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Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. L. 4803-65—C. S. 30-22-3, dated 5th January 1923.

Annual Report on the working of the Co-operative Societies.
Reviews the — in the State for 1921-22.

READ—

Report on the working of Co-operative Societies in Mysore during the year 1921-22 received with the Registrar's letter No. 2375, dated the 8th November 1922,

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General Progress.—On account of the tightness of the money market the expansion of the movement was not so vigorously pushed forward as in the previous years, and the activities of the Department were confined chiefly to the consolidation of the work of existing societies. The Report of the Co-operative Committee appointed in the previous year was awaited before any new schemes could be attempted. In some maidan parts of the State the transactions of societies were affected to some extent by the continued prevalence of bad seasonal conditions. In spite of all these adverse circumstances, the department maintained its usual level of efficiency and the progress achieved was on the whole satisfactory.

2. *Number of Societies.*—There were 1,500 societies at the end of the previous year; 51 societies were newly registered during the year; the registration of 28 societies was cancelled and 1 society was amalgamated with another. There were thus 1,522 societies at the end of the year showing a net increase of 22 societies as against 98 last year. Of the 51 new societies registered, 2 were for the development of agricultural co-operation, 3 for industrial co-operation, 1 for the sale of agricultural produce, 9 were stores societies, 1 a house-building society, 2 grain banks, 4 societies for the exclusive benefit of depressed classes and the remaining 29 ordinary credit societies. It is very satisfactory to note that increased attention is being paid to the development of agricultural and industrial societies which are a *sine qua non* for the improvement of the material prosperity of the State.

3. *Membership.*—The total membership of all the societies increased from 92,679 to 6,912, i.e., by 4·5 per cent during the year. All the districts except Hassan had an increase in membership while in the Hassan District there was a slight fall. The Registrar is requested to investigate the reason for this downward tendency in the Hassan District and submit a report.

4. *Working Capital.*—The total working capital of all the societies increased from Rs. 78,19,503 to Rs. 81,97,280 or by 4·8 per cent during the year as against 25 per cent in the previous year. The Bangalore District as usual contributed the largest proportion of working capital of nearly Rs. 38 lakhs while the Malnad Districts of Hassan, Kadur and Shimoga contributed only Rs. 4 lakhs, Rs. 3,36,000 and Rs. 3,33,000 nearly, while Chitaldrug District contributed Rs. 2,21,000. No explanation is forthcoming as to why the Malnad Districts as well as the Chitaldrug District are so low in the scale. The Registrar is requested to investigate the matter and take the necessary steps to remedy this unsatisfactory state of affairs.

5. *Deposits.*—The total deposits attracted during the year amounted to Rs. 39,62,865 as against Rs. 36,92,732 during the previous year, the Bangalore District attracting nearly three-fourths of this sum, while the total amount of deposits outstanding at the close of the year was Rs. 28,48,551 as against Rs. 27,85,580 in the last year. The deposits held by the Central Societies at the end of the year slightly decreased from Rs. 12,92,091 to Rs. 12,84,878. The average deposit per member on the whole was Rs. 29·3 as against Rs. 40 in the previous year. The maximum rate of interest on deposits attracted, increased from 7 to 7½ per cent during the year.

6. *Receipts and Profits.*—The total receipts of all the societies amounted to Rs. 1,41,01,490 as against Rs. 1,41,08,509 and the total disbursements to Rs. 1,37,63,324 as against Rs. 1,37,75,226 in the previous year, while the total profits realised by all the Co-operative Societies during the year was Rs. 7,27,886 as against Rs. 7,02,501 during the previous year.

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to Rs. 13,249 as against Rs. 12,657 during the previous year. The Central Bank granted loans to the extent of Rs. 60,511 to societies as against Rs. 72,463 and Rs. 2,70,347 to individual members as against Rs. 2,07,103 in the previous year; while the Provincial Bank granted loans to the extent of Rs. 65,633 to societies as against Rs. 1,21,384 in the previous year. The primary object of the Central Bank to finance Co-operative Societies seems to have been lost sight of and the funds of the Bank are diverted chiefly to the financing of individual members. The Registrar will examine the condition of working of this Bank carefully and send up an exhaustive report to the Government. The total loans outstanding against the Provincial Bank amounted to Rs. 5,27,140 while the share capital, deposits, profits and reserve fund aggregated Rs. 5,29,727 of which Rs. 10,000 was invested in the Mysore Loan. The financial condition of this society became very embarrassing and brought the work of the Bank to a standstill for a time. But as a result of timely steps taken by the Department to improve its resources, the Bank was able to tide over the difficulty and resume its normal work. It is very necessary to take vigorous action for realising the heavy outstandings with a view to avoid such embarrassing situations in future.

18. *Economic condition of members.*—The condition of members of 45 rural societies was examined during the year as against 70 in the previous year. The total number of societies in which the investigation was carried out during the last five years was 485. It was directed in the last year's review that the investigation should be confined to a select area and a report submitted on the results disclosed by the investigation. But it is explained that owing to restrictions on touring imposed on account of financial stringency, it was not possible to undertake the investigation during the year. It is hoped that the work will be attended to with greater vigor during the current year.

19. *Disposal of Suits and execution of Decrees.*—No substantial improvement is noticeable in either of these directions. The total number of suits for disposal during the year was 4,535 of the value of Rs. 7,15,175 of which only 2,223 were disposed of leaving more than 50 per cent still pending. The total number of decrees pending execution with Deputy Commissioners and Heads of Offices was 3,254 of which only so few as 604 were executed during the year leaving a balance of 2,650 decrees pending execution. Government have noted this unsatisfactory state of affairs with some concern and have since taken suitable steps for minimising inordinate delays in the execution of decrees by instructing the Revenue Commissioner to issue stringent instructions to Amildars to speed up the work of execution of decrees and submit reports of progress achieved from time to time for the information of Government. They are also devising means for the speedy disposal of suits by increasing the Gazetted Staff of the Department and prescribing simple rules to enable the officers to hear the suits without unnecessary waste of time. With the adoption of these measures, Government trust that there will be substantial improvement in the disposal of co-operative suits as well as the execution of decrees relating to those suits.

20. *Touring work.*—The Registrar was out on tour for 55 days and inspected 35 societies as against 123 days spent on tour, and 131 societies inspected during the previous year. The Assistant Registrars of Mysore and Shimoga toured for 111 and 97 days, respectively and inspected 112 and 108 societies. Government have already noticed in a review issued recently that many of the societies are remaining uninspected for several years and have issued instructions for arrangements being made for the inspection of these uninspected societies by the Assistant Registrars. They trust that there will be more satisfactory work in this direction in the current year.

21. *Audit and Inspection.*—The total number of societies fully audited during the year was only 600 and those test audited 420. The Inspecting Staff of the two Central Banking institutions at Bangalore inspected 115 societies affiliated to them. Government think that, so long as the work of audit is entrusted to a separate staff of Inspectors instead of to the normal staff, the progress of audit work cannot be expected to improve. They are therefore issuing orders changing the existing system so as to make every Inspector of the Department responsible for the auditing of societies in his own charge when he goes on other inspection duty and trust that this will considerably improve the existing state of affairs.

22. *Conclusion.*—Government appreciate the continued interest taken by the Bank of Mysore in affording financial aid to Co-operative Societies in spite of the stringency of the money market.

There is great need for the expansion of agricultural societies. The Co-operative Department should work hand in hand with the Officers of the Agricultural Department and make the Co-operative Societies distributing centres for seeds, manure, ploughs and other agricultural implements and in sericultural districts for the supply of disease-free eggs as well. There is also great need for the expansion of the movement amongst petty traders and artisans. The Department has hitherto confined its attention chiefly to the

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societies of weavers, but it is necessary that it should extend its operations in respect of other crafts and industries as well. Government expect better results in future in these directions.

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To—The Registrar of Co-operative Societies in Mysore.
The Heads of Departments.
The Deputy Commissioners of Districts.
PRESS TABLE.

Ed.—A. M. K.