces and Berar.	1,64,231	50,70,427	2,05,711	15,88,638

B—contd.

as on 30th June 1938—contd.

Assets

Loans due from societies				Interest accrued to the bank	Value of stock in hand			Total
Total loans due in from affiliated societies	Of which overdue	Consi- dered bad	Consi- dered doubt- ful		Land	Building furniture and other stock	Other items	
(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
17,43,215	14,88,553	6,51,841	..	4,92,382	4,67,280	72,823	..	31,31,295
2,77,466	2,22,979	62,132	2,055	3,265	54,612	2,522	3,142	5,11,979
10,67,204	6,64,091	1,16,827	12,065	10,269	1,62,094	58,295	..	14,56,032
1,93,406	1,77,354	26,023	..	2,324	1,51,944	24,787	..	4,88,216
10,52,135	10,36,367	2,11,678	..	9,045	3,92,554	25,098	..	19,50,740
27,923	27,603	..	2,800	..	..	..	..	39,846
17,495	3,861	..	..	26	..	44	..	21,982
16,15,209	16,01,942	8,95,021	..	13,847	11,35,476	27,825	87,954	33,61,049
2,51,000	2,48,134	1,21,588	1,200	17,047	1,45,603	22,556	6,910	5,33,840
8,59,580	8,59,555	6,26,582	..	2,025	2,48,102	46,435	..	12,57,853
4,58,502	4,47,016	2,01,959	..	24,578	58,176	34,116	1,070	8,65,909
6,60,284	6,43,401	3,72,010	..	34,303	78,218	1,510	14,524	8,27,557
82,23,419	74,20,856	32,85,661	18,120	6,09,111	28,94,059	3,16,011	1,13,600	1,44,46,298
1,30,72,932	1,10,27,951	43,60,908	3,64,129	13,75,528	29,37,326	6,29,900	1,16,285	2,51,60,978

APPENDIX

Balance sheet of Central Banks

Name of bank	Liabilities					
	Loans and deposits from non-members and from members in an individual capacity	Loans and deposits from Provincial and Central Banks	Loans and deposits from societies	Loans from Government	Share capital paid up	Interest due by the bank
	(1)	(15)	(16)	(17)	(18)	(19)	(20)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Central Bank—						
Amraoti—						
Amraoti	.. 10,75,699	9,45,526	2,21,167	..	1,15,785	43,326
Ellichpur	.. 3,42,820	20,195	35,929	..	24,160	6,775
Morsi	.. 7,53,093	3,12,009	95,901	..	56,190	15,273
Daryapur	.. 2,91,044	35,227	37,741	..	28,350	4,718
Yeotmal—						
Yeotmal	.. 11,23,611	2,26,508	1,02,797	..	79,455	41,007
Pusad	.. 16,900	..	3,032	..	10,930	760
Darwah	.. 7,548	10,017	410	..	3,350	125
Akola—						
Akola	.. 18,58,315	6,48,285	1,23,812	..	88,785	36,126
Buldana—						
Buldana	.. 2,79,647	91,574	20,712	..	22,920	6,547
Khamgaon	.. 3,51,925	4,43,193	22,388	..	59,460	7,814
Mehkar	.. 4,09,056	..	76,256	..	59,681	11,294
Malkapur	.. 2,76,952	2,67,027	17,651	..	27,395	6,108
Total for Berar	.. 67,86,610	29,99,561	7,57,796	..	5,76,461	1,79,873
Total for Central Provinces and Berar.	1,18,95,206	36,58,539	21,02,972	..	15,78,195	2,78,683

B—concl'd.

as on the 30th June 1938—concl'd.

Liabilities

Cost of management	Other items	Reserve fund under section 33 of Act II of 1912	Other funds created out of profits		Other undistributed profits carried forward	Total	Profit or loss
			Provision for bad and doubtful debts	Other funds			
(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
661	..	1,46,073	5,38,869	12,388	..	30,99,494	+31,801
153	..	23,979	54,471	763	170	5,09,415	+2,564
208	..	26,072	1,42,069	15,237	..	14,16,052	+39,980
..	..	18,900	28,712	19,919	..	4,64,611	+23,605
..	..	66,470	2,11,678	69,275	7,355	19,28,156	+22,584
..	..	3,270	1,400	1,098	660	38,056	+1,790
30	..	91	..	183	..	21,754	+228
..	..	1,51,807	4,40,370	8,547	5,002	33,61,049	..
173	..	18,447	86,430	3,697	1,670	5,31,817	+2,023
455	..	47,087	3,17,094	8,437	..	12,57,853	..
295	..	70,626	2,01,959	22,026	8,940	8,60,133	+5,776
692	..	9,132	2,19,151	287	..	8,24,395	+3,162
2,667	..	5,81,954	22,42,203	1,61,857	23,803	1,43,12,785	+1,33,513
10,243	2,737	14,25,425	33,15,111	6,05,866	48,075	2,49,21,052	+2,39,926

Capital, Reserve, Deposits, Loans and Cash of the Co-operative Banks

Serial No.	Name of bank	Year	Capital and Reserve				Non-members and members in the individual capacity
			Paid up Share Capital	Reserve Fund under section 33 of Act II of 1912	Other funds	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			Rs.	Rs.	Rs.	Rs.	Rs.
	<i>(A) Banks having Capital and Reserve over Rs. 5 lakhs.</i>		1,000	1,000	1,000	1,000	1,000
1	Provincial Bank ..	1933-34	562	225	153	940	5,203
		1934-35	546	230	417	1,193	5,342
		1935-36	536	245	853	1,634	5,932
		1936-37	524	405	754	1,683	6,459
		1937-38	524	500	719	1,743	7,899
2	Amraoti ..	1933-34	135	122	424	681	2,420
		1934-35	132	128	566	826	1,697
		1935-36	127	134	526	787	1,350
		1936-37	122	140	537	799	1,221
		1937-38	116	146	551	813	1,076
3	Akola ..	1933-34	97	115	464	676	1,878
		1934-35	96	120	483	699	1,851
		1935-36	88	136	434	658	1,911
		1936-37	88	145	442	675	2,004
		1937-38	88	151	449	688	1,858
	<i>(B) Banks having Capital and Reserve over Rs. 1 lakh and less than Rs. 5 lakhs.</i>						
1	Nagpur ..	1933-34	53	37	74	164	360
		1934-35	52	38	83	173	300
		1935-36	52	40	86	178	293
		1936-37	52	42	88	182	293
		1937-38	51	44	76	171	286
2	Wardha ..	1933-34	55	25	34	114	270
		1934-35	53	26	54	133	261
		1935-36	52	25	64	141	236
		1936-37	52	27	65	144	231
		1937-38	51	33	80	164	236
3	Betul ..	1933-34	60	49	61	170	327
		1934-35	60	54	75	189	323
		1935-36	59	57	85	201	302
		1936-37	58	60	85	203	319
		1937-38	58	62	89	209	289
4	Chhindwara ..	1933-34	54	21	74	149	238
		1934-35	53	22	78	153	227
		1935-36	53	22	84	159	230
		1936-37	53	22	83	158	240
		1937-38	52	23	87	162	259

C

in the Central Provinces and Berar, during the past 5 years.

Deposits and loans from				Loans due by			Cash in hand and in banks
Provincial and Central Banks	Societies	Government	Total	Members and individuals	Banks and societies	Total out-standings	
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
6,509	129	..	11,841	90	2,902	2,992	76
6,472	148	..	11,962	60	3,828	3,888	158
6,703	146	..	12,781	42	8,187	8,229	232
6,954	137	..	13,550	49	8,742	8,791	195
6,751	106	..	14,756	52	9,770	9,822	291
810	440	..	3,670	28	2,478	2,506	2
354	287	..	2,338	67	2,224	2,291	35
662	274	..	2,286	14	2,117	2,131	8
795	246	..	2,262	7	1,769	1,776	16
946	221	..	2,243	6	1,743	1,749	5
289	262	..	2,429	41	1,862	1,903	2
357	266	..	2,474	58	1,739	1,797	1
380	250	..	2,541	61	1,657	1,718	2
402	164	..	2,570	69	1,678	1,747	8
648	124	..	2,630	97	1,626	1,723	2
..	54	..	414	1	420	421	2
..	55	..	355	1	359	360	1
..	58	..	351	..	359	359	..
..	59	..	352	1	338	339	..
..	59	..	345	4	325	329	1
4	50	..	324	..	289	289	2
..	50	..	311	1	287	288	1
2	53	..	291	1	271	272	5
..	53	..	284	..	279	279	..
..	51	..	287	..	275	275	..
1	149	..	477	1	390	391	2
..	137	..	460	4	362	366	5
..	132	..	434	1	390	391	5
..	104	..	423	1	311	312	3
5	100	..	394	5	375	380	5
..	64	..	302	15	260	275	3
..	58	..	285	5	262	267	5
..	59	..	289	5	268	273	5
..	55	..	295	5	257	262	3
..	54	..	313	5	270	275	1

Capital, Reserve, Deposits, Loans and Cash of the Co-operative Banks

Serial No.	Name of bank	Year	Capital and Reserve				Total	Non-members and members in the individual capacity
			Paid up Share Capital	Reserve Fund under section 33 of Act II of 1912	Other funds			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Rs.	Rs.	Rs.	Rs.	Rs.	
			1,000	1,000	1,000	1,000	1,000	
	<i>(B) Banks having Capital and Reserve over Rs. 1 lakh and less than Rs. 5 lakhs—contd.</i>							
5	Jubbulpore	..	1933-34	39	24	30	93	583
			1934-35	35	25	41	101	616
			1935-36	35	26	55	116	601
			1936-37	34	28	51	113	607
			1937-38	34	30	55	119	554
6	Sihora	..	1933-34	66	61	162	289	240
			1934-35	58	64	173	295	243
			1935-36	57	66	172	295	206
			1936-37	56	66	149	271	173
			1937-38	55	66	127	248	157
7	Saugor	..	1933-34	37	28	53	118	167
			1934-35	35	28	56	119	195
			1935-36	35	28	60	123	203
			1936-37	34	28	60	122	197
			1937-38	34	28	61	123	216
8	Damoh	..	1933-34	50	25	50	125	209
			1934-35	50	24	49	123	226
			1935-36	50	25	49	124	221
			1936-37	50	26	44	120	223
			1937-38	50	26	38	114	231
9	Hoshangabad	..	1933-34	54	33	97	184	212
			1934-35	48	38	100	186	212
			1935-36	47	39	105	191	242
			1936-37	46	41	105	192	245
			1937-38	45	42	93	180	255
10	Harda	..	1933-34	34	30	32	96	111
			1934-35	34	32	36	102	110
			1935-36	34	33	36	103	115
			1936-37	34	34	36	104	113
			1937-38	34	34	36	104	121
11	Sohagpur	..	1933-34	34	27	45	106	88
			1934-35	34	30	45	109	99
			1935-36	33	32	46	111	125
			1936-37	33	34	47	114	148
			1937-38	33	35	45	113	143
12	Narsinghpur	..	1933-34	62	34	103	199	502
			1934-35	59	34	119	212	475
			1935-36	57	34	129	220	479
			1936-37	55	34	127	216	507
			1937-38	53	34	125	212	506

C—contd.

in the Central Provinces and Berar, during the past 5 years—contd.

Provincial and Central Banks	Deposits and loans from			Loans due by			Cash in hand 'and in bank
	Societies	Government	Total	Members and individ- uals	Banks and societies	Total out- standings	
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Rs. 1,000	Rs. 1,000	Rs. 1,000	Rs. 1,000	Rs. 1,000	Rs. 1,000	Rs. 1,000	Rs. 1,000
..	92	..	675	1	504	505	6
..	85	..	701	..	529	529	6
..	76	..	677	..	558	558	3
..	76	..	683	1	425	426	7
..	74	..	628	3	418	421	1
299	202	..	741	..	760	760	9
289	206	..	738	..	738	738	13
303	206	..	715	..	722	722	8
344	159	..	676	..	622	622	7
335	148	..	640	..	585	585	5
..	42	..	209	..	218	218	4
..	43	..	238	1	243	244	3
..	39	..	242	1	244	245	8
..	37	..	234	5	218	223	5
..	35	..	251	5	228	233	13
..	60	..	269	2	278	280	5
..	61	..	287	3	279	282	6
..	59	..	280	4	264	268	5
3	48	..	274	9	252	261	4
..	38	..	269	4	202	206	5
9	87	..	308	..	334	334	9
..	90	..	302	..	334	334	8
..	87	..	329	..	345	345	4
..	84	..	329	..	277	277	5
..	79	..	334	..	265	265	2
..	41	..	152	..	156	156	4
..	40	..	150	1	154	155	4
..	38	..	153	1	157	158	4
..	37	..	150	1	145	146	3
..	33	..	154	1	146	147	3
176	101	..	365	1	338	339	2
175	103	..	377	..	342	342	2
169	83	..	377	..	345	345	3
155	80	..	383	..	257	257	2
158	80	..	381	..	267	267	2
20	115	..	637	..	562	562	6
82	112	..	669	2	595	597	11
65	105	..	649	3	570	573	16
65	100	..	672	5	548	553	12
6	93	..	605	6	469	475	5

Capital, Reserve, Deposits, Loans and Cash of the Co-operative Banks

Serial No.	Name of bank	Year	Capital and Reserve				Total	Non-members and members in the individual capacity
			Paid up Share Capital	Reserve Fund under section 33 of Act II of 1912	Other funds			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			Rs.	Rs.	Rs.	Rs.	Rs.	
			1,000	1,000	1,000	1,000	1,000	
<i>(B) Banks having Capital and Reserve over Rs. 1 lakh and less than Rs. 5 lakhs—contd.</i>								
13	Nimar	..	1933-34	69	33	87	189	198
			1934-35	69	40	91	200	198
			1935-36	70	40	90	200	214
			1936-37	70	42	92	204	221
			1937-38	70	44	92	206	221
14	Raipur	..	1933-34	80	55	31	166	197
			1934-35	80	56	41	177	211
			1935-36	79	57	43	179	238
			1936-37	79	57	46	182	235
			1937-38	80	58	46	184	252
15	Bilaspur	..	1933-34	56	32	26	114	403
			1934-35	54	34	27	115	321
			1935-36	54	36	33	123	340
			1936-37	54	38	33	125	354
			1937-38	56	42	37	135	360
16	Durg	..	1934-35	47	50	46	143	73
			1934-35	47	52	44	143	82
			1935-36	40	53	50	143	97
			1936-37	40	55	52	147	96
			1937-38	41	56	55	152	104
17	Balaghat	..	1933-34	52	95	193	340	107
			1934-35	50	97	177	324	101
			1935-36	48	87	171	306	87
			1936-37	46	94	173	313	94
			1937-38	41	100	179	320	97
18	Ellichpur	..	1933-34	27	20	39	86	251
			1934-35	27	21	44	92	324
			1935-36	27	22	52	101	333
			1936-37	25	23	52	100	378
			1937-38	24	24	55	103	343
19	Morsi	..	1933-34	59	22	103	184	604
			1934-35	58	23	122	203	693
			1935-36	57	24	136	217	740
			1936-37	56	25	136	217	840
			1937-38	56	26	157	239	753
20	Yeotmal	..	1933-34	97	53	194	344	917
			1934-35	97	55	255	407	941
			1935-36	81	60	256	397	1,024
			1936-37	80	63	257	400	1,087
			1937-38	79	66	281	426	1,124

C—contd.

in the Central Provinces and Berar, during the past 5 years—contd.

Provincial and Central Banks	Deposits and loans from			Loans due by			Cash in hand and in bank
	Societies	Government	Total	Members and indivi- duals	Banks and societies	Total out- standings	
	(9)	(10)	(11)	(12)	(13)	(14)		(15)	(16)
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,000	1 000	1,000	1,000	1,000	1,000	1,000	1,000
..	72	..	270	1	293	294	6
..	73	..	271	1	296	297	4
..	73	..	287	..	308	308	6
..	74	..	295	..	303	303	2
..	72	..	293	..	346	346	2
9	74	..	280	1	284	285	9
7	77	..	295	2	291	293	9
5	76	..	319	..	307	307	6
3	76	..	314	..	312	312	5
2	76	..	330	2	324	326	7
..	61	..	464	..	410	410	7
..	75	..	396	..	320	320	12
..	77	..	417	..	332	332	7
9	89	..	452	..	329	329	25
78	78	..	516	2	400	402	22
..	29	..	102	..	146	146	5
..	30	..	112	..	160	160	2
..	29	..	126	..	173	173	5
..	31	..	127	..	166	166	1
..	33	..	137	..	182	182	3
..	51	..	158	8	300	308	1
..	42	..	143	3	262	265	1
..	44	..	131	2	248	250	2
..	53	..	147	1	249	250	5
..	50	..	147	1	245	246	1
51	35	..	337	4	270	274	5
..	37	..	361	6	291	297	2
5	36	..	374	2	313	315	5
5	34	..	417	2	305	307	4
20	36	..	399	2	339	341	1
307	117	..	1,028	8	983	991	4
294	118	..	1,105	7	965	972	5
272	102	..	1,114	2	979	981	4
249	91	..	1,180	6	803	809	10
312	96	..	1,161	3	1,076	1,079	4
430	183	..	1,530	..	1,342	1,342	2
452	190	..	1,583	1	1,372	1,373	5
317	154	..	1,495	2	1,287	1,289	2
248	137	..	1,472	6	1,213	1,219	1
227	103	..	1,454	7	1,054	1,061	3

APPENDIX

Capital, Reserve Deposits, Loans and Cash of the Co-operative Banks

Serial No.	Name of bank	Year	Capital and Reserve				Non-members and members in the individual capacity
			Paid up Share Capital	Reserve Fund under section 33 of Act II of 1912	Other funds	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			Rs.	Rs.	Rs.	Rs.	Rs.
	<i>(A) Banks having Capital and Reserve over Rs. 5 lakhs.</i>		1,000	1,000	1,000	1,000	1,000
21	Buldana ..	1933-34	33	18	108	159	296
		1934-35	31	18	116	165	303
		1935-36	28	18	88	134	300
		1936-37	25	18	84	127	296
		1937-38	23	18	90	131	280
22	Khamgaon ..	1933-34	61	38	197	296	470
		1934-35	60	41	222	323	406
		1935-36	60	43	251	354	413
		1936-37	60	45	286	391	375
		1937-38	59	47	326	432	352
23	Mehkar ..	1933-34	62	58	163	283	450
		1934-35	62	61	181	304	464
		1935-36	61	64	202	327	452
		1936-37	60	67	208	335	431
		1937-38	60	71	224	355	409
24	Malkapur ..	1933-34	27	8	134	169	387
		1934-35	27	8	169	204	329
		1935-36	27	8	195	230	288
		1936-37	27	9	195	231	268
		1937-38	27	9	219	255	277

C—concl'd.

in the Central Provinces and Berar, during the past 5 years —concl'd.

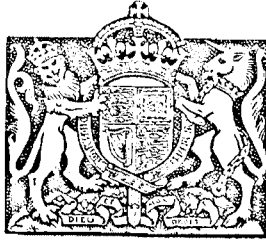
Provincial and Central Banks	Deposits and loans from			Loans due by			Cash in hand and in bank		
	Societies	Government	Total	Members and individuals	Banks and societies	Total out- standings			
	(9)	(10)	(11)	(12)	(13)	(14)		(15)	(16)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.
1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000		
123	55	..	474	2	437	439	5		
118	59	..	480	1	403	404	8		
117	44	..	461	3	325	328	8		
102	30	..	418	1	282	283	6		
92	21	..	393	2	251	253	11		
305	92	..	867	26	776	802	1		
348	57	..	811	27	759	786	1		
361	55	..	829	28	789	817	1		
414	49	..	838	30	817	847	2		
443	22	..	817	30	860	890	1		
23	142	..	615	..	603	603	2		
7	136	..	607	..	589	589	6		
..	106	..	558	1	569	570	4		
..	89	..	520	8	544	552	4		
..	76	..	485	2	502	504	9		
98	42	..	527	8	614	622	..		
170	31	..	530	7	628	635	6		
230	27	..	545	..	558	558	3		
254	27	..	549	4	651	655	1		
267	18	..	562	7	662	669	5		

APPENDIX D

Statement showing Number, Capital, Reserve, Deposits, and Loans received, Loans outstanding and Cash Balance of principal Co-operative Banks in the Central Provinces and Berar, at the end of the provincial year ending the 30th June 1938

Year	Number of banks	Capital	Reserve and other funds	Total	Loans and deposits received	Loans and outstandings	Cash balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
		1,000	1,000	1,000	1,000	1,000	1,000
<i>Class—A.</i>							
<i>Banks with Capital and Reserve of Rs. 5 lakhs and over.</i>							
1928-29	.. 1	627	378	1,005	9,275	1,312	91
1929-30	.. 1	622	427	1,049	9,599	1,504	68
1930-31	.. 2	752	682	1,434	12,564	4,397	29
1931-32	.. 3	824	1,128	1,952	15,946	6,950	15
1932-33	.. 3	810	1,217	2,027	16,615	7,228	156
1933-34	.. 3	794	1,503	2,297	17,940	7,401	80
1934-35	.. 3	774	1,944	2,718	16,774	7,976	94
1935-36	.. 3	751	2,328	3,079	17,608	12,078	242
1936-37	.. 3	734	2,423	3,157	18,382	12,314	219
1937-38	.. 3	728	2,516	3,244	16,629	13,294	298
<i>Class—B.</i>							
<i>Banks with Capital and Reserve over Rs. 1 lakh and less than Rs. 5 lakhs.</i>							
1928-29	.. 19	1,465	2,127	3,592	13,726	11,816	174
1929-30	.. 20	1,482	2,346	3,828	14,802	12,512	177
1930-31	.. 20	1,363	2,245	3,608	12,664	10,980	127
1931-32	.. 20	1,201	2,131	3,332	10,108	9,371	144
1932-33	.. 21	1,192	2,636	3,828	10,257	9,956	123
1933-34	.. 21	1,168	2,837	4,005	10,361	10,102	86
1934-35	.. 22	1,171	3,188	4,359	10,405	10,667	118
1935-36	.. 25	1,230	3,550	4,780	11,863	10,854	121
1936-37	.. 24	1,179	3,532	4,711	10,984	9,989	117
1937-38	.. 24	1,166	3,691	4,857	11,295	10,157	112

GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR



REPORT
ON THE WORKING OF THE
CO-OPERATIVE SOCIETIES
IN THE
CENTRAL PROVINCES & BERAR
FOR THE YEAR ENDING THE
30TH JUNE 1939

NAGPUR
GOVERNMENT PRINTING, C. P. & BERAR
1940

**Agents for the Sale of Publications issued by the Government of the
Central Provinces and Berar**

[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.

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No. 1261-1057-X

GOVERNMENT OF THE
CENTRAL PROVINCES AND BERAR
AGRICULTURE DEPARTMENT

READ—Report on the working of the Co-operative Societies in the Central Provinces and Berar for the year ending the 30th June 1939.

Nagpur, the 31st July 1940.

RESOLUTION

The unfavourable agricultural and economic conditions prevailing during the year were hardly conducive to any striking improvement in the condition of the co-operative institutions. The kharif crops, except rice, suffered from excessive rainfall over most of the province, and later in the year the absence of winter rains and hail told on the outturn of rabi crops. The general price level of agricultural produce sank lower than in the previous year. In face of these adverse factors those institutions, which were in difficulties already, found themselves deeper in the morass. Cash recoveries of central banks in Berar fell by over 19 per cent while the Central Provinces could just exceed the figure of the previous year by a narrow margin. Similarly, cash advances in Berar dwindled, though the Central Provinces showed a small improvement. The proportion of bad debts of central banks in Berar went up from 40 to 49 per cent of the total loans. In the Central Provinces however the proportion of such debts was 23.3 per cent. The overdues aggregated 67 per cent of the total outstandings in the Central Provinces and 96 per cent in Berar. The amount of public deposits with central banks also naturally showed a considerable decrease, which is, however, mostly confined to Berar. The position in the Central Provinces as a whole remained stationary in this respect.

2. As a result of these unfavourable circumstances nine banks in Berar were forced to suspend business, and some of the banks in the Central Provinces also found themselves in difficulties. The problem of the central banks in Berar became so acute that Government found it necessary to appoint the "Berar Co-operative Enquiry Committee" under the chairmanship of Mr. P. B. Gole, M.L.A., to examine the position and suggest means for retrieving it. The report of the Committee was submitted to Government in the month of February and was under its examination at the close of the year.

3. It is gratifying to note that notwithstanding the adverse conditions 435 new societies were registered in the province, bringing up the total, after allowing for 79 cancellations from 4,408 to 4,764. The pride of place in the establishment of new

societies goes to Bilaspur, where the number of primary registrations was the highest in the province, *viz.*, 65. Next comes Raipur with 59 new societies. Even in Berar 69 new societies were registered, of which one-third, namely, 23 were contributed by Yeotmal. A new feature of the year was the registration of eight multi-purpose societies six of which have started working with Government grants for the construction of godowns and the pay of managers. It is to be hoped that this innovation would help in rectifying the overemphasis in the past on the credit side of the movement.

4. A refreshing contrast to the position of the movement in Berar and in many parts of the Central Provinces is provided by the banks in the old Chhattisgarh division whose financial position is strong and where the arrears are negligible, big borrowers unknown and bad debts nominal.

5. The position of the Provincial Bank continued to be satisfactory. Although cash recoveries were nearly halved on account of the inevitable result of the conditions of the year, the public deposits increased by more than Rs. 3 lakhs and the cash advances were nearly three times those of the previous year. The overdues from central banks and societies show a very considerable increase. The unsound position of many of constituent banks cannot but be a matter of serious concern to the Provincial Bank, but it seems that its financial stability is not in danger and its credit in the money market deservedly stands high. For this, credit is due to the sound and business-like policy adopted by the chairman and the office-bearers of the Bank.

6. Land mortgage banks made further progress during the year and their number rose from 19 to 21. The total loans advanced by them aggregate Rs. 17.29 lakhs, of which Rs. 4.47 lakhs were advanced during the year. There was a decline in the number of applications since the previous year, and although the number of applications rejected more than doubled, the number of applications sanctioned increased by more than 40 per cent. If these figures betoken greater discrimination and greater vigilance in the examination and sanctioning of loans, it is a welcome feature. Government is also glad to note that it was possible to reduce the rate of interest charged to the primary banks and to members by half a per cent. A disquieting fact, however, is that the overdues increased from nearly Rs. 6,500 to over Rs. 34,000. Government trusts that effective steps will be taken to check this tendency and to inculcate habits of punctuality amongst members of the banks.

7. The widely divergent results achieved by the co-operative institutions in the different parts of the province show that the principles of co-operation are intrinsically sound and not unsuited to the rural economy of the province. In fact the considerable expansion of the movement in the face of unpropitious circumstances demonstrates that there is a real need of co-operative institutions, and if the incubus of the existing unco-operative societies can be removed, it may be hoped that the co-operative movement will once again flourish in the province.

8. Government wishes to express its appreciation of the services rendered by the honorary workers, possessing genuine faith in the principles of co-operation, whose active assistance is essential for the success of the movement.

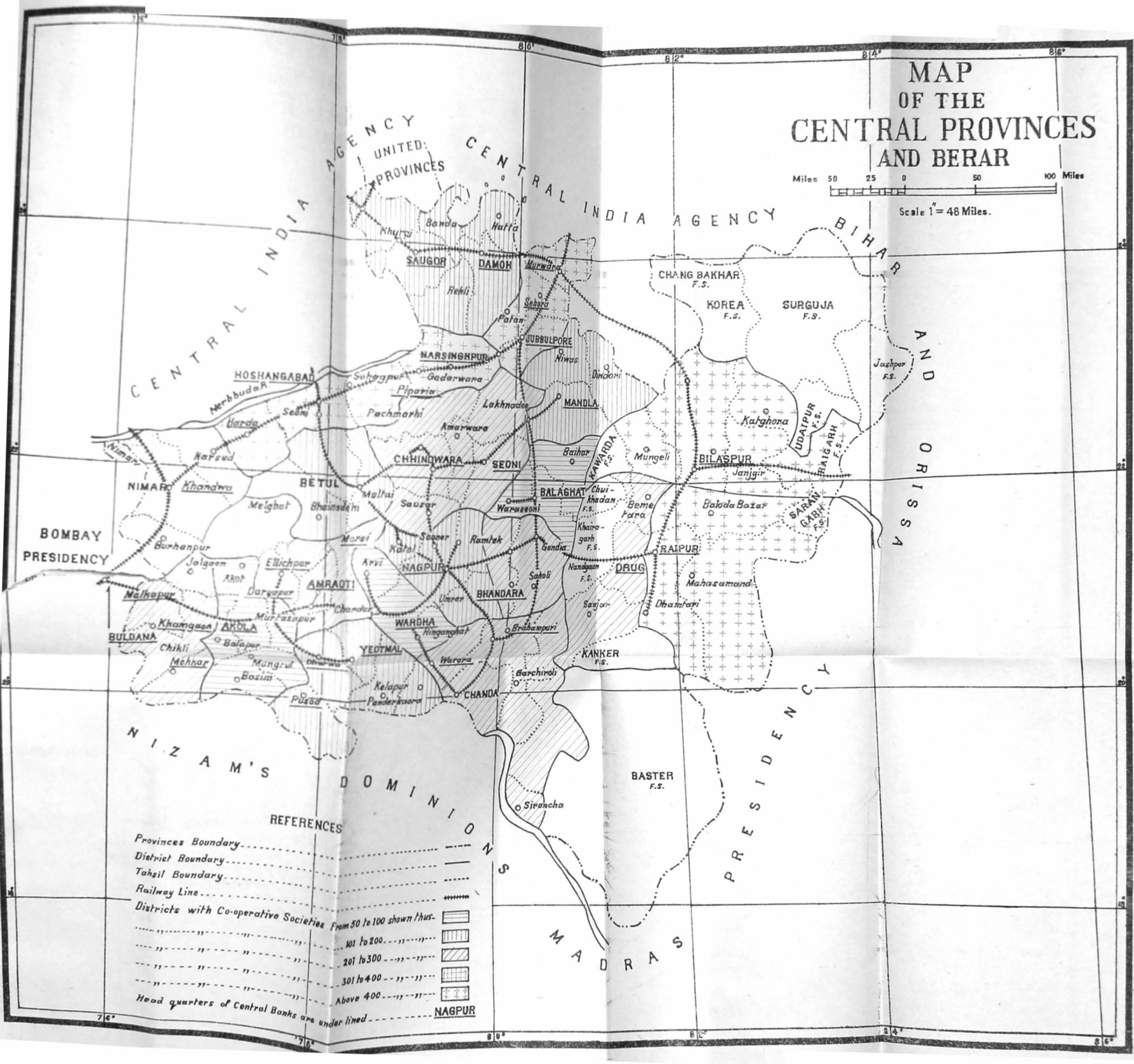
ORDER.—Ordered that a copy of the Resolution together with the enclosures be forwarded to the Registrar, Co-operative Societies, and to all Commissioners and Deputy Commissioners, Central Provinces and Berar, for information and guidance and that it be published in Part I of the *Central Provinces and Berar Gazette*.

By order of the Governor,
Central Provinces and Berar,

K. B. L. SETH,
Secy. to Govt., C. P. & Berar,
Agriculture Department.

MAP OF THE CENTRAL PROVINCES AND BERAR

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



CENTRAL INDIA AGENCY

UNITED PROVINCES
CENTRAL INDIA AGENCY

BIHAR
AND
ORISSA

BOMBAY
PRESIDENCY

NIZAM'S
DOMINIONS

BASTER
PRESIDENCY

MADRAS

- REFERENCES
- Provinces Boundary - - - - -
 - District Boundary - - - - -
 - Tahsil Boundary - - - - -
 - Railway Line - - - - -
 - Districts with Co-operative Societies from 50 to 100 shown thus - - - - -
 - 101 to 200 - - - - -
 - 201 to 300 - - - - -
 - 301 to 400 - - - - -
 - Above 400 - - - - -
 - Head quarters of Central Banks are under lined - - - - -

NAGPUR

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**ANNUAL REPORT ON THE WORKING OF THE
CO-OPERATIVE SOCIETIES IN THE CENTRAL
PROVINCES AND BERAR FOR THE YEAR
ENDING THE 30TH JUNE 1939**

[NOTE.—Figures within brackets relate to the figures of the previous year.]

I.—ADMINISTRATION

1. Staff.—This report relates to the year ending the 30th June 1939. The post of Registrar of Co-operative Societies, combined, for reasons of economy, with the posts of Director of Industries, Registrar of Joint Stock Companies, Registrar of Trade Unions, Registrar of Firms, and Secretary, Village Uplift Board, was held by Mr. C. C. Desai, I.C.S., till the 28th April 1939 when I succeeded him and remained in charge during the rest of the year. Rao Sahib N. R. Chandorkar continued to hold the post of Senior Deputy Registrar.

2. Postings, transfers, etc., of Assistant Registrars were as follows:—

Berar.

Rao Sahib S. B. Dave, Junior Deputy Registrar—
From the 1st July 1938 to the end of February 1939, when the post of Junior Deputy Registrar was abolished as a measure of economy Rao Sahib Dave reverted to his substantive post of Extra-Assistant Commissioner and proceeded on leave. He was succeeded by Mr. V. A. Sant, Assistant Registrar, who held charge from the 1st March 1939 to the end of the year.

Circle I—Headquarters—Jubbulpore.

Mr. K. Y. Mahajan—From the 1st to the 10th July 1938. Temporary Assistant Registrar.

Mr. B. W. Phansalkar—From the 11th July 1938 to the end of the year. Temporary Assistant Registrar. Confirmed, with effect from the 1st March 1939 in the vacancy caused by the conversion of the post of Junior Deputy Registrar into that of an Assistant Registrar.

Circle III—Headquarters—Nagpur.

Mr. M. D. Singru—Throughout the year.

Circle IV—Headquarters—Betul.

- Mr. B. W. Phansalkar—From the 1st to the 3rd July 1938.
- Mr. V. A. Sant—From the 4th July 1938 to the 21st February 1939.
- Mr. J. K. Verma—From the 22nd February 1939 to the end of the year. Temporary Assistant Registrar.

Land Mortgage Banks.

- Mr. G. C. Mukhtyar—Throughout the year.

*Second post of Assistant Registrar,
Land Mortgage Banks.*

- Mr. S. N. Hardas—From the 1st to the 3rd July 1938.
Temporary Assistant Registrar.

Post vacant—From the 4th to the 17th July 1938.

- Mr. K. Y. Mahajan—From the 18th July 1938 to the end of the year.

The scheme of training and education financed out of the Government of India grant was carried out by the Educational Inspector assisted by 3 Assistant Educational Inspectors as in the previous year. The period of the existing temporary staff for land mortgage banks consisting of 2 Assistant Registrars, 15 auditors, 4 clerks, 2 camp clerks and 19 peons (15 for 15 auditors and 4 for 2 Assistant Registrars) was further extended for one year till the 31st March 1940. Additional temporary staff consisting of 3 auditors and 3 peons for land mortgage banks (2 auditors and 2 peons from the 1st September 1938 and 1 auditor and 1 peon from the 1st April 1939), 3 leave reserve auditors and 3 peons from the 1st April 1939 was created up to the 31st March 1940. Besides, 1 temporary post of an auditor and 1 of peon for the audit work of independent societies at Nagpur were also created for one year, with effect from the 2nd December 1938. During the year 6 posts of auditors and 6 posts of peons in Berar were abolished and 6 posts of temporary society auditors and 6 posts of peons (of which 4 posts of society auditors and 4 posts of peons were actually filled up) were created in their place from November 1938. The post of the Junior Deputy Registrar was converted into that of an Assistant Registrar from the 1st March 1939. In order that the new Assistant Registrar should receive training before being placed in charge of a circle, an additional temporary post of an Assistant Registrar was created for a period of six months during the year.

3. **Touring.**—The Registrar was out on tour for 79 days, the Senior Deputy Registrar for 105 days, the Junior Deputy Registrar and the Assistant Registrar in charge of the Berar Circle for 127 days, while the Assistant Registrars in charge of circles I, III and IV, and Assistant Registrars, Land Mortgage Banks, I and II, toured for 152, 140, 186, 136 and 127 days, respectively. The touring was satisfactory.

4. **Cost to the movement.**—The cost to Government increased from Rs. 2,38,873 to Rs. 2,52,532. The increase of Rs. 13,659 was mainly due to the entertainment of the temporary staff.

The staff maintained by the co-operative institutions numbered 454 [471] and the cost borne by them was Rs. 5,14,674 [Rs. 5,24,325].

The turnover of all co-operative institutions fell by 19.2 per cent from Rs. 11,47,60,347 to Rs. 9,26,22,579, while the percentage of the cost of administration to the turnover was 0.55 [0.46].

II—SUMMARY OF GENERAL PROGRESS

5. **Character of the agricultural season.**—The monsoon set in early in the beginning of June and was well established throughout the province by the end of the month. The rainfall for the Central Provinces as a whole was 57.34 inches and for Berar 43.67 inches as compared with the 71 years' averages of 49.20 inches and 34.79 inches, respectively. The rainfall was in excess of the average in all districts except Narsinghpur sub-division (Hoshangabad).

The excessive rainfall of the early monsoon adversely affected the kharif crops except rice, while the failure of later rains coupled with insect pests and hail reduced the yield of the rabi crops.

The provincial outturn of rice was 13.6 [12.3] annas, of juar 9.9 [11.7] annas; of cotton 7.6 [9] annas, of wheat 10.4 [10.8] annas, of gram 9.3 [10.4] annas and of linseed 11.2 annas as in the last year.

The wholesale prices of rice, juar, cotton, wheat and til fell by 4, 3, 16, 4 and 7 per cent, respectively, while those of gram and linseed rose by 11 per cent each. The average retail rate per rupee of rice was 12.7 [11.9] seers, of juar 17.4 [16] seers, of kodon-kutki 18.1 [16.8] seers, of wheat 13.5 [12.7] seers, of gram 12.8 [13.8] seers, of til 7.8 [7.5] seers and of linseed 9.2 [9.3] seers.

The partial failure of cotton crop for the second year in succession coupled with low prices hit the agriculturists hard in the cotton tract necessitating suspension and remissions of land revenue. Relief works to provide employment for agricultural labourers were started and taccavi loans were given on a liberal scale.

6. Recoveries.—Recoveries of loans due by societies to central banks amounted to Rs. 11,75,746 [Rs. 12,36,982]. Recoveries of principal amounted to Rs. 6,78,856 and Rs. 1,05,438 [Rs. 6,91,556 and Rs. 1,62,629], while the total of both principal and interest recovered was Rs. 9,03,093 and Rs. 2,72,653 [Rs. 8,98,411 and Rs. 3,38,571] in the Central Provinces and Berar, respectively. The total cash recoveries increased by 0.5 in the Central Provinces, while they fell in Berar by 19.4 per cent. The total demand of the central banks during the year was Rs. 1,28,57,979. The actual recoveries therefore were 9.1 [9.2] of the total demand. To the recovery in Berar may be added 10,572 acres of land purchased by the Berar banks valued at Rs. 5,60,587 during the course of coercive proceedings.

7. Cash advances.—Cash advances during the year amounted to Rs. 9,25,844 [Rs. 9,70,320]. In the Central Provinces they increased to Rs. 8,13,840 [Rs. 7,81,631]. The increase was marked in Brahm-puri, Betul, Jubbulpore, Raipur, Bilaspur and Bhandara banks. In Berar, however, they fell from Rs. 1,88,689 to Rs. 1,12,004. Generally all the banks except Amraoti, Pusad and Mehkar advanced much less amounts than in the previous year, mainly on account of paucity of funds. Even the crop loan societies recently formed were not financed. The old societies are mostly unco-operative and exist mainly for collecting old debts.

8. Outstanding loans.—The total loans outstanding against members of societies in the Central Provinces increased from Rs. 59,30,281 to Rs. 61,65,614, while in Berar they fell from Rs. 1,13,01,970 to Rs. 1,09,43,492. The increase in the Central Provinces is due to fresh financing of members of new societies. The proportion of overdue to the total dues decreased from 75 to 67.3 per cent in the Central Provinces and from 98 to 96 per cent in Berar. Renewals granted in the Central Provinces decreased from Rs. 2,65,768 to Rs. 1,38,123 and in Berar they rose from Rs. 12,269 to Rs. 17,440. Taking the renewals and overdue together, the arrears fell from

Rs. 1,57,51,225 to Rs. 1,06,67,820. The percentage of such arrears to the total outstandings was 69.5 and 96.7 [80 and 98] in the Central Provinces and Berar, respectively. Excluding the sum due from societies under award and liquidation, the overdues amounted to 45.8 [50] per cent in the Central Provinces and 86.6 [93] per cent in Berar. The above figures show a slight improvement over the last year's position, but the position in Berar is still extremely unsatisfactory.

9. Financial balance-sheet of the co-operative movement as a whole.—The financial position of the central banks of the province and the Provincial Bank taken together on the 30th June 1939 is indicated in the rough balance-sheet given below:—

Serial No.	Liabilities	Amount	Serial No.	Assets	Amount
		Rs.			Rs.
1	Deposits—		1	Cash in hand and in banks outside the movement	5,23,450
	(a) Fixed deposits	1,44,22,868			
	(b) Savings deposits	30,98,102	2	Surplus in Government securities.	19,88,786
	(c) current deposits	9,84,059	3	Fluid resource and reserve fund in Government securities.	54,79,131
2	Debentures ..	7,89,300	4	Demand loan on security of Government paper and deposits.	4,09,154
3	Provident fund of the employees.	3,28,673	5	Deposits in approved banks outside the movement.	30,31,636
4	Loans due to banks outside the movement.	2,64,736			

	Total liabilities to outside creditors.	1,98,87,738	A.	Total liquid assets	1,14,32,157
5	Paid up share capital.	15,56,422			
		-----	6	Building and stock ..	7,22,654
	Grand total of liabilities.	2,14,44,160	7	Landed property ..	34,39,841

			B.	Total fixed assets..	41,62,495
				Total liquid and fixed assets (A+B).	1,55,94,652
			8	Good debts outstanding against societies.	71,88,462
				Grand total of assets..	2,27,83,114

The outside liabilities amount to Rs. 1,98,87,738 against which the movement holds assets estimated at Rs. 2,27,83,114. Of the total assets, Rs. 1,14,32,157 or 50.2 [51.4] per cent are in cash and liquid form and Rs. 41,62,495 or 18.2 [15.7] per cent in fixed assets. For the liquidation of outside liabilities, an additional amount of Rs. 42,93,086 or 59.7 [58.3] per cent of good debts outstanding against societies would suffice. The fact that there is a fluid cover for over 50 per cent of the total liabilities of the movement is mainly due to the large liquid assets of the Provincial Bank and the Chhattisgarh banks and most of the Berar and northern banks failed to maintain the required fluid standard. Of the good debts, Rs. 56,99,693 [Rs. 65,32,726] are secured by first mortgages on lands of members. In Berar, the banks hold first mortgages on 49,750 acres of land. The Berar banks also own 59,518 [50,263] acres of land assessed at Rs. 92,609 acquired for the total value of Rs. 33,97,947, which gives an average of Rs. 57 per acre or 36 per rupee of land revenue.

10. Societies and membership.—Forty-six proposals for registration of primary societies were pending at the commencement of the year and 536 proposals were received during the year. Out of the total of 582, 435 [547] were accepted, 68 rejected and 32 returned to banks for further scrutiny. At the close of the year 47 proposals were pending for registration, which were subsequently registered. 294 primary societies were registered in the Central Provinces and 69 in Berar. Out of the societies registered in the Central Provinces, the five banks in Chhattisgarh division, where the movement is very healthy, were responsible for 169 societies. Other banks which registered a substantially large number of new societies were Warora with 31, Brahmपुरi with 21, Mandla with 18 and Nimar with 14. Out of the 69 societies registered in Berar, 23 were under Yeotmal, 9 under Amraoti, Akola and Mehkar each, and the rest 19 under Morsi, Daryapur, Pusad, Darwha, Buldana and Malkapur banks. The only banks where no new societies were registered were Ellichpur and Khamgaon. Out of the 435 societies registered, 362 were primary agricultural credit societies with unlimited liability and one on limited liability basis, 33 non-agricultural credit societies, 9 weavers' associations, 6 agricultural associations, 2 clerks' societies, 3 thrift, 5 better living, 8 multi-purpose

societies, one seed union, dairy, housing and cattle breeding society each and 2 land mortgage banks. The one primary society on "Limited liability basis" was registered under Darwha Central Bank raising the number of crop loan societies with limited liability in Berar to 14. The registration of 363 new credit societies and especially of 69 in Berar, where the movement is "on its last legs", is a welcome feature and shows that the co-operative movement is indispensable for providing credit to agriculturists, now that the old channels of the moneylender are drying up.

Seventy-two non-agricultural societies were registered during the year. The highest number, *viz.*, 18 non-agricultural credit societies were registered by Jubbulpore Central Bank and 4 each by Chhindwara and Narsinghpur banks. The registration of 79 [105] societies was cancelled. Of these, 45 were in the Central Provinces and 34 in Berar. Of the 79 societies, 75 were primary, 2 housing, 1 clerks' and 1 weavers' societies. The number of co-operative societies of all types thus increased from 4,408 to 4,764, of which 4,358 were agricultural credit societies with unlimited liability and 14 with limited liability. There has been overemphasis on the credit side of the movement in the past and naturally so as the movement was started to free the agriculturists from the clutches of the moneylender. But time has now arrived when more attention should be paid to non-credit societies.

The total membership of all societies in the province increased to 132,115 [122,503], while the working capital fell to Rs. 5,43,26,172 [Rs. 5,52,26,487]. The primary agricultural societies on share basis further increased to 2,936 [2,513] of which 657 are converted and 2,279 registered on share basis. During the year 8 multi-purpose societies were registered, 3 in Chhindwara district and 1 in each of Betul, Jubbulpore, Hoshangabad, Raipur and Bilaspur districts. Six of the societies have recently started their work. Government had sanctioned a provision of Rs. 5,600 for the construction of 4 godowns and pay of 10 managers. The expenditure during the year 1938-39 amounted to Rs. 214 only.

11. Education and supervision of societies.—The group system organised in 1929 was continued. Its working was examined by a sub-committee appointed by the

Federation Congress in 1937 and the conclusions reached have been reproduced in the last year's report. In the Northern and Nerbudda Institutes each group consisting of 20 societies continued to be in charge of a society inspector. It is too early to say if this arrangement is better than the one it has replaced. The majority of society inspectors who were assistant group officers before are below the mark and unfit to impart education. Wardha and Balaghat banks continue to be out of the institutes.

The reduction in groups and in salaries of the staff by the Northern and Nerbudda Institutes has not enabled them to balance their budgets. The institutes are experiencing difficulties in the realisation of *per capita* subscriptions from members whose debts have been conciliated by debt conciliation boards.

As pointed out last year, the budgets of institutes show deficits and Government grants are not sufficient to cover them. Institutes are living on their accumulated balances. Opinion is gaining ground that the institute system should be abolished and the old system under which each bank was responsible for its education, supervision and recoveries should be revived. The question will be discussed in the next Federation Congress and decided finally.

12. Training and propaganda.—Two hundred and sixteen rallies were held during the year, 203 [210] in the Central Provinces and 13 [31] in Berar. They were attended by 14,041 [13,085] members of 2,026 [2,401] societies and 21,165 [18,291] outsiders. The largest number of rallies was held in Chhattisgarh, Raipur continues to lead with 37 rallies and Drug and Bilaspur with 25 and 19, respectively. Agricultural and veterinary assistants attended 47 and 30 rallies, respectively.

During the year the scheme of training and education of the staff of co-operative organisations and the members of primary societies financed out of the Government of India grant was continued. As provided in the scheme, the educational staff of the department held in the first half of the year six training classes for (i) circle auditors, valuers and chief group officers, (ii) society auditors, (iii) group officers, (iv) managers, (v) assistant group officers and (vi) accountants, for periods varying from one to three months. Two classes were

conducted simultaneously during the period. The total number of candidates trained at these classes was 140 including 76 private ones. Of these, 56 employees and 37 outsiders came out successful at the examinations held after the different training classes.

In the latter half of the year, 42 [37] training classes were organised by the educational staff with the help of the Divisional Co-operative Institutes and were attended by 2,805 [2,022] members and office-bearers of rural primary societies including 755 [537] literate persons. Each class continued for nearly 8 days and the main principles of co-operation and their application was explained to the members in an easily intelligible way. Literate men were trained in the writing of accounts, proceedings book and the loan applications. A written examination for the literate and an oral test for the illiterate persons were held at which 351 and 1,381 members, respectively, came out successful. At least one class was held under the area of each central bank. The Raipur and Bilaspur banks organised 3 training classes each and Brahmपुरi, Bhandara and Betul banks arranged two classes each. The total amount of out-of-pocket expenses including motor and railway fares disbursed to the members amounted to Rs. 4,665-6-0. These charges were met from the Government of India grant. Rallies and magic lantern shows were held on the occasion of these classes and the officers of the allied departments also took part in them. The villagers were much benefited by the instruction given at the classes. It is, however, necessary that their knowledge should be refreshed from time to time. The institutes have, therefore, been requested to see that the members do not relapse into ignorance and to utilise the services of the trained literate members in the writing of accounts, minutes of meetings and loan applications. Though the results are bound to be slow, the utility of the classes cannot be denied and efforts in this direction must continue until there is a real and substantial awakening and the societies become truly co-operative.

13. General position.—The year under report was as unfavourable to the agriculturists as the previous one, the cotton tract of the province suffering the most. As a result, the outturn and prices of the principal crops of the province were unsatisfactory, recoveries were consequently poor and the movement suffered a further setback, more particularly in Berar where 9 banks were

forced to suspend business during the latter part of the year. In fact the movement in Berar is practically dead and a solution which will satisfy all is hard to find. Financial accommodation and land management continued to be the main problems of Berar. With the steady drain of deposits coupled with poor recoveries, the Berar banks were obliged to look to the Provincial Bank for financial accommodation and so long as it was available the Berar banks could keep up appearances. The moment it was refused crisis occurred in the nine banks. The Berar Co-operative Enquiry Committee was appointed by Government in October 1938 under the chairmanship of Mr. P. B. Gole, M.L.A.—

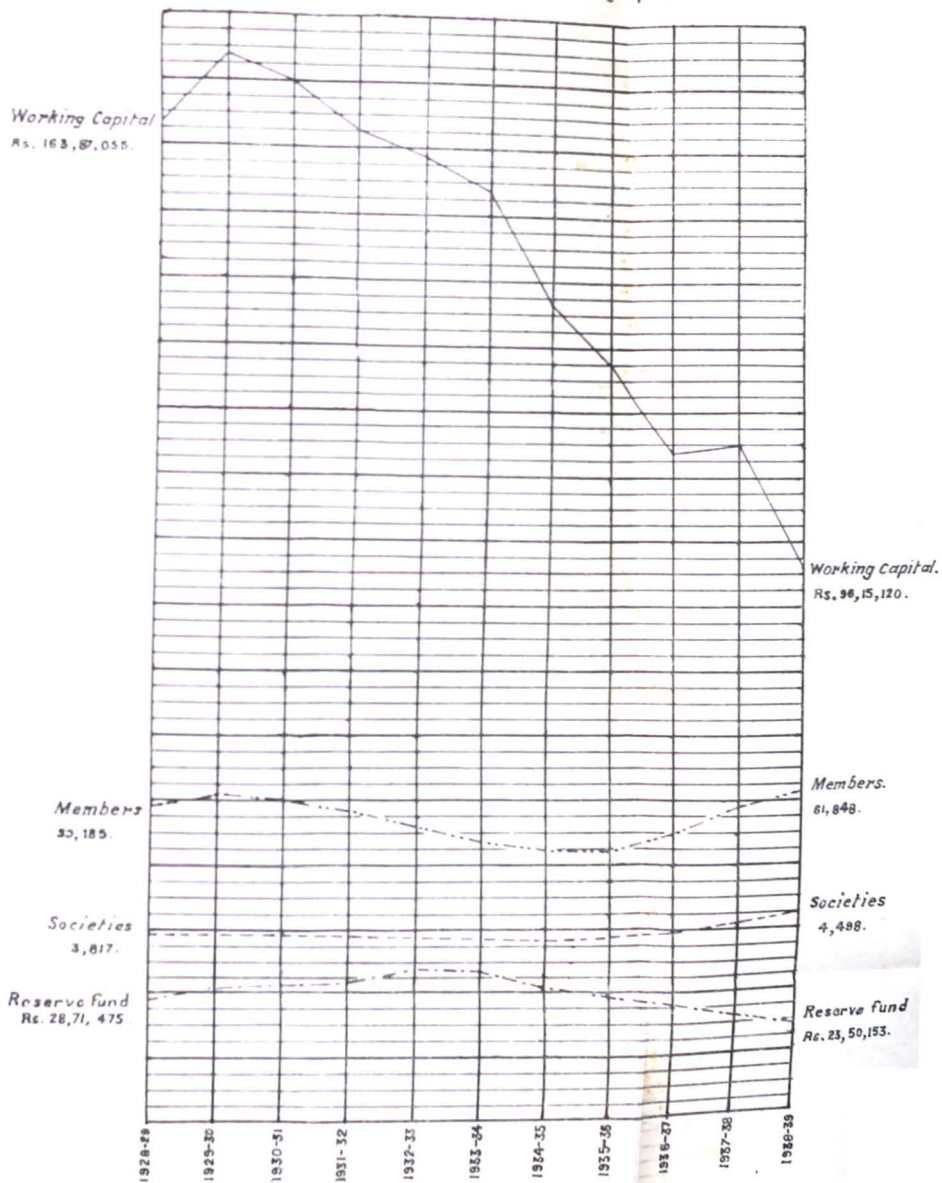
- (1) to examine the position of the co-operative movement in Berar in general and of the finances of the central banks in Berar in particular,
- (2) to suggest ways and means for a more remunerative management of lands acquired by central banks, and
- (3) to make proposals for financial accommodation to those central banks which are in need of it immediately or for some years to come.

The Committee submitted its report in February 1939. Its main recommendations include disposal of lands in possession of banks and societies by lottery, supersession of managements of banks and constitution of a Central Banking Board, writing down of 10 lakhs out of the Provincial Bank loan to banks, compulsory conversion of deposits and the balance of Provincial Bank loan into debentures for 30 years with interest at 3 per cent both capital and interest being guaranteed by Government, conciliation of members' loans, the loss due to conciliation being borne by Government and annual subsidy of 1 lakh by Government. The recommendations of the Gole Committee were under the active consideration of Government at the close of the year.

The position of the co-operative movement in the northern part of the province is also causing considerable anxiety. The condition of the Jubbulpore, Sihora, Murwara, Piparia and Hoshangabad banks has deteriorated

PROGRESS OF AGRICULTURAL SOCIETIES IN C.P. AND BERAR

Scale - $\left\{ \begin{array}{l} 1 \text{ inch} = 2,000 \text{ Societies} \\ 1 \text{ " } = 20,000 \text{ Members} \\ 1 \text{ " } = \text{Rs. } 20, \text{ Lakhs Reserve Fund} \\ 1 \text{ " } = \text{ " } 20, \text{ " Working Capital} \end{array} \right.$



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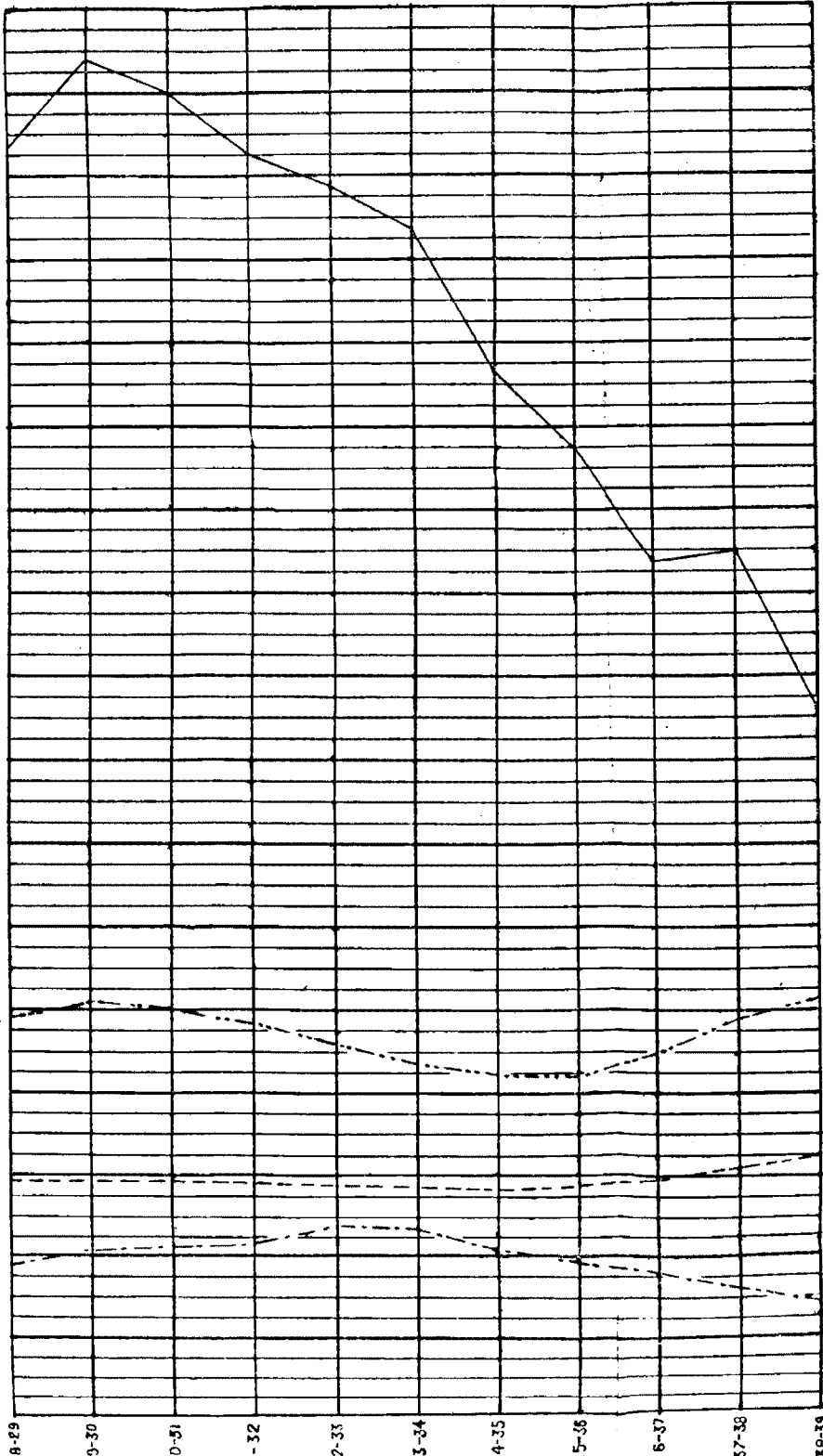
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Scale - { 1 inch = 2,000 Societies
 1 " = 20,000 Members
 1 " = Rs. 20, Lakhs Reserve Fund
 1 " = " 20, " Working Capital

Working Capital
 163,87,055.



Working Capital
 Rs. 96,15,12

Members
 50,185.

Members
 61,848.

Societies
 3,817.

Societies
 4,488.

Reserve Fund
 Rs. 28,71,475.

Reserve Fund
 Rs. 23,50,100.

considerably and these banks are finding it difficult to repay the mature deposits which are being withdrawn as a result of the Berar repercussions.

As against the above dark background, there is the comparatively bright picture of the movement in the old Chhattisgarh division. There the movement is fairly healthy and vigorous. Recoveries are practically cent per cent and overdues are unknown. This satisfactory state of affairs is largely due to the selfless and genuine interest of honorary workers who deserve the thanks of the department and of all those who have faith in co-operation. Another bright feature in this division was the registration of as many as 435 new societies during the year which shows that in spite of the failure of the movement over a large part of the province, agriculturists are anxious to join the movement for financial help which they cannot nowadays easily obtain from village sahuikars on account of enactments such as the Debt Conciliation Act, the Moneylenders Act, etc., which have been passed in recent years. Another good feature is the sound position of the apex bank which is a tower of strength to the movement.

III.—THE WORKING OF AGRICULTURAL CREDIT SOCIETIES WITH UNLIMITED AND LIMITED LIABILITIES

14. Number of societies.—The total number of primary societies with limited and unlimited liability increased by 288 to 4,372, of which 3,664 were in the Central Provinces and 708 in Berar. The number of crop loan societies with limited liability in Berar increased from 13 to 14. The increase in the number of primary societies with unlimited liability was shared by almost all the banks in Central Provinces except Nagpur in the III circle and Sihora and Murwara in the I circle. The Bilaspur bank heads the list in having 65 societies registered during the year and then comes Raipur with 59 societies. As stated previously, 294 new societies were registered in the Central Provinces and the old Chhattisgarh division banks were, as might be expected, responsible for 147 of them. Warora and Brahmपुरi banks, too, registered 31 and 21 societies. In the I circle the highest number of societies registered was 18 in Mandla which is very gratifying as indicating the spread of the co-operative movement in the aboriginal population who are particularly susceptible to fleecing at the hands of unscrupulous moneylenders. In the IV circle, 31 societies

were registered, of which 14 were in Nimar and 5 in Narsinghpur and the rest 12 in other banks. In Berar, out of 69 societies, 23 were registered under Yeotmal, 9 under Amraoti, Akola and Mehkar each, 5 under Morsi and Malkapur each and the rest 8 under other 4 banks. No societies were registered under Ellichpur and Khamgaon Central Banks.

The number of societies cancelled was 75 [103], of which 44 were in Central Provinces and 31 in Berar. Eleven societies were cancelled in Piparia, 6 in Brahma-puri, 8 in Jubbulpore and the rest 19 in other banks of Central Provinces. In Berar, 11 societies were cancelled in Akola, 8 in Malkapur and the remaining 12 in other banks.

15. Working capital and membership.—The working capital of societies in the province, excluding those under liquidation, decreased from Rs. 1,05,39,352 to Rs. 92,27,249; in the Central Provinces it decreased from Rs. 53,02,025 to Rs. 52,59,385 and in Berar from Rs. 52,37,327 to Rs. 39,67,864. The loans due by members also fell from Rs. 81,26,882 to Rs. 69,15,886. They increased in the Central Provinces to Rs. 39,59,803 [Rs. 38,07,519] while in Berar they fell to Rs. 29,56,083 [Rs. 43,19,363]. Cash recoveries from members of working societies, however, increased from Rs. 7,88,873 to Rs. 8,49,053 in the Central Provinces and decreased from Rs. 2,58,422 to Rs. 1,69,024 in Berar.

The membership of societies, other than those under liquidation, increased from 45,983 to 50,411 in the Central Provinces and decreased in Berar from 7,316 to 7,289. The average number of members per society in the province continued to be 13 as before, the average being 13.7 in the Central Provinces and 10.3 in Berar.

16. Loans and purposes of loans.—The average loan per member, excluding members of societies under liquidation decreased from 152 to 120 in the province as a whole, the figure being 78 [83] in the Central Provinces and 413 [590] in Berar. Total loans advanced by societies to members decreased from Rs. 19,78,121 to Rs. 16,39,084 of which cash advances amounted to Rs. 8,68,132 [Rs. 9,32,903], being Rs. 7,64,414 [Rs. 7,50,623] and Rs. 1,03,718 [Rs. 1,82,230] in the

Central Provinces and Berar, respectively. The purposes for which loans were advanced are shown as below :—

Purposes	Central Provinces	Berar	Total
	Rs.	Rs.	Rs.
Purchase of seed ..	15,576	1,190	16,766
Cultivation expenses ..	31,141	70,952	1,02,093
Purchase of bullocks and plough cattle.	5,54,078	6,809	5,60,887
Purchase of agricultural implements and machinery.	4,959	311	4,370
Purchase of land ..	13,733	..	13,733
Improvement of land ..	40,151	1,287	41,438
House building and repairs ..	12,014	2,103	14,117
Payment of rent and revenue ..	22,226	3,610	25,836
Payment of old debts ..	20,153	3,175	23,328
Marriages and other ceremonies ..	12,463	155	12,618
Other purposes ..	38,820	14,126	52,946
Total ..	<u>7,64,414</u>	<u>1,03,718</u>	<u>8,68,132</u>

The largest amount was advanced for purchase of bullocks and plough cattle by the Raipur, Bilaspur, Drug and Bhandara banks in Chhattisgarh division and by Brahmपुरi bank in Nagpur division. The percentage of advance for cattle was 72.4 in the Central Provinces : the largest amount in Berar was for cultivation and other expenses, the percentage to the total advance being 67.4.

17. **Big borrowers.**—Big borrowers owing Rs. 1,000 or more were 938 or 1.8 [0.61] of the borrowing members. They absorbed Rs. 30,12,488 or 40.3 per cent of the total loan outstanding. Out of 938 big borrowers, the bulk, *viz.*, 745 [932] hail from Berar and they absorbed Rs. 26,24,593 out of Rs. 34,45,483 or 76.2 [80] of the total loans in that division. Their number from the Central Provinces was 193 [247] and they were responsible for loans amounting to Rs. 3,87,895 out of Rs. 40,32,572 or 9.3 [11.6] of the total outstanding against members. The number of members owing more than Rs. 5,000 each was 9 in the Central Provinces and 144 in Berar, and the amounts due by this class of members were Rs. 58,980 and Rs. 12,71,556, respectively. Most of these members are in Amraoti and Morsi which have 66 and 34 of such borrowers, respectively. The problem of big borrowers continued to be acute in Berar. It is no exaggeration to say that the present deplorable condition of the movement in that part of the province is not a little due to the unco-operative attitude of many of the office-bearers of societies and rural directors of the banks who form the majority of the big borrowers. This also explains why

the societies did not take severe action against big borrowers. There are no big borrowers in any bank in the Chhattisgarh division.

18. **Repayments and overdues.**—The proportion of overdues in the loans of societies (excluding those under liquidation) against members has come down to Rs. 48,93,798 [Rs. 63,67,852] or 70.7 [78.3] for the province as a whole. The proportion of overdues in the Central Provinces has decreased to 52.9 [60.7] in the Central Provinces, while it has gone up to 94.7 [93.9] in Berar. Including renewals the percentage would be 56.6 [67.7] and 95.2 [94.2] in the Central Provinces and Berar, respectively. The renewals granted in Berar were for Rs. 17,440 only. Out of 4,372 societies, 713 [651] in the Central Provinces and 339 [212] in Berar failed to pay even the interest due during the year. The number of societies which took no loans during the year from central banks was 1,670 [1,571] in the Central Provinces and 392 [144] in Berar.

19. **Classification of societies.**—The system of biennial audit was introduced during the year and out of 4,764 societies the audit of 2,410 societies was due during the year; of these, 2,377 were audited and the result of audit classification for 1938-39 is given below:—

	Central Provinces	Berar	Total
A. Very Good ..	6	1	7
B. Good ..	109	15	124
C. Fair ..	1,428	250	1,678
D. Bad and unco-operative ..	348	85	433
E. Financially dangerous ..	109	26	135
Total ..	2,000	377	2,377

As all the societies were not audited, it is not possible to say whether there has been any improvement in the condition of the societies. Most of the A and B class societies out of those audited during the year are in the old Chhattisgarh division. If the success or failure of the credit movement is to be measured by any single factor, it is by the number of societies in these two classes. Judged by this standard, the movement must be said to have failed in the province outside the old Chhattisgarh division.

20. **Reorganisation of societies.**—Out of 35 central banks, the work of reorganisation of societies was carried out by 29 central banks (32 banks). The number of societies selected for reorganisation was 529. Of these 62

societies were finally organised (56 in the Central Provinces and 6 in Berar), 54 rejected (53 in the Central Provinces and 11 in Berar) and the rest were kept for further trial and will be tackled during the coming year. Thus, in all 126 societies out of 529 were either finally reorganised or rejected. The progress in reorganisation was as unsatisfactory as in the previous year. I cannot help remarking that the bank authorities did not take as much interest in this work as they should have done. Reorganisation of primary societies is of the utmost importance if the movement is to be revitalized. Many banks have not yet realised the importance of this work. I have advised the banks individually to attend to this work and I hope they will give no cause for complaint in future.

21. Rates of interest.—The rates of interest charged to societies varied between 6½ to 10 per cent. The policy of allowing interest on reserve fund of societies for reducing the rates of interest on loans due by members was continued with the effect that in some societies the rates of interest to members were as low as 4 per cent.

The effect of concessions given to members was approximately as shown below :—

Rate per cent	Number of societies	Number of members
(1)	(2)	(3)
4—5	799	9,994
5—6	347	4,797
6—7	408	5,252
7—8	624	7,156
8—9	1,166	14,989
above 9 per cent.	975	10,919

Thus more than half the members get the concession and pay interest from 4 to 8 per cent. Others could not get this advantage due to heavy arrears and bad debts.

22. Deposits in societies.—Deposits in societies further decreased from Rs. 2,84,242 to Rs. 2,68,114 in the province as a whole. In the Central Provinces the deposits of members increased from Rs. 90,950 to Rs. 95,412 and of non-members from Rs. 8,277 to Rs. 9,868. In Berar there was a decrease in members' deposits from Rs. 20,992 to Rs. 17,443 and in non-members' deposits from Rs. 1,64,023 to Rs. 1,45,391. The fall in deposits in Berar was due to the economic depression and to the deplorable condition of the movement in that division.

The very small amount of deposits by members in their societies also shows that the spirit of thrift, which is an essential feature of co-operation, is lacking among them. If the province is to have a healthy system of rural credit, thrift and credit must be closely allied.

IV.—LAND MORTGAGE BANKS

23. During the year under report two more land mortgage banks were registered with their headquarters at Hoshangabad and Betul. Thus the total number of land mortgage banks in the province increased from 19 to 21. The only districts which now remain without land mortgage banks are Chanda, Balaghat and old Damoh district. Proposals for the registration of banks at Damoh and Chanda are pending as the promoters of these banks have not yet collected sufficient share capital to enable the banks to start functioning. Whether a separate land mortgage bank should be established at Balaghat or the area of operations of the Seoni land mortgage bank be extended to the Balaghat district is under consideration. All the banks except Hoshangabad and Betul were in full working order during the year. Hoshangabad and Betul land mortgage banks were busy in collecting share money and with other preliminaries. The following figures will show the working of the banks during the year :—

(1) No. of members ..	4,695 [3,107]
(2) No. of applications ..	1,183 [1,479]
(3) Total amount of loans applied for.	Rs. 17,29,342 [Rs. 17,18,537]
(4) No. of applications rejected.	728 [339]
(5) No. of applications sanctioned.	502 [348]
(6) No. of applications pending.	843 [857]
(7) Loans advanced ..	Rs. 4,47,302 [Rs. 3,79,245]
(8) Loans recovered ..	Rs. 67,947 [Rs. 54,481]
(9) Loans outstanding on 30th June 1939.	Rs. 11,38,351 [Rs. 7,16,089]
(10) Overdues ..	Rs. 34,691 [Rs. 6,479]
(11) Cost of management ..	Rs. 14,870 [Rs. 10,750]
(12) Share capital ..	Rs. 1,07,456 [Rs. 85,451]
(13) Provincial Bank loan outstanding.	Rs. 10,88,541 [Rs. 6,63,068]
(14) Working capital ..	Rs. 12,86,619 [Rs. 8,12,030]

There was a marked increase in the volume of work done by the banks. From amongst the older banks the

Nagpur, Narsinghpur, Sihora, Bhandara, Amraoti, Mehkar and Yeotmal banks did good business during the year under report. Amongst the newly established land mortgage banks, Khamgaon, Khandwa, Chhindwara, Bilaspur, Wardha and Akola did business of over Rs. 10,000 which can be said to be satisfactory. The rest of the land mortgage banks did not do that volume of business which was expected of them.

During the year, 1,183 [1,479] applications were received. The reasons for the decrease are the following:—

(1) in the areas of some banks Debt Conciliation Boards continued to function and debtors got more concessions from them than they would have got from the land mortgage banks; (2) the Relief of Indebtedness Act which was on the anvil created some hope in the minds of debtors who preferred to wait rather than go to land mortgage banks for raising loans to pay off prior debts; (3) there was absence of propaganda on the part of some of the land mortgage banks to popularise their activities in the rural areas; and (4) the large number of loan applications rejected by banks deterred some from putting in "sporting" applications like those that were made in the preceding year. All banks have now been making efforts to entertain only sound type of loan applications.

The number of applications rejected after enquiry doubled during the year. This is due to the fact that the scrutiny of loan applications was made stiffer by the department and greater attention was paid to the real (as contrasted with the estimated) paying capacity of the applicants, which could be gauged from the actual repayments made by them in the past to their creditors. Some cases received from the precarious tracts were rejected as overdues have been rising in such tracts and it is considered advisable to be very cautious in financing the people of such tracts. The number of loan applications sanctioned was half as much again as that for the preceding year. The number of pending loan applications showed only a slight fall. The same factors as were mentioned in the last year's report account for the accumulation of undisposed loan applications at the close of the year.

Instalments fell due in 19 out of 21 land mortgage banks which were in existence during the year. The total cash recoveries amounted to Rs. 67,947—Rs. 23,458 towards principal, Rs. 40,794 towards interest and Rs. 3,695 towards advance payment of future kists

received in the areas of Raipur, Bilaspur and Khamgaon land mortgage banks. There were overdues in 14 banks which amounted to Rs. 34,691 against 372 members. The percentage of overdues on the balance of loan outstanding against borrowers at the close of the year was 3.4 and that of defaulting borrowers on the total number of members 7.9. The increase of overdues was due partly to the failure of crops in some parts of the province and partly to deliberate defaults. The rates of interest chargeable by the Provincial Bank to land mortgage banks and by the latter to their borrowers were reduced with effect from the 1st July 1938 from 5 to $4\frac{1}{2}$ per cent and from 7 to $6\frac{1}{2}$ per cent, respectively. The policy to be followed by the Provincial Bank and land mortgage banks in respect of overdues that arise on account of failure of crops, as evidenced by suspension or remission of land revenue, was considered by a Sub-Committee appointed by the Provincial Bank and the report of the Sub-Committee was forwarded to Government for approving the policy laid down therein. The final orders of Government on the subject are awaited. Detailed instructions were drawn up for the guidance of banks and Valuers on the method of working the coercive machinery contemplated in the Central Provinces Land Mortgage Banks Act, and the rules framed thereunder. The new machinery has been set in motion and all banks having overdues have been advised to take advantage of it for realising their overdues. The importance of inculcating the habit of punctual repayments amongst members cannot be too strongly emphasised, if these banks are to avoid the difficulties in which many of the central banks in the province find themselves.

During the year under report Nagpur, Narsinghpur, Sihora, Amraoti, Yeotmal, Basim, Mehkar, Bhandara, Raipur and Seoni land mortgage banks, *i.e.*, all the old banks worked at profit. Though the Sihora land mortgage bank made profit during the year, it could not completely wipe out its past losses to the extent of Rs. 178. Raipur alone has got realised profit available for declaring dividend, while in the rest unrealised interest exceeded their profits. The remaining 11 banks which are of one or two years standing showed a loss. This is not unusual as new banks take time to develop their business and make income though they have to incur necessary preliminary expenses on establishment, stationery and registers. The Sihora, Bhandara and Seoni land mortgage banks were

given grants during the year to the extent of Rs. 560 for the third time to wipe out losses sustained by them during the year 1937-38. No grants were, however, recommended to the newly established 11 banks as they were not in full working order during 1937-38. The total loss which these banks have to make up is Rs. 3,610.

The Central Provinces and Berar Provincial Co-operative Bank, Limited, Nagpur, continued to function as an apex bank for the land mortgage bank movement and financed all land mortgage banks. It floated the third series of debentures of the face value of Rs. 4 lakhs at $3\frac{1}{4}$ per cent at par in October 1938. The amount invested in debentures by the Provincial Bank stood at Rs. 39,600 on 30th June 1939. After considering all the pros and cons of Debenture Redemption *vs.* Sinking Fund schemes, the Provincial Bank decided to adopt the sinking fund. Orders of Government on this subject have been received recently and the Provincial Bank has been asked to establish the sinking funds for different series of debentures as early as possible. The total value of the different series of debentures floated till 30th June 1939 was Rs. 8 lakhs while the balance of the Provincial Bank loan outstanding against all land mortgage banks was Rs. 10,88,540. The excess of Rs. 2,88,540 represented the temporary accommodation given to its Land Mortgage Banks section by the Provincial Bank out of its general funds on the banking side.

The question of an agency for doing the work of revaluation of property mortgaged with land mortgage banks was considered during the year and it has been decided that revaluation should be done by Government Valuers once in three years. Till last year the limit of minimum loan that could be advanced to an individual by Berar banks was Rs. 300. On representations made by some Berar banks, Government was moved and the minimum limit was lowered to Rs. 150 as in the case of the Central Provinces banks.

The experiment of land mortgage banks is being watched with interest by the urban public. The general criticism is that applications take much too long for being disposed of, but as banks deal with the money of debenture-holders and as Government has guaranteed principal and interest of debentures, thorough enquiries have to be made in each case. All banks have, however, been addressed to suggest ways and methods of reducing delays and for making the movement more popular.

People expect great benefits from the Relief of Indebtedness Act and therefore are hesitating to approach land mortgage banks for financial assistance. They do not at present realise that land mortgage banks can be more effective in combination with the Relief Courts. It is hoped that they will find this out after the Relief Courts start functioning.

I would take this opportunity of expressing my thanks to Rao Bahadur H. S. Munje, honorary legal adviser of the Provincial Bank, for his sound advice in all complicated cases referred to him either by me or the Managing Director.

V.—CENTRAL BANKS

24. Number of central banks.—The number of central banks continued to be 35.

25. Capital and resources, loan outstanding and bad and doubtful debts.—The total working capital of central banks decreased to Rs. 2,43,41,028 [Rs. 2,45,81,314]. The share capital declined further to Rs. 15,20,742 [Rs. 15,78,195]; it fell from Rs. 10,01,734 to Rs. 9,61,243 in the Central Provinces and from Rs. 5,76,461 to Rs. 5,59,499 in Berar. The reduction is mostly due to the redemption of shares held by members of societies who withdrew from societies and by members of societies under liquidation. Reserve and other funds, however, increased to Rs. 54,20,648 [Rs. 53,46,402] of which a sum of Rs. 34,10,062 was earmarked for provision for bad and doubtful debts. The total loans outstanding against affiliated societies decreased to Rs. 1,25,67,417 [Rs. 1,30,72,932]. It increased to Rs. 48,70,945 [Rs. 48,49,513] in the Central Provinces, and decreased to Rs. 76,96,472 [Rs. 82,23,419] in Berar. Bad debts amounted to Rs. 11,35,173 and Rs. 38,47,106 and doubtful debts to Rs. 2,37,852 and Rs. 25,873 in the Central Provinces and Berar, respectively. Bad debts increased in the Central Provinces by Rs. 59,926, and in Berar by Rs. 5,61,445. Doubtful debts decreased in the Central Provinces by Rs. 1,08,157, while they increased in Berar by Rs. 7,753. The percentage of bad debts to the total loans outstanding works out in the Central Provinces at 23.3 [22.2] and in Berar at 49 [40], while that of doubtful debts at 4.8 [7.1] and 0.3 [0.2], respectively. In Bilaspur the bad and doubtful debts are nil, while they are nominal, *viz.*, Rs. 2,260 and Rs. 1,404 in the other two banks of the old Chhattisgarh division.

The question of estimating bad debts is engaging the attention of the department. In Berar land values differ from village to village and taluq to taluq. The multiples so far adopted were fixed some years ago. They are being revised and new multiples are being adopted for different areas of central banks.

Some banks have not been able to make full provision for bad assets out of their funds and profits. They had therefore to draw upon their Reserve Fund and Share capital to make up the provision for bad assets. In 6 banks in the Central Provinces and 7 banks in Berar the real assets fell short of liabilities by Rs. 20,16,703.

26. Deposits and Fluid Resource.—Deposits from individuals decreased to Rs. 1,09,72,592 [Rs. 1,18,95,206] for the province as a whole. In the Central Provinces, they increased to Rs. 51,11,703 [Rs. 51,08,596], while in Berar they decreased to Rs. 58,60,889 [Rs. 67,86,610]. Withdrawals in cash totalled Rs. 14,74,671 [Rs. 17,88,175] in the Central Provinces and Rs. 26,33,533 [Rs. 39,28,863] in Berar. Deposits received in cash amounted to Rs. 18,55,249 [Rs. 20,64,486] in the Central Provinces and Rs. 18,99,250 [Rs. 34,35,440] in Berar. There is a marked decrease of deposits in all the banks in Berar—the fall in Amraoti amounting to a lakh, in Yeotmal to $1\frac{1}{2}$ lakhs and in Akola to $3\frac{1}{2}$ lakhs. The central banks in Berar except Mehkar, Darwha and Pusad, could not meet the demand of the depositors in time and the overdue deposits on the 30th June 1939 amounted to Rs. 8,33,201.

Out of 35 central banks in the province, the fluid resource maintained by 20 [20] banks exceeded the percentage prescribed for the fixed, savings and current deposits, while that of 15 [15] banks fell short of the standard. Of these, 6 exist in the Central Provinces and 9 in Berar. At the close of the year the amount repayable during the next 12 months was Rs. 44,77,038. Out of this a sum of Rs. 2,86,591 was in deposit with the Provincial Bank which maintains an adequate cover for it. The cover required for the balance of Rs. 41,90,447 was Rs. 16,41,989. Against this the total fluid resource of all the central banks amounted to Rs. 15,91,453 out of which a sum of Rs. 6,95,767 was invested in Government securities or held in cash or cash credits granted by the Provincial Bank and other banks. The position of the fluid resource in some of the banks is far from satisfactory. The number of deficit central banks during the year

remained the same as in the last year. There was a rush of withdrawals on some of the central banks which accounts for the decline in the total fluid resource maintained by the central banks. The co-operative movement is passing through a crisis and the times are very unsettled, and it is only by the honest effort and good will of all concerned, that there can be any hope of saving it.

27. Cost and profits.—The cost of management in all the central banks decreased to Rs. 1,80,912 [Rs. 1,91,225] for the province as a whole, the figure being Rs. 1,03,501 [Rs. 1,08,282] for the Central Provinces and Rs. 77,411 [Rs. 82,943] for Berar. The net profits during the year increased to Rs. 1,50,615 [Rs. 1,26,399]. But they are paper profits and have accrued only because interest on all overdue deposits which the central banks could not pay in time, has not been calculated. When the interest comes to be calculated, this profit may decrease substantially. The unrealised and overdue interest amounted to Rs. 21,73,447 [Rs. 26,04,343]. 15 central banks paid dividend to the shareholders—the rates of dividend varying from 2 to 6 per cent. In Berar, Pusad paid dividend at 6 per cent, and Yeotmal and Mehkar paid it at 3 per cent each. In the Central Provinces, Nimar, Bhandara and Balaghat paid dividend at 5 per cent, Drug at $3\frac{3}{4}$ per cent, Nagpur, Brahmपुरi and Bilaspur at $3\frac{1}{2}$ per cent, Warora, Harda, Narsinghpur and Raipur at 3 per cent and Wardha at 2 per cent.

28. Working of Central Banks.—The problems facing the central banks during the year were practically the same as before. In the I Circle the condition of the Jubbulpore, Sihora and Murwara banks has deteriorated considerably and is causing a good deal of anxiety. As a result of the Debt Conciliation Boards most of their good assets have been made recoverable in 12 to 20 years without interest. The banks are, therefore, finding it difficult to meet their short-term obligations from such long-term assets. Damoh, Saugor and Seoni are slightly better and would be considerably improved if the office-bearers showed more energy in recoveries and in organising new societies. Mandla bank continues to be the best bank in this circle and was successful in organising 18 new societies.

In the III Circle the Raipur, Bilaspur and Drug banks continued to be the best among the banks in the province, Brahmपुरi bank being the next best. In the

area of these banks new societies are being formed, adequate fresh financing is being done on the basis of paying capacity, thus making bad and doubtful debts impossible. Balaghat bank is financially sound, though the growth of the movement in this area has been completely arrested. Wardha and Warora banks are showing signs of deterioration; while the affairs of the Nagpur bank leave much to be desired.

In the IV Circle Nimar and Harda banks are easily the best. Betul and Narsinghpur have slightly deteriorated while the Hoshangabad bank has gone much worse and has suspended payment since the close of the year. Piparia bank in spite of the change in the management has deteriorated and may break down any time.

In Berar with the exception of the Mehkar, Darwha and Pusad banks, all banks have suspended payment and are awaiting Government's decision on the Berar problem which is "wellnigh baffling". The outbreak of the war, after the close of the year, may however stimulate the demand for land and agricultural commodities, and thus help in resolving the difficulties of the banks and societies.

VI.—PROVINCIAL BANK

29. Working of the year.—The working capital of the bank has increased to Rs. 1,67,53,817 [Rs. 1,64,98,915]. The net profit has also increased to Rs. 68,276 [Rs. 46,859]. The amount due from central banks and societies on account of loans, cash credits and overdrafts accounts increased from Rs. 37,22,434 to Rs. 45,79,135, of which Rs. 9,68,339 [Rs. 7,32,305] were due from the Central Provinces and Rs. 36,10,796 [Rs. 29,90,130] from the Berar banks and societies. Against the ordinary loans and cash credits due by banks and societies in the Central Provinces, the bank holds as security Government paper of the face value of Rs. 25,800, fixed deposit receipts of this bank aggregating Rs. 1,91,325, a building mortgage of Rs. 4,000 and a charge on the fluid resource of Rs. 2,000. Besides these, the loans due by the Narsinghpur Landlords' Society aggregating Rs. 62,627 and those due by housing societies are fully secured by mortgage of the village shares and houses of members. As against the loans and cash credits, etc., due by Berar banks, the security offered is the aggregate area of 41,508 acres of agricultural land, fixed deposit receipts of Rs. 57,850, Government paper of the face value of

Rs. 2,14,000 and mortgage of office buildings of Rs. 64,000. The bank is associated with the management of four central banks in Berar and two in the Central Provinces. Except the loans advanced for financing the crop loan societies recently registered, no loans are usually advanced or cash credits and overdrafts granted without the security of mortgages of central banks' own lands or assignments of lands belonging to members of societies made by the latter in favour of central banks, Government paper or fixed deposit receipts of this bank.

Rates on fixed deposits varied from $1\frac{3}{4}$ to $3\frac{1}{2}$ per cent, while that on savings bank continued at $1\frac{1}{2}$ per cent. Except in the case of Registrar's and central banks' deposits, there has been an all-round increase in the deposits of all kinds. The Registrar's and central banks' deposits decreased to Rs. 48,12,565 [Rs. 53,22,816] and Rs. 11,04,040 [Rs. 11,77,737], respectively, while those from others rose to Rs. 51,94,921 [Rs. 48,75,394]. The savings bank and current deposits decreased to Rs. 22,42,310 [Rs. 24,31,141]. The cash recoveries of loans during the year went down to Rs. 2,27,815 [Rs. 4,87,717], while the cash advances increased to Rs. 6,37,800 [Rs. 2,47,530]. Overdues from central banks and societies amounted to Rs. 9,16,372 [Rs. 7,64,217], the increase being mainly due to the incapacity of the banks even to meet the easy instalments granted two years ago, particularly in Berar, where 9 banks have suspended payments.

30. Surplus funds, share capital, reserve fund, etc.—

The bank continued to have surplus funds which ranged between 21 and 32 lakhs. In the absence of profitable and safe channels of investment, these were invested partly in Government paper and gilt-edged securities and partly in short-term deposits with commercial banks and with some of the apex co-operative banks in other provinces.

The share capital and reserve fund of the bank amount to Rs. 5,19,770 [Rs. 5,24,020] and Rs. 5,15,000 [Rs. 5,00,000], respectively. The provision for bad and doubtful debts amounts to Rs. 5,84,000, which more than covers the bad debts of Rs. 3,61,745. The bank's other funds amount to Rs. 3,07,653 [Rs. 1,35,427]. Thus the bank's owned capital works out to 11.12 [10.5] per cent of the borrowed capital. Further, the current value of the bank's investments in Government paper, though not

as high as in the last year, is still much in excess of what appears on the balance sheet and this latent reserve is a source of additional strength.

The sound financial position of the Provincial Bank is largely due to the cautious policy and wise guidance of its Managing Director, Sir Madho Rao Deshpande. In these times when the central banks are tottering in some parts of the province, and demands for financial assistance are frequently made by them, the position of the Managing Director is not a bed of roses. His assistance to the Berar banks to the extent of about 35 lakhs postponed the crash till recently and as the limit for long term investment has been almost reached, he cannot be blamed if he now follows a more cautious policy in financing weak Central Provinces banks.

VII.—(i) THE CENTRAL PROVINCES AND BERAR CO-OPERATIVE FEDERATION AND (ii) THE CO-OPERATIVE INSTITUTES, NORTHERN, NERBUDDA, CHHATTISGARH, NAGPUR AND BERAR DIVISIONS

31. The Federation.—The Central Provinces and Berar Co-operative Federation held its annual Congress on the 15th and 16th October 1938 at Nagpur. The chief subject discussed at the Congress was the report of the Sub-Committee appointed for reviewing the system of education and audit of primary co-operative societies. After a prolonged and exhaustive discussion, the Congress adopted the recommendations of the Sub-Committee to the effect that (i) the system of education was working satisfactorily and required no alteration, (ii) the audit of primary societies should be made biennial instead of annual, and (iii) the system of audit and education should be made uniform in the Central Provinces and Berar, *i.e.*, audit fees should be charged in Berar as in the Central Provinces and the audit of primary societies should be controlled by the Registrar's Audit fund. Rai Sahib U. S. Bisen of Bilaspur was elected the Governor of the Federation in place of Pandit Kashi Prasad Pande who had been Governor continuously for 12 years. With the election of the new Governor the office of the Federation was shifted from Sihora to Bilaspur.

32. The Institutes.—The province continues to be divided into five institutes and all the banks except Wardha and Balaghat have been affiliated to them. The

Chhattisgarh Institute was not able to come to an understanding with the Balaghat bank about the contribution of the education fund. The formal affiliation of the bank had, therefore, to be cancelled. The group system under this institute has been working well. It is, however, necessary for it to reduce its expenditure and balance its budget. In spite of repeated attempts to persuade the Wardha bank to join the Nagpur Institute, there is no change in the attitude of the latter in this respect. There is need for tightening control and supervision over the group system under this institute with a view to ensuring effective supervision to check tendencies at deterioration which are visible in the societies served by it. The joint meeting of the Standing Committees of the Indian Provincial Co-operative Banks' and All-India Co-operative Institutes' Associations was held at Jubbulpore on the 8th April 1939 under the presidentship of the Hon'ble Mr. V. Ramdas Pantulu. An interesting feature of the meeting was the discussion of the position of the co-operative movement in various Provinces and States. So far as this province was concerned, the discussion was restricted to the consideration of the position of Berar banks. On the 10th April 1939, the representatives of banks under the Nerbudda and Northern Institutes met to consider the position of banks in the Northern districts and to suggest ways and means to rehabilitate the movement. The Committee resolved to request the Provincial Government to appoint a representative committee for the purpose. The request was not, however, accepted by Government which considered that owing to the outbreak of war, the conditions were very unsettled and that the committee, if appointed, would not be able to make any useful suggestions at present. Despite the recommendations of the Federation Congress, the Berar Institute has not yet agreed to adopt the system of audit and education referred to in the foregoing paragraph. Government continued to make grants to the Institutes of the total amount of Rs. 29,000 as in the preceding year.

VIII.—AGRICULTURAL SOCIETIES FOR PURPOSES OTHER THAN CREDIT

33. The number of such societies rose by 7 to 86. They consist of 2 Landlords' Associations, 58 Agricultural Associations, 17 Seed Unions and 9 Adat shops. During the year, 6 Agricultural Associations and 1 Seed Union were registered.

The main activity of the Landholders' Associations at Mehkar and Narsinghpur continues to be the advancing of loans to their members. Their working capital and reserve and other funds amounted to Rs. 1,74,270 Rs. 65,527 [Rs. 1,75,926 and Rs. 61,748], respectively, and they made a profit of Rs. 3,062 [Rs. 2,298]. The working capital and the reserve and other funds of the Agricultural Associations increased to Rs. 1,76,857 and Rs. 65,527 [Rs. 1,75,926 and Rs. 61,748], respectively, while their profits decreased to Rs. 3,751 [Rs. 8,081]. Their membership rose from 2,253 to 3,128. The working capital of the 17 Seed Unions rose from Rs. 8,977 to Rs. 9,709; their reserve and other funds also rose from Rs. 2,454 to Rs. 2,736. They usually deal in kind and have made a profit of Rs. 1,839 [Rs. 1,250]. Of the 9 Adat shops, 3 have not started work and 5 are practically dormant; the only Adat shop that is doing some work is that of Darwha. The total number of members has risen to 549 [535], their working capital to Rs. 17,035 [Rs. 15,773], the reserve and other funds to Rs. 7,492 [Rs. 4,927] while their profits during the year have gone down to Rs. 58 [Rs. 1,667].

IX.—NON-AGRICULTURAL CREDIT SOCIETIES WITH UNLIMITED LIABILITY

34. Thirty-three societies of this class were registered during the year. The total number of such societies at the close of the year was 78 [45] with a membership of 1,085 [672]. The working capital and outstanding loans rose to Rs. 67,137 and Rs. 55,470 [Rs. 50,106 and Rs. 38,874], respectively.

X.—NON-AGRICULTURAL SOCIETIES WITH LIMITED LIABILITY

35. During the year, 2 clerks' societies were registered and the registration of 1 was cancelled. The number of such societies thus rose to 51 [50]. The membership increased to 22,595 [21,384]. The working capital and loans outstanding have gone up to Rs. 15,94,366 and Rs. 14,72,317 [Rs. 15,72,657 and Rs. 13,37,734], respectively. Their profits have gone up to Rs. 73,978 [Rs. 72,661]. Most of these societies are doing fairly well and their number may well be increased. In some societies, business has been restricted as attachment of salaries of persons drawing less than Rs. 100 has been stopped.

XI.—NON-AGRICULTURAL SOCIETIES FOR PURPOSES OTHER THAN CREDIT

36. The total number of such societies rose to 114 [89]; of these 26 were for purchase and sale (stores), 3 dairies, 10 industrial associations, 16 housing societies, 17 thrift societies, 5 adult education and 4 compulsory education societies, 14 better living societies, 2 village development societies, 3 cattle-breeding societies, 6 general purposes and 8 multi-purpose societies.

The membership and the working capital of the stores increased from 1,234 to 1,713 and from Rs. 77,248 to Rs. 87,548, respectively. The sales of goods to members also rose from Rs. 1,09,466 to Rs. 1,19,062. The profits have, however, fallen from Rs. 9,297 to Rs. 8,315.

The Telinkheri Dairy Society continues to do good work under the supervision of the Agriculture Department. The other two dairies at Bilaspur and Drug have made good start. The membership of these societies rose from 33 to 66, but their working capital fell from Rs. 16,995 to Rs. 15,238. The sales of goods rose to Rs. 33,682 [Rs. 30,283] and they made a profit of Rs. 936 [Rs. 870].

The number of industrial associations remained at 10 as before. The Weavers' Association at Nagpur has been receiving Government aid for the development of the handloom industry. It is working under the direct supervision of the Textile Expert. Its working capital including Government loan of Rs. 36,515 amounted to Rs. 55,666 [Rs. 14,049]. The membership rose to 380 [349]. It worked at a profit of Rs. 9,937 [Rs. 1,472] during the year. Looking to the population of the weavers and their straitened circumstances, the number of members who have taken advantage of this institution is very meagre. Attempts to enlist more members should be made. Four associations—at Betul, Piparia, Drug and Ellichpur—have not started work. The two associations at Chhindwara and Yeotmal have been doing good work, though the former has been working at a loss.

The number of housing societies decreased to 16 [17], as one at Amraoti has been cancelled. Their membership has risen to 676 [673], while the loans outstanding have fallen to Rs. 5,78,783 [Rs. 5,79,659]. The working capital has decreased further to Rs. 6,00,013 [Rs. 6,54,477]. The profits amounted to Rs. 15,235 [Rs. 17,072]. The number of thrift societies has risen

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to 17 [14]. Their membership has increased to 282 [247], while their working capital has fallen to Rs. 16,941 [Rs. 17,284]. One such society has been registered at Jubbulpore for women exclusively. It has 14 members and a working capital of Rs. 84. This is a step in the right direction and attempts should be made to form such societies at other places. The society for adult education at Yeotmal has been continuing its activities with 38 members and a working capital of Rs. 902 [Rs. 1,220]. It made a profit of Rs. 63 [Rs. 50]. Of the 14 better living societies, only 6 have been working. Of these 6, 3 at Chhindwara, Piparia and Buldana are doing active work. These societies are always important but have become more so in view of the attention that is being paid to rural development of late. Of the 3 cattle-breeding societies, only one at Raipur has been doing active work. There are 137 [139] members with a working capital of Rs. 1,599. It has worked at a loss of Rs. 562 during the year. The other two societies have not started work.

Of the 6 general purposes societies, 2 have not started work. The other 4 have been working with 76 members. There are 8 multi-purpose societies, in the province as mentioned in paragraph 10. Societies in Raipur and Bilaspur have discontinued work. Total membership of these societies is 403. Their working capital is Rs. 466 and profit for the year was Rs. 76. Six managers paid for by Government are in charge of these societies whose expenditure amounted to Rs. 214 only during the year. The Piparia society advanced a sum of Rs. 200 on the security of 75 maunds of 'Gur' which enabled the members to hold back their stock for better price and thus earn Rs. 75 more. The other activities of these societies are adult education, digging of manure pits, rotation of crops and planting of fruit trees. The Bamhni society in the Seoni Sub-division has stocked yarn for supply to weaver members. Such societies have great potentialities as a lever for general uplift of the masses and it is hoped that they will rapidly increase in number.

XII.—RESERVE FUNDS

37. The reserve fund of societies of all kinds rose to Rs. 81,19,812 [Rs. 71,55,963]. The reserve fund of the Provincial Bank amounted to Rs. 5,15,000, that of central banks to Rs. 14,58,456 and that of primary and other societies to Rs. 61,46,356. The figure includes the reserve fund of societies under liquidation, which amounts

to Rs. 26,92,422. Reserve funds constituted 6.0 [5.8] per cent of the working capital of central banks and 24.9 [24.4] per cent of primary societies.

38. Out of the total reserve fund of the movement amounting to Rs. 81,19,812, a sum of Rs. 25,16,735 is invested in Government securities and Post Office Cash Certificates. The balance of Rs. 56,03,077 is mixed up in the working capital of banks and societies as detailed below :—

	Rs.
In Provincial Bank shares ..	4,66,580
In Central Bank shares ..	27,875
In Reserve Bank shares ..	10,000
In working capital of share societies and societies under reserve fund scheme.	6,36,771
Uninvested ..	44,61,851
Total ..	56,03,077

The value of the policy of investing a substantial portion of the reserve fund outside the movement so as to be readily available in a fluid form is apparent when the movement is in need of immediate financial accommodation. Many banks and societies had not had cash profits and therefore they could not make any addition to the investments. On the other hand, some banks had to draw upon their invested reserves to meet the calls of depositors. The investment outside the working capital, therefore, fell by Rs. 28,745.

XIII.—DISPUTES AND LITIGATION

39. Awards.—The number of final awards issued during the year against members of societies decreased from 1,087 to 893, while the draft awards issued increased from 1,049 to 1,065. No awards were issued against banks or societies. At the close of the year, the total number of awards outstanding in the Central Provinces decreased to 3,092 [3,459], the amount involved being Rs. 10,09,489 [Rs. 13,79,039]. Out of these, 113 involving Rs. 3,34,764 were against societies and 2,979 involving Rs. 6,74,725 were against members. In Berar, the total number of awards outstanding was 1,285 [1,233] involving Rs. 19,14,355 [Rs. 21,33,537], of which 33 involving Rs. 1,50,258 were against societies and 1,252 involving Rs. 17,64,097 were against members. Thus, in the province as a whole, the awards against societies at

the close of the year were 146 [382] for a total sum of Rs. 4,85,022 [Rs. 14,52,581] and against members 4,231 [4,310] for total sum of Rs. 24,38,822 [Rs. 20,59,995]. The total number of awards thus decreased from 4,692 to 4,377 and the total amount decreased from Rs. 35,12,576 to Rs. 29,23,844. Orders of attachment before award were issued in 4 [24] cases against members of societies under section 42-A of the Co-operative Societies Act.

40. **Liquidation.**—At the beginning of the year, the total number of societies under liquidation was 1,317, of which 846 were in the Central Provinces and 471 in Berar. The amount due from them was Rs. 61,48,590, of which Rs. 13,81,686 were due from societies in the Central Provinces and Rs. 47,66,904 in Berar. During the year under report 44 [45] societies involving a sum of Rs. 86,766 [Rs. 1,22,464] were placed under liquidation in the Central Provinces and 31 [50] societies involving a sum of Rs. 6,45,525 [Rs. 5,20,209] in Berar. The liquidation proceedings of 61 [38] societies in the Central Provinces and 8 [2] societies in Berar were closed during the year. At the end of the year, the total number of societies increased by 6 to 1,323 and the amount outstanding against them to Rs. 56,89,053, of which 829 involving Rs. 14,27,980 were in the Central Provinces and 494 involving Rs. 42,61,073 were in Berar.

41. In the Central Provinces, the central banks with a large number of societies under liquidation are Balaghat with 51, Saugor with 73, Sihora with 54, Nagpur with 59, Hoshangabad with 53, Piparia with 57, Narsinghpur with 46, Chhindwara with 44, Mandla with 46, Nimar with 44, Seoni with 42, Damoh with 41, Jubbulpore with 45, Wardha with 33, Betul with 30 and Murwara with 30. The rest 81 are spread over the areas of other banks, except Bilaspur, where there is no society under liquidation. Out of Rs. 14.27 lakhs [Rs. 13.75 lakhs] of loans outstanding against societies under liquidation in the Central Provinces, about Rs. 6.13 lakhs is considered good, about Rs. 7.08 lakhs bad and about Rs. 1.05 lakhs doubtful. A sum of Rs. 68,311 was written off during the year. In Berar, the central banks with a large number of societies under liquidation are Khamgaon with 107, Akola with 106, Amraoti with 52, Yeotmal with 54, Malkapur with 45, Mehkar with 35, Ellichpur with 33, Buldana with 27, Daryapur with 20 and Morsi with 15. There are no societies under liquidation under Pusad and Darwha banks. Out of Rs. 42.61 lakhs

[Rs. 47.25 lakhs] of loans involved in societies under liquidation in Berar, Rs. 8.12 lakhs [Rs. 18.47 lakhs] is considered good, Rs. 34.44 lakhs [Rs. 28.68 lakhs] bad and Rs. 4,542 [Rs. 10,000] doubtful. A sum of Rs. 328 was written off during the year.

Recoveries made from societies under liquidation totalled Rs. 10,49,082 [Rs. 7,30,484] of which Rs. 1,96,113 [Rs. 1,88,554] were recovered in the Central Provinces and Rs. 8,52,969 [Rs. 5,41,930] in Berar. The Berar banks also acquired 10,572 acres of land valued at Rs. 5,60,587 in the course of coercive proceedings.

42. Seventy-four [61] certificates for the recovery of dues as arrears of land revenue under section 225 (d) of the Land Revenue Act were issued against members in the Central Provinces while none was issued under section 164 (d) of the Berar Land Revenue Code during the year under report.

43. Loans due from societies and members under award and societies under liquidation.—The total loan due from societies and members under award and from societies under liquidation was Rs. 86,12,897 [Rs. 96,13,326] or 68.5 [73.5] per cent of the total loan outstanding against societies. These figures give an idea of the failure of co-operation and the straits to which the movement based on thrift and mutual supervision has been reduced. The percentage of central bank loan under coercive recovery decreased in the Central Provinces from 56.8 to 50.0 and in Berar from 83.4 to 80.2.

XIV.—AUDIT AND INSPECTION

44. Audit.—Out of 2,410 societies due for audit, 2,377 were audited. The number of unaudited societies was 4 in the Central Provinces and 29 in Berar. The large number of unaudited societies in Berar during the year was due to the fact that the Circle Auditors were utilised for the collection of statistics for the Berar Enquiry Committee. Instructions had been issued that the audit of such societies which remained unaudited during the previous year is taken up first and all the 33 societies have now been audited. The system of biennial audit of primary societies whose fresh transactions were below Rs. 1,000 was introduced during the year. Thus out of 4,764 societies on roll the audit of 2,410 only was due during the year.

The actual expenditure on the audit of primary societies during 1938-39 amounted to Rs. 21,905 [Rs. 28,328]. The amount by way of audit contributions levied on the profits of the societies was Rs. 27,819 [Rs. 33,491]. The audit of societies not affiliated to the central banks was done by society auditors and auditors appointed by the societies and approved by the Registrar.

45. **Writing of accounts.**—At the beginning of the year there were 3,626 members trained in writing accounts and 8 in audit. During the year, 628 [501] members in the Central Provinces and 363 [180] in Berar were trained in accounts, respectively. The number of societies in which accounts were written by members decreased to 114 [145] and 146 [179] in the Central Provinces and Berar, respectively. In the Central Provinces a remuneration of Rs. 33 was paid to the members who wrote accounts of societies, while in Berar the remuneration paid amounted to Rs. 198. It would thus be seen that the members trained are not making use of their knowledge and societies are not prepared to stand on their own legs. The Institutes should try to make use of the literate members in this activity as this will ultimately save cost to them.

46. **Inspection.**—Mr. Desai inspected 3 central banks and attended most of the meetings of the Provincial Bank, 4 of Institutes and general meetings of 2 central banks. The Senior Deputy Registrar inspected 15 central banks, 8 land mortgage banks and 12 societies and attended 28 meetings of central banks and Institutes. Both the Assistant Registrars, Land Mortgage Banks, inspected 19 banks and attended 44 meetings of these banks and of the Provincial Bank. The other Assistant Registrars together inspected 29 central banks, 199 primary societies and attended 73 meetings of the central banks and Institutes. The Chief Auditors superaudited 17 central banks and made a test audit of 70 societies.

47. **Attitude of the public and general remarks.**—The general attitude of the public towards the movement was one of disappointment. Even most of the tried workers were not free from this feeling. When in spite of the elimination of member after member and society after society the old and tried workers see continued disregard of the elementary principles of co-operation and banking, and the crumbling of the edifice which they have laboured hard to build up, it is no wonder that they lose heart

and feel despair for the future. They have not lost faith in the principles underlying the movement, but they have come to realise that sound principles alone cannot help unless they are put in practice and honestly followed. Co-operation, however, is the only panacea for most of the evils from which agriculturists suffer and it is hoped that with the spread of the knowledge of fundamental principles of co-operation among the members of primary societies through continuous propaganda work by the department and honorary workers and with the improvement in their economic position on account of war, it may be possible to revive the movement by pruning out those members and societies which are beyond repair and by organization of new societies, especially of multi-purpose and crop loan type, on cautious lines. To achieve this consummation, it is also necessary that the younger generation and women who have not yet taken sufficient interest in the co-operative movement should come forward in large numbers to join it.

The relations between the department and the honorary workers continued to be cordial. The task of honorary workers, especially in Berar, has not been an enviable one and thanks of the department are due to those workers who have selflessly and devotedly laboured for the movement in spite of adverse circumstances.

D. V. REGE,

*Registrar, Co-operative Societies,
Central Provinces and Berar.*

NAGPUR :

The 15th February 1940.

APPENDICES

APPENDIX
Operations of Central

Name of Bank	Number of members		Number of affiliated societies holding shares in central banks			
	In- dividuals	Societies	Central credit	Agricul- tural credit	Non- agricul- tural credit	Others
(1)	(2)	(3)	(4)	(5)	(6)	(7)
			Rs.	Rs.	Rs.	Rs.
I						
(a) Provincial Bank	110	1,981	35	1,925	15	6
II						
(b) Central Banks						
District Central Bank.						
Nagpur .. Nagpur ..	1,093	135	..	134	..	1
Chanda .. { Brahmपुरi ..	2,124	172	..	169	2	1
{ Warora ..	459	122	..	121	..	1
Wardha .. Wardha ..	355	47	..	46	..	1
Betul .. Betul ..	1,785	154	..	147	4	3
Chhindwara { Chhindwara ..	1,155	110	..	89	19	2
{ Seoni ..	932	112	..	105	3	4
Jubbulpore.. { Jubbulpore..	1,177	132	..	112	18	2
{ Sihora ..	2,407	172	..	170	1	1
{ Murwara ..	1,344	91	..	90	..	1
Saugor .. { Saugor ..	835	64	..	60	3	1
{ Damoh ..	673	74	..	70	3	1
Mandla .. Mandla ..	1,696	142	..	141	..	1
Hoshangabad { Hoshangabad ..	1,262	78	..	74	3	1
{ Harda ..	703	63	..	58	4	1
{ Sohagpur ..	1,474	138	..	134	3	1
{ Narsinghpur ..	2,016	196	..	191	4	1
Nimar .. Nimar ..	1,740	150	..	148	1	1
Raipur .. Raipur ..	647	467	..	464	1	2
Bilaspur .. Bilaspur ..	197	507	..	506	..	1
Drug .. Drug ..	859	277	..	274	2	1
Bhandara .. Bhandara ..	1,131	188	..	187	..	1
Balaghat .. Balaghat ..	1,555	73	..	71	1	1
Total for Central Provinces ..	27,619	3,664	..	3,561	72	31
Amraoti .. { Amraoti ..	1,619	87	..	82	2	3
{ Ellichpur ..	303	59	..	58	..	1
{ Morsi ..	820	42	..	41	..	1
{ Daryapur ..	443	52	..	49	2	1
Yeotmal .. { Yeotmal ..	1,001	109	..	106	2	1
{ Pusad ..	76	17	..	16	..	1
{ Darwah ..	24	33	..	32	..	1
Akola .. Akola ..	1,760	70	..	69	..	1
Buldana .. { Buldana ..	301	34	..	33	..	1
{ Khamgaon ..	1,481	67	..	64	2	1
{ Mehkar ..	1,277	79	..	76	2	1
{ Malkapur ..	1,096	59	..	57	1	1
Total for Berar ..	10,201	708	..	683	11	14
Total for Central Provinces and Berar.	37,820	4,372	..	4,244	83	45

A

Banks in 1938-39

Loans made during the year to

Individuals	Provincial Bank and others	Societies			
		Cash	Paper renewal	Book adjustment	Total
(8)	(9)	10 (a)	10 (b)	10 (c)	10 (d)
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,75,794	42,88,751	19,19,582	..	8,05,068	27,24,650
5,985	1,26,112	12,970	..	9,828	22,798
1,687	43,989	60,448	2,042	10,237	72,727
4,781	35,140	11,518	1,590	6,720	19,828
1,609	3,23,536	7,012	57,904	8,465	73,381
3,239	56,221	42,041	..	8,300	50,341
6,669	1,07,630	10,361	..	153	10,514
2,558	84,088	14,120	289	2,192	16,601
7,083	1,46,296	14,581	..	28,961	43,542
2,026	..	1,633	..	24,799	26,432
1,020	15,867	279	488	9,718	10,485
5,686	4,45,428	3,631	..	3,214	6,845
5,776	1,31,993	9,340	..	3,947	13,287
12,696	55,715	8,245	..	14,215	22,460
1,311	22,813	7,335	370	1,241	8,946
6,637	1,58,162	2,162	..	9,109	11,271
38,307	42,395	1,190	..	23,729	24,919
4,34,616	2,10,955	14,140	11,557	11,970	37,667
74	1,17,413	13,707	..	6,707	20,414
3,005	1,47,471	1,34,480	..	16,117	1,50,597
28,008	4,51,794	2,94,425	..	35,359	3,29,784
598	80,660	93,388	..	11,578	1,04,966
736	4,07,936	46,765	4,543	8,670	59,978
1,476	85,958	10,069	..	4,258	14,327
5,75,583	32,97,483	8,13,840	78,783	2,59,487	11,52,110
38,633	76,089	11,805	..	1,46,751	1,58,556
1,657	42,552	17,972	..	27,543	45,515
4,159	57,298	4,032	..	49,683	53,715
8,115	47,426	12,993	..	23,839	36,832
37,150	98,308	17,607	..	42,769	60,376
37	3,580	2,802	..	1,865	4,667
106	800	2,054	..	84	2,138
1,36,772	7,55,258	9,612	..	1,37,584	1,47,196
5,325	39,322	7,108	..	13,153	20,261
9,832	41,416	2,743	..	8,008	10,751
5,894	87,166	21,971	..	24,095	46,066
11,629	42,740	1,305	..	31,149	32,454
2,59,309	12,91,955	1,12,004	..	5,06,523	6,18,527
8,34,892	45,89,438	9,25,844	78,783	7,66,010	17,70,637

APPENDIX
Operations of Central

Name of Bank	Receipts from loans repaid during the year by					
	In divi- duals	Provincial Bank and others	Societies			Total
			Cash	Paper renewal	Book adjust- ment	
(i)	(11)	(12)	13 (a)	13 (b)	13 (c)	13 (d)
I	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Provincial Bank	89,387	56,70,000	8,01,309	..	6,37,162	14,38,471
II						
(b) Central Banks						
District Central Bank.						
Nagpur .. Nagpur ..	7,493	1,45,198	16,560	..	5,753	22,313
Chanda .. { Brahmपुरi ..	1,271	51,922	57,959	2,042	6,944	66,945
.. { Warora ..	1,170	32,840	11,889	1,590	10,219	23,698
Wardha .. Wardha ..	1,540	3,42,578	21,229	57,904	1,032	80,165
Betul .. Betul ..	6,657	54,643	32,884	..	1,528	34,412
Chhindwara { Chhindwara ..	8,798	1,13,740	8,694	..	3,589	12,283
.. { Seoni ..	2,661	1,07,374	13,589	289	892	14,770
.. { Jubbulpore ..	7,402	1,46,874	22,544	..	11,407	33,951
Jubbulpore.. { Sihora ..	1,691	..	20,053	..	25,109	45,162
.. { Murwara ..	444	15,945	10,298	488	556	11,342
Saugor .. { Saugor ..	9,674	4,48,857	9,042	..	760	9,802
.. { Damoh ..	4,748	1,20,200	9,272	..	1,901	11,173
Mandla .. Mandla ..	11,898	55,510	18,030	..	1,924	19,954
Hoshangabad { Hoshangabad ..	636	17,989	6,578	370	19,160	26,108
.. { Harda ..	2,740	1,61,376	6,317	..	4,368	10,685
.. { Sohagpur ..	17,725	46,649	21,652	..	7,142	28,794
.. { Narsinghpur ..	2,08,661	2,10,147	47,531	11,557	9,551	68,639
Nimar .. Nimar ..	54	1,17,854	22,629	..	425	23,054
Raipur .. Raipur ..	1,811	1,67,578	1,23,842	..	755	1,24,597
Bilaspur .. Bilaspur ..	23,013	4,61,174	2,65,255	..	14,886	2,80,141
Drug .. Drug ..	644	74,736	1,00,889	..	3,806	1,04,695
Bhandara .. Bhandara ..	687	3,88,250	44,309	4,543	4,309	53,161
Balaghat .. Balaghat ..	867	92,298	12,048	..	12,786	24,834
Total for Central Provinces..	3,22,285	33,73,732	9,03,093	78,783	1,48,802	11,30,678
.. { Amraoti ..	35,983	75,372	15,275	..	1,58,203	1,73,478
Amraoti .. { Ellichpur ..	2,347	44,890	21,345	..	13,690	35,035
.. { Morsi ..	3,970	65,421	24,726	..	89,518	1,14,244
.. { Daryapur ..	8,532	50,836	10,436	..	12,911	23,347
.. { Yeotmal ..	39,996	99,982	48,178	..	3,85,614	4,33,792
Yeotmal .. { Pusad ..	66	5,207	7,749	..	104	7,853
.. { Darwah ..	106	300	2,099	..	..	2,099
Akola .. Akola ..	1,22,747	7,66,265	74,163	..	54,569	1,28,732
.. { Buldana ..	5,500	38,966	14,771	..	39,365	54,136
.. { Khamgaon ..	8,429	41,475	8,538	..	9,338	17,876
Buldana .. { Mehkar ..	3,883	1,05,913	25,422	..	76,548	1,01,970
.. { Malkapur ..	14,771	42,341	19,951	..	32,961	52,912
Total for Berar ..	2,46,330	13,36,968	2,72,633	..	8,72,821	11,45,474
Total for Central Provinces and Berar.	5,68,615	47,10,700	11,75,746	78,783	10,21,623	22,76,152

A—contd.

Banks in 1938-39

Loans due by		Loans and deposits received during the year from			Cost of management
Individuals	Banks and Societies	Provincial or Central Banks	Primary Societies	Individuals and other sources	
(14)	(15)	(16)	(17)	(18)	(19)
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,38,137	96,75,190	58,32,232	4,52,760	78,54,238	49,660
2,198	3,06,467	5,031	6,461	1,47,291	9,644
446	1,45,009	..	10,874	32,076	4,368
7,287	1,08,641	..	5,861	44,293	2,114
289	2,49,575	..	4,707	1,35,922	4,167
1,751	3,92,259	35,087	6,474	1,37,620	2,790
3,207	2,62,532	..	7,007	2,52,697	5,364
773	1,15,504	..	3,604	1,34,633	2,495
2,666	4,27,424	..	11,701	3,81,286	3,505
392	5,66,765	..	13,579	77,443	5,532
576	1,84,457	11,306	5,533	48,492	3,207
1,200	2,21,636	..	2,046	3,90,006	3,053
5,318	2,15,595	..	5,224	1,81,207	2,857
899	1,87,713	10,729	6,199	1,38,444	3,703
697	2,53,044	..	3,740	1,87,566	2,562
4,578	1,43,763	..	90,681	1,09,181	3,333
20,582	2,59,723	57,622	9,798	99,164	2,725
2,32,400	4,38,809	3,48,661	70,943	4,67,533	6,760
20	3,43,421	26,371	10,655	1,27,649	4,840
3,166	3,30,007	..	48,167	1,61,959	8,647
7,444	4,40,873	62,028	20,501	4,11,064	8,398
30	1,87,811	..	43,677	54,199	3,737
357	2,36,806	..	17,059	4,03,196	6,716
2,067	2,28,344	..	2,296	1,51,650	2,984
2,98,343	62,46,178	5,56,835	4,06,787	42,74,572	1,03,501
8,505	17,29,262	11,47,154	18,246	5,95,905	11,180
1,727	3,47,284	31,711	1,545	1,92,649	2,600
2,755	10,06,899	24,219	6,913	3,25,947	4,007
4,769	2,06,986	13,124	2,786	1,10,928	5,191
4,034	6,79,224	3,87,086	59,586	6,84,427	20,221
94	27,668	..	398	..	528
..	18,034	7,043	1,872	2,573	550
1,11,276	16,33,832	14,53,829	22,466	11,10,815	11,479
1,361	2,17,639	12,116	912	1,66,071	2,668
31,094	8,52,577	1,19,409	4,397	1,79,873	5,333
3,943	4,27,168	..	4,037	2,13,215	4,997
4,087	6,42,044	1,34,411	1,947	93,785	7,657
1,73,645	77,88,615	33,30,102	1,25,105	36,76,188	77,411
4,71,988	1,40,34,793	38,86,937	5,31,892	79,50,760	1,80,912

APPENDIX
Operations of Central

Name of Bank	Share capital paid up	Loans and deposits held at the end of the year from			
		Societies	Provincial or Central Banks	Government	Individuals and other sources
(1)	(20)	(21)	(22)	(23)	(24)
	Rs.	Rs.	Rs.	Rs.	Rs.
I (a) Provincial Bank	5,19,770	1,17,547	62,08,685	..	85,00,716
II (b) Central Banks					
District Central Bank.					
Nagpur .. Nagpur ..	50,550	57,840	..	..	2,90,785
Chandrapur .. Chandrapur ..	38,283	36,334	..	..	1,03,545
.. Warora ..	22,523	32,673	..	..	94,893
Wardha .. Wardha ..	50,600	49,579	..	..	1,96,936
Betul .. Betul ..	58,435	97,673	5,811	..	2,95,422
Chhindwara .. Chhindwara ..	45,780	52,270	..	..	2,51,889
.. Seoni ..	30,279	26,611	..	..	1,21,530
.. Jabulpore ..	33,925	68,642	..	..	5,40,076
Jubbulpore .. Sihora ..	24,606	1,46,788	3,32,497	..	1,46,552
.. Murwara ..	17,334	41,653	36,771	..	1,48,378
Saugor .. Saugor ..	34,060	34,751	..	..	2,25,336
.. Damoh ..	48,530	37,650	..	..	2,41,056
Mandla .. Mandla ..	15,996	9,209	6,505	..	1,43,290
.. Hoshangabad ..	45,305	71,240	..	..	2,51,212
Hoshangabad .. Harda ..	34,295	33,710	..	..	1,17,343
.. Sohagpur ..	32,480	77,663	1,70,621	..	1,40,009
.. Narsinghpur ..	53,210	89,136	1,88,469	..	5,08,860
Nimar .. Nimar ..	70,135	73,298	10,012	..	2,04,945
Raipur .. Raipur ..	80,484	74,016	1,361	..	2,46,332
Bilaspur .. Bilaspur ..	57,700	72,866	91,444	..	3,88,099
Drug .. Drug ..	42,068	35,123	..	..	1,13,321
Bhandara .. Bhandara ..	36,675	34,272	..	..	2,42,129
Balaghat .. Balaghat ..	37,989	51,181	..	..	99,762
Total for Central Provinces ..	9,61,243	13,04,176	8,43,491	..	51,11,703
Amraoti .. Amraoti ..	1,15,830	2,27,122	10,02,208	..	9,75,569
.. Ellichpur ..	24,185	35,542	50,426	..	2,80,462
.. Morsi ..	54,575	91,721	3,28,752	..	7,02,186
.. Daryapur ..	27,545	33,967	47,840	..	2,43,023
.. Yeotmal ..	74,355	1,47,075	3,14,572	..	9,58,278
Yeotmal .. Pusad ..	10,980	3,085	..	..	11,900
.. Darwah ..	3,360	629	7,832	..	6,760
Akola .. Akola ..	88,585	62,356	9,25,631	..	15,21,578
.. Buldana ..	22,760	7,022	92,734	..	2,23,705
.. Khamgaon ..	59,355	20,809	4,79,580	..	3,24,719
Buldana .. Mehkar ..	58,754	75,343	..	..	3,73,656
.. Malkapur ..	19,215	11,736	3,13,397	..	2,39,053
Total for Berar ..	5,59,499	7,16,407	35,62,972	..	58,60,889
Total for Central Provinces and Berar.	15,20,742	20,20,583	44,06,463	..	1,09,72,592

A—concl.

Banks in 1938-39

Reserve fund	Other funds	Working capital	Profit and loss for the year	Dividend paid on shares during the year	Most usual rate of interest		Uncalled and subscribed share capital
					On borrowings	On lendings	
(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Rs.	Rs.	Rs.	Rs.	Per cent.	Per cent.	Per cent.	Rs.
5,15,000	8,22,022	1,66,83,740	2,30,724	4	1½	4	..
45,543	74,190	5,18,908	1,471	3½	4	7½	..
23,857	21,375	2,23,394	2,124	3½	3	7½	..
11,166	20,593	1,81,848	1,520	3	3	8	..
32,923	92,998	4,23,036	10,113	2	4	6	..
66,961	75,139	5,99,441	10,814	..	4	8	..
23,055	89,722	4,62,716	5,693	..	3	8	..
5,984	36,544	2,20,948	2,362	..	3½	7	..
30,966	53,510	7,27,119	(-)-425	..	4	8	..
66,423	1,42,478	8,59,344	16,495	..	4½	8	..
16,086	57,566	3,17,788	4,254	..	4½	8	..
17,881	71,891	3,83,919	1,139	..	3	6½	..
25,839	38,560	3,91,635	540	..	3½	8	..
1,825	4,301	2,21,126	889	..	4½	10	..
43,531	71,868	4,85,156	(-)-3,812	..	4	8	..
35,148	36,496	2,56,992	1,311	3	2½	7	..
36,654	45,684	5,03,111	950	..	4½	8	..
34,094	1,19,603	9,93,372	(-)-3,352	3	4	7	..
44,158	93,258	4,95,806	4,368	5	4	8	..
58,500	53,099	5,13,792	2,820	3	2½	8	..
43,315	40,205	6,93,629	7,674	3½	4	8	..
57,587	57,263	3,05,362	5,792	3½	2½	8	..
26,138	30,779	3,69,993	1,970	5	3	7½	..
1,05,484	1,60,337	4,54,753	7,245	5	2	6½	..
8,53,118	15,27,457	1,06,01,188	81,955	..	..	..	..
1,53,277	5,84,364	30,58,370	46,160	..	4	8	..
24,925	57,484	4,73,024	5,789	..	4	9	..
27,538	1,97,805	14,02,577	2,117	..	4	9	..
17,832	84,909	4,55,116	(-)-21,257	..	4½	9	..
68,480	1,09,541	16,72,301	23,321	3	4½	6½	..
3,892	3,229	33,086	911	6	4	7½	..
93	71	18,745	181	..	4	8	1,730
1,58,884	4,79,348	32,36,382	8,109	..	4	8	..
18,447	90,127	4,54,795	(-)-11,260	..	5½	8	..
48,905	3,80,367	13,13,735	..	..	4	11	..
73,456	2,24,891	8,06,100	7,891	3	4½	6½	..
9,609	2,22,599	8,15,609	6,698	..	4½	10	..
6,05,338	24,34,735	1,37,39,840	+68,660	..	..	..	1,730
14,58,456	39,62,192	2,43,41,028	+1,50,615	..	..	..	1,730

APPENDIX

Balance sheet of Central

Name of Bank		As				
		Cash in hand and in banks	Market value of investments	Loans due in from members (individuals)	Deposits with Provincial banks and others	Loans Total loans due in from affiliated societies
(1)		(2)	(3)	(4)	(5)	(6)
		Rs.	Rs.	Rs.	Rs.	Rs.
I						
(a) Provincial Bank		3,41,609	65,50,052	1,38,137	40,07,515*	56,67,675
II						
(b) Central Banks						
District	Central Bank					
Nagpur	.. Nagpur	251	1,61,777	2,198	98,103	2,08,364
Chanda	.. { Brahmपुरi	5,679	68,096	446	61,111	83,908
	.. { Warora	3,149	60,602	7,287	37,120	71,521
Wardha	.. Wardha	213	1,60,777	289	54,638	1,94,937
Betul	.. Betul	1,679	2,21,354	1,751	20,752	3,71,487
Chhindwara	.. { Chhindwara	3,864	1,37,041	3,207	21,051	2,41,481
	.. { Seoni	20,675	70,904	773	11,632	1,03,872
Jubbulpore	.. { Jubbulpore	2,882	1,50,065	2,666	13,267	4,14,157
	.. { Sihora	4,149	2,12,172	392	..	5,66,765
Saugor	.. { Murwara	2,616	55,840	576	786	1,83,671
	.. { Saugor	29,129	1,16,903	1,200	86,970	1,34,666
Mandla	.. { Damoh	2,981	1,19,675	5,318	23,365	1,92,230
	.. { Mandla	2,320	20,933	899	1,399	1,86,314
Hoshangabad	.. { Hoshangabad	4,471	1,43,063	697	5,784	2,47,260
	.. { Harda	4,938	89,933	4,578	32,676	1,11,097
	.. { Sohagpur	5,451	1,09,023	20,582	6,211	2,53,512
	.. { Narsinghpur	9,284	2,23,273	2,32,400	38,249	4,00,560
Nimar	.. Nimar	1,180	1,56,754	20	1,48,296	1,95,125
Raipur	.. Raipur	6,957	1,29,293	3,166	1,81,013	1,48,994
Bilaspur	.. Bilaspur	21,046	1,99,557	7,444	1,75,524	2,65,349
Drug	.. Drug	4,909	1,08,196	30	86,370	1,01,441
Bhandara	.. Bhandara	7,660	1,11,234	357	1,64,491	72,315
Balaghat	.. Balaghat	1,111	2,11,879	2,067	1,06,425	1,21,919
Total for Central Provinces		1,46,594	30,38,344	2,98,343	13,75,233	48,70,945
Amraoti	.. { Amraoti	1,350	2,22,886	8,505	969	17,28,293
	.. { Ellichpur	166	61,023	1,727	59,338	2,87,946
Daryapur	.. { Morsi	845	98,079	2,755	222	10,06,675
	.. { Daryapur	2,353	59,812	4,769	95	2,06,891
Yeotmal	.. { Yeotmal	709	4,30,760	4,034	505	6,78,719
	.. { Pusad	128	6,969	94	2,931	24,737
Akola	.. { Darwah	53	1,015	..	500	17,534
	.. { Akola	4,450	2,40,466	1,11,276	159	16,33,673
Buldana	.. { Buldana	6,351	25,306	1,361	514	2,17,125
	.. { Khamgaon	815	46,888	31,094	122	8,52,455
	.. { Mehkar	9,228	2,01,910	3,943	24,570	4,02,598
	.. { Malkapur	8,799	13,821	4,087	2,218	6,39,826
Total for Berar		35,247	14,08,935	1,73,645	92,143	76,96,472
Total for Central Provinces and Berar.		1,81,841	44,47,279	4,71,988	14,67,376	1,25,67,417

NOTE.—The figures contained in this balance sheet are unaudited.

*Includes loans due in from Central Banks and such societies as are not affiliated to any

B

Banks as on 30th June 1939

sets

due from societies			Interest accrued to the bank	Value of stock in hand		Other items	Total
Of which overdue	Considered bad	Considered doubtful		Land	Building furniture and other stock		
(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
8,85,910	..	..	1,39,091	..	73,255	..	1,69,17,334
1,95,354	35,771	1,129	25,528	3,805	29,601	205	5,29,832
6,588	4,163	243	3,101	..	6,975	..	2,29,316
49,411	15,747	1,395	4,258	736	489	..	1,85,162
1,03,315	58,665	3,366	9,570	..	18,542	..	4,38,966
2,70,707	44,721	7,901	7,288	3,376	24,532	..	6,52,219
2,21,002	90,444	7,694	56,646	2,795	7,494	..	4,73,579
84,722	27,475	12,020	7,429	1,500	7,800	..	2,24,585
1,85,859	46,768	23,923	1,29,921	160	19,430	..	7,32,548
5,65,448	2,01,635	38,460	73,985	7,335	15,677	1,821	8,82,296
1,82,870	44,592	35,151	66,519	..	14,582	..	3,24,590
1,10,629	60,193	2,535	16,072	148	2,106	4	3,87,198
1,27,449	55,433	5,753	45,054	744	10,682	693	4,00,742
1,38,300	41,189	8,736	533	3,100	9,291	..	2,24,789
2,41,228	82,284	22,953	73,376	2,390	10,069	..	4,87,110
1,09,725	15,542	1,600	11,734	4,406	1,789	..	2,61,151
1,86,352	79,269	26,068	1,00,306	5,185	11,234	..	5,11,504
3,12,199	92,336	12,528	71,181	4,109	27,318	468	10,06,842
1,86,197	69,330	9,820	13,026	..	571	..	5,14,972
3,373	1,730	863	5,302	146	47,376	..	5,22,247
..	..	..	7,953	..	35,687	..	7,12,560
4,948	530	541	3,114	105	14,930	..	3,19,095
16,655	5,906	1,621	9,161	35	10,023	..	3,75,276
1,07,690	61,450	13,552	12,906	1,819	7,851	..	4,65,977
34,10,021	11,35,173	2,37,852	7,53,963	41,894	3,34,049	3,191	1,08,62,556
16,01,548	958,877	..	5,01,816	6,00,438	72,617	..	31,36,874
2,42,792	62,132	2,055	1,496	66,942	2,739	5,009	4,86,386
9,09,162	1,56,284	11,265	8,524	2,43,553	57,526	..	14,18,179
1,84,697	32,562	..	1,392	1,47,883	24,787	13,244	4,61,226
6,77,167	79,508	..	22,808	5,66,608	25,098	..	17,29,241
22,495	..	2,800	366	..	..	..	35,225
8,313	..	..	216	..	44	..	19,362
15,43,714	11,38,181	9,753	2,637	11,86,956	27,725	1,18,234	33,25,576
2,10,017	1,26,102	..	14,647	1,34,117	22,556	9,904	4,51,881
8,48,290	6,87,119	..	86,275	2,56,081	46,604	..	13,20,334
3,87,706	2,06,776	..	81,784	76,989	34,374	2,022	8,37,418
6,39,826	3,99,565	..	43,907	98,380	1,675	16,143	8,28,856
72,75,727	38,47,106	25,873	7,65,868	33,97,947	3,15,745	1,64,556	1,40,50,558
10,685,748	49,82,279	2,63,725	15,19,831	34,39,841	6,49,794	1,67,747	2,49,13,114

Central Bank.

APPENDIX
Balance sheet of Central

Name of bank		Loans and deposits from non-members and from members in an individual capacity	Loans and deposits from Provincial and Central Banks	Loans and deposits from societies	Loans from Government	Share capital paid up
(1)		(15)	(16)	(17)	(18)	(19)
		Rs.	Rs.	Rs.	Rs.	Rs.
I						
(a) Provincial Bank		85,00,716	62,08,685	1,17,547	..	5,19,770
II						
(b) Central Banks						
District	Central Banks.					
Nagpur	.. Nagpur	2,90,785	..	57,840	..	50,550
Chanda	.. { Brahmपुरi	1,03,545	..	36,334	..	38,283
	.. { Warora	94,893	..	32,673	..	22,523
Wardha	.. Wardha	1,96,936	..	49,579	..	50,600
Betul	.. Betul	2,95,422	5,811	97,673	..	58,435
Chhindwara	.. Chhindwara	2,51,889	..	52,270	..	45,780
	.. Seoni	1,21,530	..	26,611	..	30,279
	.. {Jubbulpore	5,40,076	..	68,642	..	33,925
Jubbulpore	.. { Sehora	1,46,552	3,32,497	1,46,788	..	24,606
	.. { Murwara	1,48,378	36,771	41,653	..	17,334
Saugor	.. { Saugor	2,25,336	..	34,751	..	34,060
	.. { Damoh	2,41,056	..	37,650	..	48,530
Mandla	.. Mandla	1,43,290	6,505	9,209	..	15,996
	.. {Hoshangabad	2,51,212	..	71,240	..	45,305
Hoshangabad	.. { Harda	1,17,343	..	33,710	..	34,295
	.. {Sohagpur	1,40,009	1,70,621	77,663	..	32,480
	.. {Narsinghpur	5,08,860	1,88,469	89,136	..	53,210
Nimar	.. Nimar	2,04,945	10,012	73,298	..	70,135
Raipur	.. Raipur	2,46,332	1,361	74,016	..	80,484
Bilaspur	.. Bilaspur	3,88,099	91,444	72,866	..	57,700
Drug	.. Drug	1,13,321	..	35,123	..	42,068
Bhandara	.. Bhandara	2,42,129	..	34,272	..	36,675
Balaghat	.. Balaghat	99,762	..	51,181	..	37,989
Total for Central Provinces		51,11,703	8,43,491	13,04,176	..	9,61,243
Amraoti	.. {Amraoti	9,75,569	10,02,208	2,27,122	..	1,15,830
	.. {Ellichpur	2,80,462	50,426	35,542	..	24,185
	.. {Morsi	7,02,186	3,28,752	91,721	..	54,575
	.. {Daryapur	2,43,023	47,840	33,967	..	27,545
Yeotmal	.. {Yeotmal	9,58,278	3,14,572	1,47,075	..	74,355
	.. {Pusad	11,900	..	3,085	..	10,980
	.. {Darwha	6,760	7,832	629	..	3,360
Akola	.. Akola	15,21,578	9,25,631	62,356	..	88,585
	.. {Buldana	2,23,705	92,734	7,022	..	22,760
	.. {Khamgaon	3,24,719	4,79,580	20,809	..	59,355
Buldana	.. {Mehkar	3,73,656	..	75,343	..	58,754
	.. {Malkapur	2,39,053	3,13,397	11,736	..	19,215
Total for Berar		58,60,889	35,62,972	7,16,407	..	5,59,499
Total for Central Provinces and Berar.		1,09,72,592	44,06,463	20,20,583	..	15,20,742

B—concl'd.

Banks as on 30th June 1939

Liabilities

Interest due by the bank	Cost of management due	Other items	Reserve Fund under section 33 of Act II of 1912	Other funds created out of profits		Other undistributed profits carried forward	Total	Profit (+) or loss (-)
				Provision for bad and doubtful debts	Other funds			
(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Rs. 93,763	Rs. ..	Rs. ..	Rs. 5,15,000	Rs. 5,84,000	Rs. 2,38,022	Rs. 639	Rs. 1,67,78,142	Rs. 1,39,192
5,823	539	..	45,543	37,922	36,268	1,386	5,26,656	3,176
2,819	200	..	23,857	3,864	17,511	112	2,26,525	2,791
913	125	46	11,166	17,816	2,777	335	1,83,267	1,895
1,337	381	187	32,923	60,348	32,650	1,772	4,26,713	12,253
10,176	178	..	66,961	42,236	32,903	..	6,09,795	42,424
4,155	410	85	23,055	89,386	336	..	4,67,366	6,213
1,089	186	..	5,984	31,578	4,966	..	2,22,223	2,362
5,800	220	..	30,966	47,010	6,500	41	7,33,180	(-)-632
19,200	587	1,821	66,423	1,40,296	2,182	..	8,80,952	1,344
2,390	158	..	16,086	55,726	1,840	..	3,20,336	4,254
2,725	216	..	17,881	71,306	585	..	3,86,860	338
7,322	184	..	25,839	36,775	1,785	294	3,99,435	1,307
2,635	139	..	1,825	44,101	200	..	2,23,900	889
3,753	185	..	45,531	67,904	3,964	..	4,87,094	16
1,284	259	..	35,148	20,345	16,151	794	2,59,329	1,822
6,976	299	..	36,654	43,760	1,924	..	5,10,386	1,118
7,319	703	246	34,094	97,791	21,812	124	10,01,764	5,078
2,873	415	..	44,158	75,399	17,859	11,242	5,10,336	4,636
3,848	462	..	58,500	2,144	50,955	..	5,18,102	4,145
6,372	488	..	43,315	..	40,205	58	7,00,547	12,013
1,480	217	..	57,587	711	56,552	5,556	3,12,615	6,480
2,494	351	..	26,138	11,239	19,540	135	3,72,973	2,303
545	180	..	1,05,484	74,150	86,187	1,703	4,57,180	8,796
1,03,328	7,082	2,385	8,53,118	10,71,807	4,55,650	23,552	1,07,37,535	1,25,021
38,799	584	..	1,53,277	5,66,541	17,823	..	30,97,753	39,121
5,320	153	1,930	24,925	57,003	481	170	4,80,597	5,789
15,269	200	..	27,538	1,97,454	351	..	14,18,046	133
3,762	..	..	17,832	84,825	84	..	4,58,878	2,348
24,665	3,758	..	68,480	79,508	30,033	7,205	17,07,929	21,312
565	..	..	3,892	1,400	1,829	759	34,410	815
120	30	..	93	..	71	58	18,953	409
34,042	659	49,491	1,58,884	4,70,028	9,320	5,002	33,25,576	..
4,486	180	..	18,447	86,430	3,697	1,657	4,61,118	(-)-9,237
6,293	306	..	48,905	3,70,876	9,491	..	13,20,334	..
10,044	298	..	73,456	2,01,959	22,932	7,310	8,23,752	13,666
4,556	785	1,207	9,609	2,22,231	368	..	8,22,157	6,699
1,47,921	6,953	52,628	6,05,338	23,38,255	96,480	22,161	1,39,69,503	81,055
2,51,249	14,035	55,013	14,58,456	34,10,062	5,52,130	45,713	2,47,07,038	2,06,076

APPENDIX

Capital, Reserve, Deposits, Loans and Cash of the Co-operative Banks

Serial No.	Name of bank	Year	Capital and Reserve			
			Paid up share capital	Reserve fund under section 33 of Act II of 1912	Other funds	Total
(1)	(2)	(3)	(4)	(5)	(7)	(8)
	(A) Banks having Capital and Reserve over Rs. 5 lakhs.		Rs.	Rs.	Rs.	Rs.
			(1,000)	(1,000)	(1,000)	(1,000)
1	Provincial Bank	1934-35 ..	546	230	417	1,193
		1935-36 ..	536	245	853	1,634
		1936-37 ..	524	405	754	1,683
		1937-38 ..	524	500	719	1,743
		1938-39 ..	520	515	822	1,857
2	Amraoti	1934-35 ..	132	128	566	826
		1935-36 ..	127	134	526	787
		1936-37 ..	122	140	537	799
		1937-38 ..	116	146	551	813
		1938-39 ..	116	153	584	853
3	Akola	1934-35 ..	96	120	483	699
		1935-36 ..	88	136	434	658
		1936-37 ..	88	145	442	675
		1937-38 ..	88	151	449	688
		1938-39 ..	88	158	479	725
	(B) Banks having Capital and Reserve over Rs. 1 lakh and less than Rs. 5 lakhs.					
1	Nagpur	1934-35 ..	52	38	83	173
		1935-36 ..	52	40	86	178
		1936-37 ..	52	42	88	182
		1937-38 ..	51	44	76	171
		1938-39 ..	51	45	74	170
2	Wardha	1934-35 ..	53	26	54	133
		1935-36 ..	52	25	64	141
		1936-37 ..	52	27	65	144
		1937-38 ..	51	33	80	164
		1938-39 ..	51	33	93	177
3	Betul	1934-35 ..	60	54	75	189
		1935-36 ..	59	57	85	201
		1936-37 ..	58	60	85	203
		1937-38 ..	58	62	89	209
		1938-39 ..	58	67	75	200
4	Chhindwara	1934-35 ..	53	22	78	153
		1935-36 ..	53	22	84	159
		1936-37 ..	53	22	83	158
		1937-38 ..	52	23	87	162
		1938-39 ..	46	23	90	159

C

in the Central Provinces and Berar, during the past five years.

Deposits and Loans from					Loans due by			
Non-members and members in an individual capacity	Provincial and Central Banks	Societies	Government	Total	Members and individuals	Banks and societies	Total out-standings	Cash in hand and in bank
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (2,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)
5,342	6,472	148	..	11,962	60	3,828	3,888	158
5,932	6,703	146	..	12,781	42	8,187	8,229	232
6,459	6,954	137	..	13,550	49	8,742	8,791	195
7,899	6,751	106	..	14,756	52	9,770	9,822	291
8,500	6,208	117	..	14,825	138	9,675	9,813	341
1,697	354	287	..	2,338	67	2,224	2,291	35
1,350	662	274	..	2,286	14	2,117	2,131	8
1,221	795	246	..	2,262	7	1,769	1,776	16
1,076	946	221	..	2,243	6	1,743	1,749	5
976	1,002	227	..	2,205	8	1,729	1,737	1
1,851	357	266	..	2,474	58	1,739	1,797	1
1,911	380	250	..	2,541	61	1,657	1,718	2
2,004	402	164	..	2,570	69	1,678	1,747	8
1,858	648	124	..	2,630	97	1,626	1,723	2
1,522	926	62	..	2,510	111	1,634	1,745	4
300	..	55	..	355	1	359	360	1
293	..	58	..	351	..	359	359	..
293	..	59	..	352	1	338	339	..
286	..	59	..	345	4	325	329	1
290	..	58	..	348	2	306	308	..
261	..	50	..	311	1	287	288	1
236	2	53	..	291	1	271	272	5
231	..	53	..	284	..	279	279	..
236	..	51	..	287	..	275	275	..
197	..	50	..	247	..	249	249	..
323	..	137	..	460	4	362	366	5
302	..	132	..	434	1	390	391	5
319	..	104	..	423	1	311	312	3
289	5	100	..	394	5	375	380	5
295	5	98	..	398	2	392	394	2
227	..	58	..	285	5	262	267	5
230	..	59	..	289	5	268	273	5
240	..	55	..	295	5	257	262	3
259	..	54	..	313	5	270	275	1
252	..	52	..	304	3	263	266	4

APPENDIX

Capital, Reserve, Deposits, Loans and Cash of the Co-operative Banks

Serial No.	Name of bank	Year	Paid up share capital	Capital and reserve		
				Reserve fund under section 33 of Act II of 1912	Other funds	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
			Rs.	Rs.	Rs.	Rs.
			(1,000)	(1,000)	(1,000)	(1,000)
	<i>(B) Banks having Capital and Reserve over Rs. 1 lakh and less than Rs. 5 lakhs—contd.</i>					
5	Jubbulpore	{ 1934-35 ..	35	25	41	101
		{ 1935-36 ..	35	26	55	116
		{ 1936-37 ..	34	28	51	113
		{ 1937-38 ..	34	30	55	119
		{ 1938-39 ..	34	31	54	119
6	Sihora	{ 1934-35 ..	58	64	173	295
		{ 1935-36 ..	57	66	172	295
		{ 1936-37 ..	56	66	149	271
		{ 1937-38 ..	55	66	127	248
		{ 1938-39 ..	24	66	142	232
7	Saugor	{ 1934-35 ..	35	28	56	119
		{ 1935-36 ..	35	28	60	123
		{ 1936-37 ..	34	28	60	122
		{ 1937-38 ..	34	28	61	123
		{ 1938-39 ..	34	19	72	125
8	Damoh	{ 1934-35 ..	50	24	49	123
		{ 1935-36 ..	50	25	49	124
		{ 1936-37 ..	50	26	44	120
		{ 1937-38 ..	50	26	38	114
		{ 1938-39 ..	49	26	39	114
9	Hoshangabad	{ 1934-35 ..	48	38	100	186
		{ 1935-36 ..	47	39	105	191
		{ 1936-37 ..	46	41	105	192
		{ 1937-38 ..	45	42	93	180
		{ 1938-39 ..	45	46	71	162
10	Harda	{ 1934-35 ..	34	32	36	102
		{ 1935-36 ..	34	33	36	103
		{ 1936-37 ..	34	34	36	104
		{ 1937-38 ..	34	34	36	104
		{ 1938-39 ..	34	35	36	105
11	Sohagpur	{ 1934-35 ..	34	30	45	109
		{ 1935-36 ..	33	32	46	111
		{ 1936-37 ..	33	34	47	114
		{ 1937-38 ..	33	35	45	113
		{ 1938-39 ..	32	37	46	115

C - contd.

in the Central Provinces and Berar during the past five years. .

Deposits and loans from					Loans due by			
Non-members and members in an individual capacity	Provincial and Central Banks	Societies	Government	Total	Members and individuals	Banks and societies	Total out-standings	Cash in hand and in bank
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)
616	..	85	..	701	..	529	529	6
601	..	76	..	677	..	558	558	3
607	..	76	..	683	1	425	426	7
554	..	74	..	628	3	418	421	1
540	..	69	..	609	3	427	430	3
243	289	206	..	738	..	738	738	13
206	303	206	..	715	..	722	722	8
173	344	159	..	676	..	622	622	7
157	335	148	..	640	..	585	585	5
147	332	147	..	626	..	567	567	4
195	..	43	..	238	1	243	244	3
203	..	39	..	242	1	244	245	8
197	..	37	..	234	5	218	223	5
216	..	35	..	251	5	228	233	13
225	..	35	..	260	1	222	223	29
226	..	61	..	287	3	279	282	6
221	..	59	..	280	4	264	268	5
223	3	48	..	274	9	252	261	4
231	..	38	..	269	4	202	206	5
241	..	38	..	279	5	216	221	3
212	..	90	..	302	..	334	334	8
242	..	87	..	329	..	345	345	4
245	..	84	..	329	..	277	277	5
255	..	79	..	334	..	265	265	2
251	..	71	..	326	1	253	254	4
110	..	40	..	150	1	154	155	4
115	..	38	..	153	1	157	158	4
113	..	37	..	150	1	145	146	3
121	..	33	..	154	1	146	147	3
117	..	34	..	151	5	144	149	5
99	175	103	..	377	..	342	342	2
125	169	83	..	377	..	345	345	3
148	155	80	..	383	..	257	257	2
143	158	80	..	381	..	267	267	2
140	171	78	..	389	21	260	281	5

APPENDIX

Capital, Reserve, Deposits, Loans and Cash of the Co-operative Banks

Serial No.	Name of bank	Year	Capital and Reserve			
			Paid up share capital	Reserve fund under section 33 of Act II of 1912	Other funds	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	(B) Banks having Capital and Reserve over Rs. 1 lakh and less than Rs. 5 lakhs—contd.		Rs.	Rs.	Rs.	Rs.
			(1,000)	(1,000)	(1,000)	(1,000)
12	Narsinghpur	{ 1934-35 ..	59	34	119	212
		{ 1935-36 ..	57	34	129	220
		{ 1936-37 ..	55	34	127	216
		{ 1937-38 ..	53	34	125	212
		{ 1938-39 ..	53	34	120	207
13	Nimar	{ 1934-35 ..	69	40	91	200
		{ 1935-36 ..	70	40	90	200
		{ 1936-37 ..	70	42	92	204
		{ 1937-38 ..	70	44	92	206
		{ 1938-39 ..	70	44	93	207
14	Raipur	{ 1934-35 ..	80	56	41	177
		{ 1935-36 ..	79	57	43	179
		{ 1936-37 ..	79	57	46	182
		{ 1937-38 ..	80	58	46	184
		{ 1938-39 ..	80	58	53	191
15	Bilaspur	{ 1934-35 ..	54	34	27	115
		{ 1935-36 ..	54	36	33	123
		{ 1936-37 ..	54	38	33	125
		{ 1937-38 ..	56	42	37	135
		{ 1938-39 ..	58	43	40	141
16	Drug	{ 1934-35 ..	47	52	44	143
		{ 1935-36 ..	40	53	50	143
		{ 1936-37 ..	40	55	52	147
		{ 1937-38 ..	41	56	55	152
		{ 1938-39 ..	42	58	64	164
17	Balaghat	{ 1934-35 ..	50	97	177	324
		{ 1935-36 ..	48	87	171	306
		{ 1936-37 ..	46	94	173	313
		{ 1937-38 ..	51	100	179	320
		{ 1938-39 ..	38	105	160	303
18	Ellichpur	{ 1934-35 ..	27	21	44	92
		{ 1935-36 ..	27	22	52	101
		{ 1936-37 ..	25	23	52	100
		{ 1937-38 ..	24	24	55	103
		{ 1938-39 ..	24	25	57	106

—contd.

in the Central Provinces and Berar during the past five years.

Deposits and loans from					Loans due by			
Non-members and members in an individual capacity	Provincial and Central Banks	Societies	Government	Total	Members and individuals	Banks and societies	Total out-standings	Cash in hand and in bank
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)
475	82	112	..	669	2	595	597	11
479	65	105	..	649	3	570	573	16
507	65	100	..	672	5	548	553	12
506	6	93	..	605	6	469	475	5
509	2	89	..	600	232	439	671	9
198	..	73	..	271	1	296	297	4
214	..	73	..	287	..	308	308	6
221	..	74	..	295	..	303	303	2
221	..	72	..	293	..	346	346	2
205	10	73	..	288	..	343	343	1
211	7	77	..	295	2	291	293	9
238	5	76	..	319	..	307	307	6
235	3	76	..	314	..	312	312	5
252	2	76	..	330	2	324	326	7
246	1	74	..	321	3	330	333	7
321	..	75	..	396	..	320	320	12
340	..	77	..	417	..	332	332	7
354	9	89	..	452	..	329	329	25
360	78	78	..	516	2	400	402	22
388	91	73	..	552	7	441	448	21
82	..	30	..	112	..	160	160	2
97	..	29	..	126	..	173	173	5
96	..	31	..	127	..	166	166	1
104	..	33	..	137	..	182	182	3
113	..	35	..	148	..	188	188	5
101	..	42	..	143	3	262	265	1
87	..	44	..	131	2	248	250	2
94	..	53	..	147	1	249	250	5
97	..	50	..	147	1	245	246	1
100	..	51	..	151	2	228	230	1
324	..	37	..	361	6	291	297	5
333	5	36	..	374	2	313	315	2
378	5	34	..	417	2	305	307	4
343	20	36	..	399	2	339	341	1
280	50	36	..	366	2	347	349	..

APPENDIX

Capital, Reserve, Deposits, Loans and Cash of the Co-operative Banks

Serial No.	Name of bank	Year	Capital and Reserve			
			Paid up share capital	Reserve fund under section 33 of Act II of 1912	Other funds	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	(B) Banks having Capital and Reserve over Rs. 1 lakh and less than Rs. 5 lakhs—concl'd.		Rs.	Rs.	Rs.	Rs.
			(1,000)	(1,000)	(1,000)	(1,000)
19	Morsi	{ 1934-35 .. 58 { 1935-36 .. 57 { 1936-37 .. 56 { 1937-38 .. 56 { 1938-39 .. 55	{ 23 { 24 { 25 { 26 { 28	{ 122 { 136 { 136 { 157 { 198	{ 203 { 217 { 217 { 239 { 281	
20	Yeotmal	{ 1934-35 .. 97 { 1935-36 .. 81 { 1936-37 .. 80 { 1937-38 .. 79 { 1938-39 .. 74	{ 55 { 60 { 63 { 66 { 68	{ 255 { 256 { 257 { 281 { 110	{ 407 { 397 { 400 { 426 { 252	
21	Buldana	{ 1934-35 .. 31 { 1935-36 .. 28 { 1936-37 .. 25 { 1937-38 .. 23 { 1938-39 .. 23	{ 18 { 18 { 18 { 18 { 18	{ 116 { 88 { 84 { 90 { 90	{ 165 { 134 { 127 { 131 { 131	
22	Khamgaon	{ 1934-35 .. 60 { 1935-36 .. 60 { 1936-37 .. 60 { 1937-38 .. 59 { 1938-39 .. 59	{ 41 { 43 { 45 { 47 { 49	{ 222 { 251 { 286 { 326 { 380	{ 323 { 354 { 391 { 432 { 488	
23	Mehkar	{ 1934-35 .. 62 { 1935-36 .. 61 { 1936-37 .. 60 { 1937-38 .. 60 { 1938-39 .. 59	{ 61 { 64 { 67 { 71 { 73	{ 181 { 202 { 208 { 224 { 225	{ 304 { 327 { 335 { 355 { 357	
24	Malkapur	{ 1934-35 .. 27 { 1935-36 .. 27 { 1936-37 .. 27 { 1937-38 .. 27 { 1938-39 .. 19	{ 8 { 8 { 9 { 9 { 10	{ 169 { 195 { 195 { 219 { 223	{ 204 { 230 { 231 { 255 { 252	
25	Daryapur	{ 1934-35 .. 34 { 1935-36 .. 34 { 1936-37 .. 28 { 1937-38 .. 28 { 1938-39 .. 28	{ 17 { 18 { 18 { 19 { 18	{ 54 { 55 { 45 { 49 { 85	{ 105 { 107 { 91 { 96 { 131	

C—concl.

in the Central Provinces and Berar during the past five years.

Deposits and loans from					Loans due by			
Non-members and members in an individual capacity	Provincial and Central Banks	Societies	Government	Total	Members and individuals	Banks and societies	Total out-standings	Cash in hand and in bank
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)
693	294	118	..	1,105	7	965	972	5
740	272	102	..	1,114	2	979	981	4
840	249	91	..	1,180	6	803	809	10
753	312	96	..	1,161	3	1,076	1,079	4
702	329	92	..	1,123	3	1,006	1,009	..
941	452	190	..	1,583	1	1,372	1,373	5
1,024	317	154	..	1,495	2	1,287	1,289	2
1,024	248	137	..	1,472	6	1,213	1,219	1
1,124	227	103	..	1,454	7	1,054	1,061	3
958	315	147	..	1,420	4	679	683	..
303	118	59	..	480	1	403	404	8
300	117	44	..	461	3	325	328	8
286	102	30	..	418	1	282	283	6
280	92	21	..	393	2	251	253	11
224	93	7	..	324	1	218	219	6
406	348	57	..	811	27	759	786	1
413	361	55	..	829	28	789	817	1
375	414	49	..	838	30	817	847	2
352	443	22	..	817	30	860	890	1
325	480	21	..	826	31	853	884	1
464	7	136	..	607	..	589	589	6
452	..	106	..	558	1	569	570	4
431	..	89	..	520	8	544	552	4
409	..	76	..	485	2	502	504	9
374	..	73	..	447	4	427	431	9
329	170	31	..	530	7	628	635	6
288	230	27	..	545	..	558	558	3
268	254	27	..	549	4	651	655	1
277	267	18	..	562	7	662	669	5
239	313	12	..	564	4	242	246	9
282	91	64	..	437	3	354	357	2
282	90	49	..	421	1	315	316	3
302	49	40	..	391	2	229	231	3
291	35	38	..	364	5	196	201	2
243	48	34	..	325	5	207	212	2

APPENDIX D

Statement showing Number, Capital, Reserve, Deposits and Loans received, Loans outstanding and Cash balance of principal Co-operative Banks in the Central Provinces and Berar at the end of the Provincial year ending the 30th June 1939.

Year	Number of Banks	Capital	Reserve and other funds	Total	Loans and Deposits received	Loans outstanding	Cash balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Class A.—Banks with Capital and Reserve of Rs. 5 lakhs and over.</i>							
		Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)	Rs. (1,000)
1929-30	1	622	427	1,049	9,599	1,504	68
1930-31	2	752	682	1,434	12,564	4,397	29
1931-32	3	824	1,128	1,952	15,946	6,950	15
1932-33	3	810	1,217	2,027	16,615	7,228	156
1933-34	3	794	1,503	2,297	17,940	7,401	80
1934-35	3	774	1,944	2,718	16,774	7,976	94
1935-36	3	751	2,328	3,079	17,608	12,078	242
1936-37	3	734	2,423	3,157	18,382	12,314	219
1937-38	3	728	2,516	3,244	16,629	13,294	298
1938-39	3	724	2,811	3,535	19,540	13,295	346
<i>Class B.—Banks with Capital and Reserve of Rs. 1 lakh and over.</i>							
1929-30	20	1,482	2,346	3,828	14,802	12,512	177
1930-31	20	1,363	2,245	3,608	12,664	10,980	127
1931-32	20	1,201	2,131	3,332	10,108	9,371	144
1932-33	21	1,192	2,636	3,828	10,257	9,956	123
1933-34	21	1,168	2,837	4,005	10,361	10,102	86
1934-35	22	1,171	3,188	4,359	10,405	10,667	118
1935-36	25	1,230	3,550	4,780	11,863	10,854	121
1936-37	24	1,179	3,532	4,711	10,984	9,989	117
1937-38	24	1,166	3,691	4,857	11,295	10,157	112
1938-39	25	1,040	3,749	4,789	11,392	9,588	130

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