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செப்பனிருபவற் பெயர்

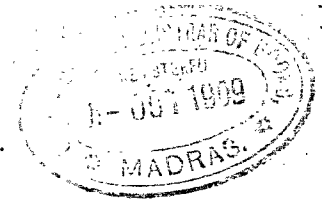
செப்பனிருவதற்காக எடுத்தக் கொள்ளப்பட்ட நாள் 1946-96

செப்பனிரு முடித்த நாள் 1946-96

சரிபார்க்கும் ஓரா யச்சி

மு. ப. எ. ச. சுவாமிநாதன்

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## The Madras Bulletin of Co-operation.

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No. I.

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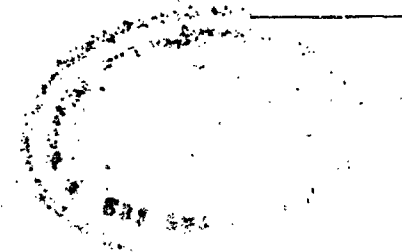
### FOREWORD.

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"I have little doubt in my own mind, that the main difficulty which at present prevents large classes of the community from successful competition in industrial and other enterprises is the deficiency of organised capital and the want of confidence between man and man, of which the deficiency is in no small measure the result. Under the co-operative system, any local body of craftsmen or agriculturists, however poor and however limited in numbers, has the means of acquiring gradually and from small beginnings, sufficient capital to provide for immediate needs and for future progress, and I would urge on all educated and enlightened men, whether immediately concerned or not, with agriculture, crafts or commerce the duty of promoting these societies to the extent of their ability. Apart from the material return, which is their immediate object, such societies have, in every country where they have taken root, proved great moral educators and promoters of mutual confidence self-reliance and honest enterprise."

(Extract from the speech of His Highness the Maharaja of Mysore at the Dasara Exhibition, 1907, Mysore.)

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## INTRODUCTORY.

THE number of societies in the Madras Presidency has risen to nearly 200 and will increase rapidly month by month. Each society is leading a separate life and is unaware of what is being done and attempted to be done by other societies. I consider it advisable that a periodical bulletin of progress be published and circulated so that each society may understand what the other societies are doing, and the backward societies may be stimulated into action.

2. In this bulletin, I propose to announce the registration of fresh societies, and amendments of by-laws. The salient features, if any, of the annual audit reports will be noted. Frequently, I am asked several questions by societies or the general public; and they will be answered in the bulletin. In the quantitative spread of progress, the vital principles of co-operation are likely to be forgotten; hence, they will be explained in the bulletin. A column will be devoted for departmental instructions to Inspectors.

3. I invite contributions from societies and from persons interested in co-operation. They should be addressed to the Registrar of Co-operative Credit Societies, Chempauk, Madras. The bulletin will be issued once in three months. Inspectors will also report matters of interest as they come to their notice for insertion in the bulletin.

4. The subscription for the bulletin will be Rs. 1-8-0 per annum inclusive of postage. The price of a single copy will be eight annas. Intending subscribers should apply to the Registrar. The bulletin will be issued in three separate editions—English, Tamil and Telugu. Inspectors will make it a point to read and expound the bulletin to the Societies at their inspections.

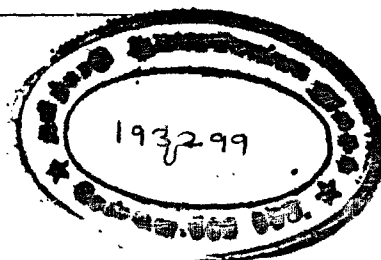
## THE MADRAS BULLETIN OF CO-OPERATION.

### CO-OPERATIVE CREDIT SOCIETIES.

THE following paper was contributed by Mr. W. B. Gourlay, I.C.S., Director of Agriculture and Co-operative Credit Societies, Bengal, to the Industrial Conference, Surat, 1907:—

“The great necessity of Indian Agriculture is cheap credit. At present the agriculturist is being financed at a rate of interest varying from 25 to 50 per cent. so that he is unable to take advantage of any improvement which does not give a return of over 25 (or 50 per cent. as the case may be) on the capital invested, and therefore unless the good and careful agriculturist can obtain capital at a rate not exceeding 12½ per cent., the usefulness of our great Agricultural Departments will be enormously curtailed. Everything is being done to build up an Agricultural Department in each province in India which will compare favourably with similar departments in other great agricultural countries. The present scheme for development will not be fulfilled for 5 or 10 years yet, and therefore now is the time when we must put forth every effort to cheapen credit, so that the labours of the Agricultural Departments may do the maximum of good to the community. Hence the importance of the subject with which we are dealing. The cheapening of rural credit must be the foundation of all agricultural improvement.

“To prevent any misconception of the aim before us, I will state the problem in the words of the last Famine Commission's Report: ‘We attach the highest importance to the establishment of some organization or method whereby cultivators may obtain, without paying usurious rates of interest and without being given undue facilities for incurring debt, the advances necessary for carrying on their business.’ In considering the subject, we must keep these two factors clearly before us: we have to find out a method for the supply of cheap credit, but it must be a method which does not give undue facilities for incurring debt. We must make certain that our scheme for obtaining capital for the raiyat does not cause him to sink deeper into debt. It is this which has rendered the problem so



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difficult of solution. When the Agriculturists' Loans Act was passed, an attempt was made to meet the problem of cheap credit in times of special need ; but though the Act has been productive of much good, it failed to solve the latter part of the problem. It must not be thought that the total abolition of the village money-lender is involved. The village capitalist is as important a part of the village community as the carpenter, barber or washerman. He renders a service without which it would be impossible for the cultivator to carry on his business. What is sought is to ensure that money-lending in rural India is placed upon a more economic basis. At present the money-lender has a monopoly, and he is not to be blamed if he makes full use of his opportunities. The money-lender makes great losses as well as great gains, and what we want to do is, as far as possible, to eliminate the losses, and to ensure that the good and careful agriculturist is not compelled to pay an enormous rate to cover the bad debts of his less careful neighbour. We are not seeking after a Utopia where the raiyat will obtain his capital without interest and the money-lender will be non-existent. We want to guide the capital of the money-lender into useful channels and to prevent the enormous waste which goes on every year. There will always be gamblers willing to take risks on doubtful security. We want to separate the legitimate investment of capital in agriculture from the gambling in doubtful securities.

"The solution of the problem, we believe, we have found in the establishment of co-operative credit societies.

"The object before us is the greatest which any man who loves this land and its people can set before him. Every man can help, and his help will be more than welcome. It is not money that we want but men. The villagers are ready and willing to pay a rate of interest which will attract capital, but we want men to spread a knowledge of the principles of co-operative credit and to counsel and guide the people in carrying them out.

"I have said that we believe we have found the solution of the problem before us, and it is natural, before I can command your attention to the subject of co-operative credit, that you should ask the grounds for this belief. If you will listen for a moment to a few statistics, I will convince you that we have reason for believing that we are right.

"Three years ago an Act was passed which rendered the establishment of co-operative credit societies possible, and during these years a little band of men, not only officials but Indian and European gentlemen, who have the welfare of the country at heart, have been working quietly and slowly with one aim in view, and here is the result. In India, central, urban and rural societies have

at present assets amounting to over 25 lakhs of rupees, and during the past year they did business to the extent of 37 lakhs. But to-day I will confine my attention to the work done by the rural societies alone. Every penny of the money invested in these societies has gone to financing the agriculturist or the village artisan, who in this country is dependent almost entirely on the proceeds of agriculture. As a result of these three years' work there are at present in India 735 rural societies, their capital amounts to 11 lakhs of rupees, half of which has been subscribed by the members themselves, one quarter has been lent by the Government, and one quarter has been borrowed from outside. During the last year, loans amounting to nearly 12 lakhs were given out and the total cost of management amounted to only Rs. 7,000. Throughout the year no debts have been written off and no losses have been sustained, and the reserve at the end of the year amounted to half a lakh of rupees.

"It is but natural that you should ask what is the history of this co-operative credit and why its principles were not applied to the country sooner. This, I shall endeavour to give you as shortly as possible. The problem of establishing some organization or method whereby cultivators could obtain without paying usurious rates of interest, and without being given undue facilities for incurring debt, the advances necessary for carrying on their business occupied the attention of many philanthropists in Europe in the middle of the last century. Many schemes were tried, and three of these succeeded, and are to-day magnificent examples of the self-sacrifice and devotion of Raiffeisen and Schulze in Germany and Luzzatti in Italy. Raiffeisen and Schulze commenced their work about the same time : each had his own ideas, and their systems have succeeded in different spheres. Raiffeisen societies have succeeded in the country and the Schulze societies in the town. Success did not come at once ; but only after weary waiting. Many difficulties had to be overcome, and not the least of these was the opposition of a well-meaning but misinformed Government. It was not till 1893 that the complete success of both schemes was recognized outside of Germany. Luzzatti and Wollemburg followed the lead in Italy and Haas in Darmstadt, so that now there is hardly a corner of Germany and Northern Italy where credit societies are not known and appreciated.

"The success of these schemes attracted the attention of Sir Frederick Nicholson, who was in 1893 making a special enquiry into the possibility of establishing land and agricultural banks in Madras, and it is to the result of his labours that we owe the progress which has been made in India.

"I do not propose to deal with each of these systems, but only with that system which has been proved by experience to be most suited to the conditions of a rural community dependent on agriculture such as we have in India, namely, the Raiffeisen societies; that these societies were the most suited to rural India was the mature opinion of Sir Frederick Nicholson set forth in his exhaustive report, and it was the opinion of the special committee which discussed the question before the Co-operative Credit Societies Act was framed, and the justice of these opinions has been proved by subsequent experience.

"Raiffeisen societies are small democratically managed groups of agriculturists, who join together for the purpose of making their individual securities of greater value, and of enabling each member to obtain benefits which though possible for all when united are impossible for each individually. Every man possesses some security, or at least has it in his power to possess something which serves as a basis of credit, namely, a character for honesty among those who know him well. He may have no money, he may have no property, but he has it in his power to build up a character for honesty in his dealings; and all those who know rural India well, know that this character for honesty does exist in the villages. The majority of cultivators within their own villages have a character for honest dealing among their neighbours, and it is this character for honesty which is the basis of all co-operative credit. In India we wish to attract the poorest of the poor, and therefore we cannot ask them to make payments towards the capital of their society. But what we do ask them is to stake their character and all that they have for the benefit of each other. The security offered by the society is the unlimited liability of its members; every man agrees to be liable 'up to the hilt' for any loss that may occur. I have often been asked what the security which the societies have to offer is, specially in cases where the tenant's right is not transferable—the security lies in the fact that no one wants to be sold up: every man's interest is to see that there are no losses, and experience has proved to us that where this is the case no losses can ensue. The security is a personal security, the finest security which exists, and the greatest security in India where a family seldom leaves its native village. It is the fear of being made liable which makes the members careful in their management.

"As there are no shares in these societies, so there are no dividends: the interests of all are alike: there is no antagonism between the borrower and the lender. It is to the interest of all to serve and, therefore, no services are paid for. The members are left to make all their profits from the use to which they put their

loans. Such a system, founded on unlimited liability renders the management democratic and also renders the business safe: the greatest qualification of an institution which desires to borrow money. Every member watches his neighbour, so that he himself may not be involved in loss, and if his neighbour misuses the money the other members recall the loan, so that they may not incur any loss, and the result is that the loan is not misused. Without unlimited liability it would be impossible to create the self-interest which renders, free of charge and more efficiently, all the services of a highly paid staff.

"The moral effect of this on the members is no dream and, to take the lowest view of co-operation, the individual member speedily realizes that honesty is the best policy. It has often been stated by those who have had no experience that no cultivator will agree to these conditions, but the cultivator knows well where his own interests lie, and when he understands the principle, he sees that it is to his own self interest to join the society: the advantages to be obtained far outweigh the disadvantages.

"Such a community as I have described might easily fall to pieces at any moment through dissensions amongst its members, but to prevent this, to form a bond which will always hold the members together, allowance is made for the building up of a reserve fund. The rate of interest at which the society lends money to its members is greater than the rate at which the money is borrowed, and from the profits which ensue, this fund is built up. As there are no shares, so the interest of all the members in this fund is alike: but it is the property of the members collectively, and no member can claim a share. The reserve fund thus becomes not only a capital of guarantee, but also the strongest bond to hold the members together; for a man can retain his interest in the fund only so long as he remains a member.

"You will realize at once that this system is only suited to small rural communities where every man knows his neighbour's character, where comings and goings are few, where no man's transactions are hidden, and where it is possible for every one to watch his neighbour without unnecessary interference, and this is an exact description of the life of the greater portion of rural India.

"I have described to you the principles upon which Raiffeisen societies are founded: the next important question to consider is the source from which capital is to be obtained. A great majority of the members join from self-interest: they have no money to deposit, they have come to borrow. Capital must, in the first instance, be sought from outside, and it is here as you can imagine that new societies find difficulty. Until confidence has been established it is

hard to attract capital and without capital the society is not in a position to demonstrate its trustworthiness. Capitalists, however, have been found who are willing to take the risk; and Government too has shown its readiness to assist. But this is only a temporary expedient. The aim is to attract local capital, and most of all to attract the savings of the members themselves when the benefits of cheap capital have placed them in a position to save. Societies can never succeed unless they have a good business foundation and, therefore, the rate of interest which they are willing to pay must be such as will attract local capital when the trustworthiness of the institution has been clearly demonstrated. In my own province I have found that this rate lies between  $12\frac{1}{2}$  and  $18\frac{3}{4}$  per cent. according to the circumstances of the locality, but as success crowns our endeavours this rate will be lowered.

"Meanwhile we are putting forth our efforts to prove that the security is good, and so long as the members receive sufficient benefit to induce him to agree to the terms of admission, the rate of interest the societies are ready to pay must not be lower than that which will attract the local capitalist. The aim is in the end to divert the money of the local capitalist into this channel, so that he will receive what he considers a fair return on his money, and the borrower will obtain the full market value of his security.

"The risk that a man takes in placing his all in the hands of his fellow villagers would be very great were it not for certain safeguards which I will explain to you. The first of these is that the society confines its business to its members: lending to outsiders is prohibited, and the operations of the society are confined to the village within which every man knows his neighbour. Members from outside, be their security ever so good, are not admitted. The danger of making a mistake is too great, and the village community has no hold over on outside member. Within the village, if a man is good enough to trust, he is good enough to be admitted as a member; while if he is not good enough to be admitted as a member, he is not fit to be trusted. The members have the power to exclude, and if they admit a man with their eyes open that is a proof that his neighbours trust him. The second safeguard is that every member, before he receives a loan, must state his case to the others. He must tell them what he wishes to do with the money, and they decide whether it would be safe to let him have the loan and how much he really requires. The third safeguard is that the member is bound to use the money for the purposes indicated. If he does not do so the members call the loan back for fear of being involved in loss. The fourth safeguard is that every member has to find two of his fel-

lows to be his sureties for the repayment of the loan, and on these sureties falls a special inducement to watch the use made by the borrower of his money. Members are induced to take this responsibility by the knowledge that they themselves will have to find sureties when they come forward for a loan. The result of these safeguards is that societies of this description have been found a safe repository for money, and up to the present not a penny has been lost either in Europe or in India.

"I think I have said enough to prove to you that Co-operative Credit Societies of the nature described are sound institutions consistent with village life in India.

"It now remains to give you a short account of the manner in which they are managed.

"The societies are democratic: the management lies in the hands of the members who appoint from their own number a panchayat of committee of five to do the work for one year, and one member or the committee keeps the simple accounts which are necessary. When a society grows larger, the Secretary member is permitted to employ some one to assist him. The members of the committee are not paid: there is little work to do, and it is to the interest of each member to take his turn in managing. The members are not paid, because in the first place the rate of interest would have to be very much raised to make this possible, and in the second place, as it would always be to the interest of the committee to be re-elected they would be inclined to manage the society with a view to secure re-election rather than for the benefit of the members as a whole. When they are not paid it is to their interest to manage the society for the benefit of all, and when their year of office is over they are ready to lay down their responsibilities and let some one else take them up.

"This committee cannot be worried to do business for the members every day, and, therefore, one day a month, usually the day of the full moon, is fixed on which the panchayat meet. When a member applies for a loan the committee consider three things: the first is the necessity for the loan, the second the instalments in which the loan is to be repaid, and the third the sureties in the event of the borrower's death or default. The committee know exactly the circumstances of each member, and they have no difficulty in coming to a decision concerning the necessity for the loan. They also know the member's capacity to repay, and the great principle of repayment is that the loan should reproduce itself either by creating new values or by effecting a saving: for example, if a man borrows money to repay a loan contracted at exorbitant interest, the instal-

ments would be fixed by the committee after considering the difference between the rate of interest which the member formerly paid to the mahajan, and the rate of interest charged by the society. When, however, money is lent for the purpose of raising a crop, the whole loan must be repaid from the sale of the produce. When once the committee have decided concerning the necessity of the loan, and the member has agreed to take it, the money must be applied rigorously to that purpose. A man who has taken a loan for marriage expenses is not permitted to purchase a pair of bullocks with the money: the control over the borrower is gone, if he is permitted to change the purpose concerning which the committee have already deliberated. The instalments vary according to the circumstances of the member: one man grows tobacco, he pays when he sells the crop; another man has jute, he pays when he receives the price of the jute; another man is a labourer receiving a monthly wage, he pays a fixed amount each month, and so on. The instalments are settled between the borrower and the committee. The power of the committee to lend, however, is restricted to a certain amount, and their power to borrow on behalf of the society is also limited by the members.

"Alongside the committee of management there is a Committee of supervision, the duties of which are to check the accounts at stated intervals, and to watch the use made by the members of their loans, and to report to the committee in case of misapplication or where the conduct of the member is such as to impair the security of the society.

"I have now explained to you the principles, and the manner in which these principles are applied. In order that you may be able to carry them away in your minds I will go over them again. The main principles of the Raiffeisen Co-operative Credit Societies are seven in number:—

- (1) Unlimited liability;
- (2) Operations restricted to a small area;
- (3) No shares and consequently no dividends;
- (4) No payment for services rendered;
- (5) Repayment of the loan from the profits or savings effected;

(6 & 7). The moral as well as the material benefit of the members.

"These seven principles have been the foundation of what has been done in Europe in the last half century, and have led to success there. Here in India our success is due to building on the same foundations.

"One thing remains: the societies as I have described to you are small, and in many cases weak, but as the members have become strong by combining, so the societies in Europe have become strong by associating themselves together for purposes of finance and control. It now remains in India to organize the individual societies into unions, such as exist in Germany. This is the great work which is occupying the attention of those interested in the movement at present, and as success has been attained in Europe so we confidently look for success in India. When the societies are thus united they will be in a position to offer security for one another and so to increase the security of the individual society in the eyes of the public and consequently to obtain their capital at a lower rate. The union, too, will serve as a convenient channel for regulating the excess of capital in one society and the need of capital in another and it will be to the interest of the older societies to teach the younger ones and to see that they follow the principles in their work.

"Such then is a short outline of Co-operative Credit Societies, and I think you will agree with me in believing that the application of these principles will in time solve the problem of Indian indebtedness; but we want help. We do not want money from Government to assist us. We want the willing co-operation of those who have the welfare of the people of this land at heart to help us in spreading a knowledge of the principles and to guide and counsel the members of new societies. Money will come but we want men who love the country and its people: men who are willing to give their time and their labour towards helping their struggling brethren; men who believe in this work and who are in entire sympathy with the people. There can be no grander work for young men than this. It demands no great power and no great learning; it demands only sympathy and patience. It is the grandest work that a man can take up for his country."

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## THE RESERVE FUND.

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Section 8 of the Co-operative Credit Societies Act runs as follows:—

- (1) No dividend or payment on account of profits shall be paid to a member of a rural society, but all profits made by such a society shall be carried to a fund (to be called the reserve fund).

Provided that, when such reserve fund has attained such proportion to the total of the liabilities of the society, and when the interest on loans to members has been reduced to such rates, as may be determined by the by-laws or rules made under this Act, any further profits of the society, not exceeding three-fourths of the total annual profits, may be distributed to members by way of bonus.

(2) Not less than one-fourth of the profits in each year of an urban society shall be carried to a fund (to be called the reserve fund) before any dividend or payment on account of profits is paid to the members or any of them.

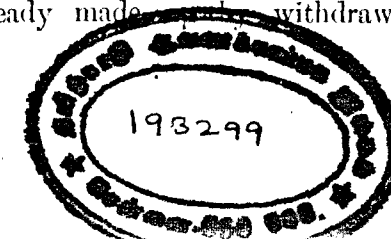
2. The difference in the treatment of profits between rural and urban banks is marked. The chief reason is that the rural banks were expected to be formed on the lines of the Raiffeisen banks of Europe; i.e., without share capital: on the other hand urban banks were expected to be financed considerably with the help of share money. In the first case, the bonus would degenerate into trading on the necessities of the borrower; in the latter a grant of part at least of the profits might be reckoned as a reasonable return on the subscribed and paid up capital. When, however, rural banks are formed on the basis of share capital there appears no reason to withhold payment of reasonable interest on the paid up capital. This point will, I hope, be made clear in the Act when it is next amended. The real danger is that the tendency on the part of the founders of the society or its shareholders would be to work towards accumulation of profits for the sake of dividends and, thereby, to keep up a high rate of interest on loans defeating the initial purpose of these societies to facilitate credit. This danger can be avoided by prescribing a maximum rate of return on the share capital in the by-laws and as every amendment of the by-laws requires the Registrar's sanction, the Registrar can safeguard against a society, nominally co-operative, degenerating into a dividend earning concern. As societies can now obtain money on, the very highest,  $7\frac{1}{2}$  per cent. interest, a higher rate of interest should not now be allowed on paid up capital. I consider this limitation is necessary in the case of non-central urban banks as well as in the case of rural banks even after the conditions specified are satisfied.

3. The fundamental fact on which the section lays stress is the building up of a reserve fund. In Madras, the by-laws generally provide that the reserve fund is indivisible and belongs to the society as a whole and not to any member, that it shall not be drawn upon except to meet unforeseen losses and without the Registrar's sanction and that it shall be invested in such manner as the Regis-

trar shall prescribe. Not aware of the purposes of a reserve, several members demur to a diversion of the profits towards what they deem as ownerless and (so long as the society is not wound up) a purposeless fund. This misapprehension is due to ignorance of what a reserve fund is meant for. The main source of capital of co-operative societies is borrowed money; the other sources are so unimportant that for practical purposes, this may be called the only source. Theoretically, the security of a co-operative society is the character of its constituents coupled with correct co-operative methods of work. But as yet in Madras, co-operative credit is in its infancy; and local reputation cannot attract credit except from its vicinity which itself cries for capital. If the Presidency has succeeded in attracting outside money, it is because, it must be acknowledged, of the active corporate spirit still alive in villages under the influence of which the more well-to-do residents of a village for the sake of their poorer brethren agree to stake their liability for the common debts of the society. When the Registrar has satisfied himself that such persons have joined, ensuring thereby, proper security and competent management, he has no hesitation to sanction small loans for the needs of the society. But it is obviously impossible that the Registrar's espionage can be definitely continued; nor can the withdrawal of the solvent members be continually watched. But if a society be started and shows a reserve fund, it means the loans are carefully disbursed, the management is competent and the society is safe. In other words, a reserve fund is an automatic index of solvency and careful management; and once it has accumulated, the society concerned need have no fear of not attracting outside capital. Far from demurring towards contributing to the reserve, societies ought to vie with one another in building up the reserve as fast as possible. Even from a commercial point of view, it would be impossible, given a substantial reserve, a society once well managed can so rapidly degenerate subsequently without attracting the notice of the Registrar or depositors that the excess of its liabilities over its assets exceeds the accumulated reserve. A good reserve, therefore, will facilitate the flow of deposits and consequently attract money at lower rates of interest.

4. I generally order the investment of the reserve fund in the Madras Central Bank. Several Societies take exception to this, and I wish to explain the grounds on which my order is based; a fundamental principle of banking is to keep the reserve apart from the general funds; and this is necessary for the reasons already set forth. The reserve fund should be free from any temporary mismanagement of the annual transactions; and unless it be rigorously kept apart, how is the public to judge that any loss of the general fund is not already made good by withdrawals from the

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reserve? Secondly, the reserve should be placed in absolutely safe investments. There is no objection in placing the reserve fund in Government paper or the postal savings bank. But these investments do not give more than  $3\frac{1}{2}$  per cent. interest. The Madras Central Urban Bank is absolutely secure and its accounts are audited by the Registrar; it gives five per cent. interest; and deposits of reserve fund therein cannot be withdrawn without the Registrar's sanction; so, that bank is the best place to lodge reserves. In a few instances, I have permitted reserves of minor societies being lodged in adjacent flourishing societies; but the amounts concerned are very small; the expenses of remitting the money to Madras are comparatively heavy; and the Registrar knows personally that the societies of investment in question are well managed institutions. With these exceptions, which are minor and temporary, the general rule is to order investment in the Madras Central Urban Bank. An additional advantage of this course is, that the money so invested is circulated to co-operative societies themselves without, however, the risks of each society, dealing with its own reserve.

5. An ideal use of the reserve will be to lodge it, as is done elsewhere, with an union of societies or a federated society. Here, the societies themselves through delegates manage the Union, and if the reserve is disbursed, it is done on the security of the sum total of the liabilities of the affiliated societies and done by persons who have a stake in the correct application of the moneys disbursed. But we have as yet no Unions in the Presidency, and this indicated method of investment of the reserve fund cannot be adopted at present.

R. RAMACHANDRA ROW.

## VILLAGE BANKS.

The Registrar of Co-operative Credit Societies in the United Provinces has published a simple leaflet on village banks. It is reproduced below with modifications to suit the lines of work in the Madras Presidency:—

“1. Nearly all cultivators have to borrow money to carry on their operations. They require money for seed, for irrigation, for manure, for plough bullocks, and for many other purposes, and there are very few who can meet all these expenses from their own capital. They have consequently to borrow, and in borrowing they have, as

a rule, to pay very high rates of interest. The poorer a cultivator is the higher rate of interest he will have to pay, because the security he has to offer is small, and the money lender fears that he may lose altogether the principal of the loan lent to such a cultivator.

“2. At the same time nearly all cultivators have a little money buried somewhere in their houses, either beneath the bed, or under the fire-place, or in the wall. That money is not enough for the necessities of cultivation, and as the cultivator has to go to the money-lender in any case, he prefers to borrow sufficient to meet all his requirements, and to keep the small amount he himself possesses, in case some very urgent need should arise. Frequently this buried money is lost as the man who buried it dies without telling any of his friends where the money is hidden. Hidden money of this description is often found and is called ‘treasure trove.’

“3. The objects of a village Bank are twofold. The first is to provide a means by which money can be borrowed at a lower rate of interest than that now charged to the cultivator by the money-lender. The second (and it is, perhaps, the more important) is to teach the cultivators how they can save a little money for themselves. It may be best to deal with the latter object first.

“4. As is said in paragraph 2, nearly all cultivators have a little money buried somewhere in the house. That money is not sufficient for the necessities of cultivation, and so it lies idle and brings in no profit. But if 10 or 15 men join together to form a Village Bank, and each deposits with the Bank the money he has buried in his house, or portion of it, there will be sufficient from these deposits to supply one or two of their number with the money that they require. These one or two will, of course, have to pay interest on the money so supplied to them, and the men who deposit the money will get interest on their deposits.

“5. Now if these 10 or 15 men at the same time agree that they will deposit at each fasli say 5 or 10 seers of grain for every plough that they have at work, or Re. 1 or Rs. 2 per plough each year, as they feel they can afford, they will very soon have in the Bank as much money as they need for all requirements, and will not need to borrow money at high rates of interest from outside money-lenders. They will, of course, receive interest on their deposits, and if they require the money themselves for any urgent purpose, they can withdraw it. It is, however, advantageous that the money should remain in deposit in the first instance for five years in order that the habit of saving a little each season may become established. The money so deposited will not go outside the Bank. It will be used in lending to the members for such expenditure as

they may require. Members who take loans will, of course, have to pay interest. The Bank should charge them 2 pies per rupee each month, that is, 2 annas per rupee each year. It should pay to depositors 1 pie per rupee per month (1 anna per rupee each year) on their deposits; thus giving one anna per rupee per year as profit to the Bank.

"6. A further advantage that will accrue to these 10 or 15 men who join together to form a village Bank will be that they can as a body obtain money on loan at lower rates of interest than any one of them can alone. They will all be jointly and severally responsible for the whole of the debts and so the security offered for a loan will be good. It will also be to the advantage of the money-lender to deal with such a body rather than with individuals. First he will save trouble in keeping his accounts, for he will only have to make one entry instead of 10 or 15 for each transaction. Then he will be saved a lot of difficulty in collecting, for he will only have to collect from one body instead of from 10 or 15 individuals. If it be necessary to sue in court, he will only have to bring one suit instead of a number. If all these facts are explained to the money-lender, he will, doubtless, be willing to lend money to such a Bank at a moderate rate.

"7. The suggestion made in paragraph 5 that interest should be charged on loans at 2 annas per rupee and paid on deposits at 1 anna in the rupee, will have been noticed. This gives a profit to the Bank. The same principle should be followed in lending to members money borrowed from a money-lender. If the money-lender gives at 8 annas per cent. per month, the money should be loaned to the members at 2 pies per rupee per month. The profit thus gained will suffice in time to repay the whole of the borrowed money. Supposing a Bank has borrowed Rs. 400 as capital, and pays for it 1 anna in the rupee each year, while charging 2 annas in the rupee for loans, the profit of the Bank will be 400 annas or Rs. 25 each year. If the principal is repaid by instalments, as is suggested later on, these instalments can be met from the profits, and in about 15 years the whole of the borrowed capital can be repaid and then the Bank will have Rs. 400 of its own and will owe nothing to any one except what it owes to the members themselves for deposits.

"8. If the cultivators in any village wish to start a village Bank, the first thing for them to do is to meet and discuss the matter among themselves. If the persons who meet think that it is a good thing, they should proceed to make out a list of the names of those who wish to join. They must remember that all the members will be jointly and severally responsible for all the debts due by the Bank

and should, therefore, refuse to enter on the list the name of any man of whose honesty they have any doubt, or who is known to be careless in money matters, and dilatory about paying his debts when they fall due. Only the names of such men should be entered who are known to be strictly honest and who will pay their debts if they can. When this list has been prepared, the persons whose names are included in it should apply to the Registrar for registration. An Inspector will be deputed to conduct a local enquiry and if circumstances are favourable, the society will be registered. The Inspector will again proceed to the spot, teach the applicants how to elect a panchayat and how to start work. The panchayat will have to manage the business of the Bank on behalf of all the members, and so they should be the most intelligent and most respectable of the members. When the Panchayat has been chosen, it should choose one of its members to be Chairman.

"9. The next step is to ascertain how much money the members themselves are prepared to deposit. It is necessary next to find out about how much money they will need in loans for the first year. Suppose there are 20 members and together their deposits amount to Rs. 100. Perhaps these 20 members will require Rs. 400 for the first year's working. They have consequently to raise Rs. 300 more in order to have sufficient for the first year's working. They should go to the local money-lender and ask him whether he will lend them that amount on their joint security at a moderate rate of interest say, Rs. 5 or 6 per cent. per annum. Perhaps the local money-lender will agree. If he does agree, the money should be borrowed and promptly disbursed in loans. If the money-lender refuses to lend the money, the society should apply to the Registrar of Co-operative Credit Societies, Madras, giving particulars of what has been done, and what money is required, and the money can be found at  $7\frac{1}{2}$  per cent. interest.

"10. The Registrar will not only give the Bank help in raising money if that be necessary, but will also give instructions as to how the accounts should be kept, how the business should be managed and on any other points in which help may be required.

### Simple Instructions for Rural Societies.

The Registrar of Co-operative Credit Societies, Bengal, has issued a very useful pamphlet containing simple instructions for rural co-operative credit societies and for Inspectors. It is reproduced be-

low with a few verbal alterations to suit the conditions of work in the Presidency. Rural societies are desired to study the instructions carefully; and Inspectors should continually be instructing the societies on the principles expounded:—

“In going round the Province I have noticed many defects in a great number of societies. These are chiefly due to the fact that members do not fully understand the objects of their society and the principles on which it is based. It follows that they do not appreciate the necessity for the prescribed methods of work, their accounts are imperfectly kept, and their practice is careless and often dangerous. I shall therefore lay down instructions for the benefit of both members and inspectors in the hope that they will induce more interest and accuracy and lead to greater success.

“*Objects.*—The principal object of co-operation is to secure for the cultivator the real value of his credit, *i.e.*, to enable him to borrow at a rate to which his character and security entitle him. As an isolated individual his credit is weak, and he is at the mercy of the money-lender. But when several individuals combine in a society and agree to be jointly and severally liable for the debts of that society, their credit becomes strong and they can borrow at a reasonable rate.

“The other, and hardly less important, object of a society is to teach the members the habit and benefits of joint action, saving, thrift, independence and self-help. These qualities are essential to success.

“*Principles.*—The foundation principle of a society is that of *unlimited liability*. That means that each of the members is responsible for all the others. If a member defaults or cannot pay his dues to the society, his sureties are repensible in the first instance, and, if these are unable to pay, all the other members must pay up ultimately. It should be constantly borne in mind that each and every member is liable to be sold up to the last stick of his property for the debts of the society.

“The adoption of this principle involves both benefits and dangers. If the members work their society properly they will derive both financial profit and great moral benefits. If they do not, they run great danger of loss. Their duty and their interest demand that they should conduct their business with the greatest care. In the first place, as they are to be financially responsible for each other, they must admit as members only those persons in whose honesty and soundness all the members firmly believe, and if the society lose confidence in any member after admission they should collect his dues at once and expel him. In the second place, when

once the society has been formed each and all of the members should carefully observe the instructions which I shall now lay down.

“The management of the society may be divided into two units, each with definite duties:—(1) the panchayat, (2) the individual member—

“(1) *The panchayat.*—Its principal duties are—

(a) *To meet regularly at least once a month on some fixed date (e.g., date of the full moon).*—Even if there is no business to transact, this monthly meeting should be held. Such meetings keep the work of the society continually before the members; without them interest flags and the society suffers. Every transaction must take place publicly at this meeting. The accounts must first be checked and the cash balance counted. Members shall be elected if they possess the full confidence of the whole society. Applications for loans shall be discussed and granted or refused. The object of such loans must be carefully considered and only such a sum granted as is sufficient for the purpose stated. Loans shall be granted only for useful or necessary objects. Money shall be disbursed and received and the accounts written up on the spot. Each item of receipt or expenditure must be carefully entered in its proper book and place according to instructions received. The security of each member shall be checked monthly, and doubtful loans called in at once. The list of outstanding loans shall be gone through each month and the use to which they have been put checked. If any have been improperly applied they shall be called in and the member expelled. Cases of default and all complaints shall be considered at this meeting. Generally speaking the panchayat shall each month review in full detail the position and work of the society.

(b) *To transact all business jointly and in full publicity.*—No member of the panchayat (not even the chairman) can transact any piece of business on his own responsibility unless when expressly authorised otherwise. Everything must be done

by the panchayat jointly at a monthly meeting at which a quorum is present. This joint and public action is most essential, otherwise there is danger of the control getting into one man's hands which is not only against the spirit of co-operation but involves great danger to the society.

(c) *To see to the prompt collection of outstanding dues, interest and principal.*—When loans are given the date of repayment should be fixed. The time allowed for repayment should not exceed 12 months, except in very special cases. When once the date has been fixed the loan with interest must be recovered without fail on that date. Only under rigorous compliance with the conditions expressed in the bylaws can extension of time be allowed. This rule *must* be observed. If the society is to do any good the capital must be in constant circulation. If loans are allowed to run on, the members do not learn to save and be thrifty, the objects of the society are not fulfilled and the reserve fund does not increase as it ought to.

(d) *To encourage the members to make deposits and take an individual interest in the society's work, and generally to advance the interests of the society and its members.*—The members can most tangibly show their appreciation of the society by depositing sums in it. They will get interest on their deposits, they will learn to save, and their deposits will give them a stake in the society and an inducement to see that it is properly run.

“Each member of the panchayat should do his best—

- (a) to acquaint himself fully with the amount and purpose of each loan granted and outstanding;
- (b) to see that loans are applied to the purpose for which they are granted; and if they are used for any other purpose, to report the fact at once to the panchayat;
- (c) to keep himself constantly acquainted with the financial condition and security of each member and surety, and to intimate any change therein to the panchayat;

(d) to be present at each meeting of the panchayat, so as to keep himself acquainted with all details of the society's work;

(e) to see the auditor, if there is one, or some member of the panchayat checks the accounts at least once a month.

“(2) *The individual member.*—It is his duty—

(a) *to pay his interest regularly and to repay his loans promptly on the date fixed for repayment.*—This is his most important obligation. It is only in this way that business habits can be taught, the capital kept constantly in circulation and available in time of need, and a reserve fund built up.

(b) *to deposit money in the society when possible.*—This also is very important. It teaches the member thrift and saving; it gives him a visible interest in the society and induces him to see that the other members perform their duties properly. It is also profitable, for the deposits carry interest.

(c) to attend the panchayat meetings as often as possible as visitors. In this way he will keep in touch with all the details of the work and will see at once if anything goes wrong.

(d) to keep an eye on the panchayat and see that they perform their duties properly. If any of the officers does not satisfy the members, he should be replaced.

(e) to attend the annual general meeting of the members when the year's work will be reviewed in detail. It is of the greatest importance to do so, for in the General Assembly is vested the supreme authority of the society. It is most essential that all the members should meet once a year, discuss the work of the past year, consider the actions of their officers, replace them, if necessary, hear and decide all complaints and disputes and make arrangements for the work of the coming year. This meeting, more than anything else, should impress on the members that the society is theirs and that they alone are responsible for its success or failure.

- (f) Generally, to take a personal interest in all the work. If all the members do this, there is no fear that the society will be a source of great saving and profit to them.

"These instructions are very simple, but very essential. The members must understand that the society is *their own* and not a Government institution. Government will help in financing them and by advice, inspection, and encouragement, but no further. It will take none of the profits, but it will bear none of the losses. By thrift, keenness, strict supervision of one another and careful attention to all details of the work, the society can be made very profitable, money will always be available for loans, the reserve fund will grow, and when, by gradual payment of the society's debts, the capital belongs to the members, the rate of interest can be lowered. By that time each will have fully learned the benefits of co-operation and thrift and saving and should be in a sound financial position. But if these instructions are not followed, the danger of loss is considerable; and if anything goes wrong with the society, no one will help them; each individual will be personally liable for the debts of the society. So that success or failure depends on the members themselves.

#### *Duties of Inspectors.*

"It is not expected that every society will be able to appreciate the importance of the above instructions merely by reading them. They will be assisted by frequent visits of the inspectors. Inspection is the breath of life to a co-operative credit society. It ensures a searching enquiry into details, prevents irregularity, checks mistakes and gives the members a sense of security. The inspector shall visit each society as frequently as possible. His duties are these:—

- (a) *To inspect the accounts carefully.*—He shall first check the cash in hand and see that it corresponds with the balance shown in the cash-book. If not, the discrepancy must be reconciled. He shall examine and check every entry in all the books, and point out and correct mistakes. He shall carefully explain the system of account-keeping and clear up any difficulties. The principal point to be impressed on the society is that every transaction must be entered on one side or the other of the cash-book and a balance struck every day on which a transaction takes place. The other details will follow easily.

- (b) When the inspector has cleared up the accounts and is fully satisfied that the accountant understands the system, he shall collect as many members as he can and question them regarding the objects and principles of the society. The examination must be thorough. It will not be sufficient merely to explain the points which are not understood. He must fully satisfy himself that the members really understand the objects and principles of their society.
- (c) Then he shall make a minute enquiry into the methods of working in the light of the above instructions and of the society's by-laws. The work of the panchayat and individual members shall be reviewed in detail. He shall impress on them the great importance of each duty. He shall repeat his lecture at each inspection until the members fully grasp and appreciate each point. The duties which should be especially insisted upon are:—regular meetings of the panchayat, public payment and receipt of money, collective (not individual) action of the panchayat in all matters, regular and prompt payment of interest and principal and general supervision and interest on the part of all members, regular meeting of the annual General Assembly, and (perhaps most important of all) complete publicity of all dealings.
- (d) At the close of his inspection the Inspector shall give to the panchayat a note showing the errors found and emphasising the points that require attention. At his next inspection he shall call for this note and see how far the defects have been remedied.

"It will thus be seen that the success of a society is entirely in the hands of its members. If they follow the above instructions, they will certainly succeed, and benefit both themselves and their neighbourhood. If they do not, they will fail. It is for the inspectors to develop the members' sense of responsibility. Their work will be judged by the success of the societies, under their care."

## NOTES.

1. A borrowing member who does not repay in time an instalment of the loan he has borrowed or who does not apply for and secure in time extension of time to repay, is a defaulter; and the by-laws provide penalties against defaulters, the rate of interest is raised, a civil suit is to be filed, and finally the member is expelled. Short of these extreme measures, the Kilacheri Agricultural Bank Limited No. 2, Chingleput District, has hit on a convenient plan. For petty defaults, the defaulter is debarred from taking fresh loans for definite periods fixed by the Managing Committee. The punishment is felt as a disgrace and also incommodes the defaulter. In his audit report for 1907-08, the Inspector reports that this policy had excellent results, and no default occurred.

2. Societies frequently enquire how to make remittances to the Madras Central Urban Bank. If the head-quarters of the society is at or near a district head-quarter station, all that the society has to do is to pay the money into the district treasury and obtain a remittance transfer receipt free of charge which can be posted. If the society is at or near a Sub-treasury Station, it may pay the money into the sub-treasury when it will get a receipt; it should then send the receipt to the Treasury Deputy Collector with a request for a remittance transfer receipt; on obtaining which, it can be posted: this procedure takes time but is economical. In the case of societies in the interior, the only convenient method of remittance is through the post office. Up to Rs. 25 the inland money order is the cheapest; when the sum is large, the remittance should be made in currency notes insured. For fractions of the remittance below Rs. 5 the sum to the nearest anna may be remitted by money order and the fraction of an anna may be sent in postage stamps; the odd one or two pies being enclosed in the covering letter. Thus if the remittance be Rs. 518-10-8, the cheapest method would be to send—

Rs. 500 in currency notes by insured post,

Rs. 18-10-0 by money order

and one half anna postage stamp and two pie pieces in the covering letter.

If, however, the societies have to receive any money from the Central Bank—as for example, the interest on the reserve fund or a loan—they would be well advised in remitting the difference only in consultation with the Central Bank. In all cases, the charges of remittance should be debited towards the annual working expenses of the society.

3. It is open to societies to take loans under the Loans Acts on their joint security and distribute the loan amongst members but

such loans will be subject to the rules framed under the Acts. If societies wish to obtain further information, they should apply to the District Collector.

4. Do the public understand the excellent security and the opportunity for safe investment afforded by co-operative societies? For want of advertisement, the societies, at present, attract deposits only from the immediate neighbourhood of its operations; but sometimes, the offer of deposits exceeds the requirements of the societies and has to be declined. For public funds, such as endowments, scholarship funds; kattalais, etc., a co-operative society is the securest bank. In Eastern Bengal and Assam, there are several instances of public funds being invested in co-operative societies.

5. Clerks' societies can hardly fail of success amongst the more educated classes to which it appeals. It is the testimony of every one with experience that these societies have a markedly steady influence on its members. But to ensure success, it should not be permissible for any individual to be a member on the sole ground he is a clerk employed in the office to which the society relates; the managing committee should have absolute discretion to admit members and should exercise the discretion cautiously. It is also necessary that loans should not be granted without a previous enquiry into the purpose for which it is required; and the provisions for misuse should be rigorously enforced. Many clerks' societies are more provident funds than co-operative societies, but even as such fulfil useful purposes. These societies are likely to be successful in all offices which employ a large number of hands like the Secretariat, the Accountant-General's etc. With some modifications, similar societies may be formed for inferior servants like Police Constables, etc.

6. The interest on deposits should always be less than  $7\frac{1}{2}$  per cent., the interest charged by the Central Bank on its loans. The reason is this; a central bank loan is easily obtainable on the sanction of the Registrar; while to obtain a deposit implies that the managing body must exert itself to search for a person who will invest and explain to him the position of the bank. This exertion is conducive to the well-being of the society, firstly, as it arouses the active interest of the managing body, secondly, as the depositor having a stake in the society will afterwards watch the operations of the bank. Hence, a powerful inducement to prefer deposits to Central Bank loans has to be held out in varying rates of interest.

7. The Central Bank does not disburse any loan to any society unless it is sanctioned by the Registrar. So to save time societies are requested to apply to the Registrar for loans from the Central Bank. There is no objection to their sending copies of such applications to the Central Bank direct.

8. Societies place their reserve funds as deposits in the Madras Central Bank for fixed terms. Societies are informed that it is their duty to claim and receive the interest on due dates; and if they do not punctually claim, the loss of interest on interest thereby occasioned reflects discredit on their management. Similarly when the term expires, the society should ask the Central Bank to renew the deposit. In the absence of such a request, there is a risk of the deposit ceasing to bear interest. In no instance is it the duty of the Central Bank to volunteer payment of interest or intimate cessation of term of deposit.

9. The societies are informed that when a debt is fully discharged (both principal and interest) the bond should be returned to the borrower after taking his signature in the loan ledger. Similarly when a loan is advanced to pay off a prior debt the society should insist on the borrower producing the deed evidencing the debt and filing it cancelled with the loan records.

### The Chingleput Co-operators' Society.

It is now well recognised that the only feasible method of meeting the formidable problem of agricultural indebtedness is by means of co-operative societies. Doubts, if they existed, of the possibility of establishing successful village banks in India have been dissipated by the practical results actually achieved, and if the progress is slow, it is partly due to a desire on the part of the Registrar to proceed slowly so as to understand what novel difficulties co-operation will have to overcome under Indian conditions. The slowness of the progress is not due to want of capital so far as the Madras Presidency is concerned; for the credit of the Madras Central Urban Bank and its energetic and businesslike Secretary, Sir V. C. Desikachariar, it should be stated that the Bank has always without exception been more than ready to meet promptly the Registrar's sanction orders of loans. The slow progress is, however, partly due to want of missionaries of co-operation who, after understanding its advantages, will publish the gospel from village to village, so that if a village be without a bank, the omission need not be due to want of knowledge on the part of the villagers of the beneficent designs of Government to relieve their indebtedness, but due either to their unwillingness to co-operate or to their inefficiency to run a society harmoniously. For example, Mr. Adinarayana

Chetti, the Secretary of the Salem Urban Bank, wished to see that the rural villages of his district secured the advantages of easy credit; he spent a month or two in touring round and preaching on the benefits of co-operation; and he sent up proposals for as many as 26 societies. Even if at the very least, a society be deemed to help 50 members, these societies will relieve as many as 1,300 families from the clutches of the usurer. Great credit to him for achieving this noble result.

2. In the Madras Presidency, co-operation was first attempted in the Chingleput district; and naturally it has spread a good deal there. The co-operators are not satisfied with reaping the benefits themselves; they wish their fellow villagers to have the advantages; so under the influence of unselfish motives, the chief co-operators in the district have organised themselves into a society for the purpose of "teaching every household in the villages of the Chingleput district the benefits of co-operative credit and establishing co-operative credit societies in every village." The purpose is very wide indeed, but the society has already set itself to work and submitted proposals for a large number of societies. A copy of the by-laws of the society is attached below.

3. The members of the society go from village to village and speak to the people on the advantages they have secured by being members of societies already registered. They speak, not on theory, but on the results of self-experience. The society distributes leaflets in Tamil. One of the leaflets is reproduced below. The moving spirit of the society is M.R.Ry. C. Aruliah Nayudu of Kilacheri. If each taluk has an Adinarayana Chetti or an Aruliah Nayudu, there is no doubt that in the course of a few years, the problem of indebtedness of the deserving agricultural poor would be effectively solved.

#### Translation of the By-Laws of

### The Chingleput Co-operators' Society.

#### Name, Address, and Object.

1. The Chingleput Co-operators' Society is established at the Kilacheri village, Kilacheri post, in the Conjeeveram taluk of the Chingleput district.

2. The objects of the Society shall be to teach every household in the villages of the Chingleput district, the benefits of co-operative credit and to establish co-operative credit societies in every village in the district and to hold an annual conference of co-operators in the district.

## MEMBERS.

3. All philanthropic persons resident or owning lands in the Chingleput district who sympathise with the objects of the Society are eligible to become members of the society; provided that every person, before being admitted as a member, besides agreeing to pay the subscription fixed by by-law 6 binds himself to further the cause of the society as far as he can. It shall be open to the Managing Committee to admit gentlemen as Honorary Members.

4. With regard to the admission as members, the decision of the Managing Committee shall be final.

## How to finance the society.

## FUNDS.

5. The subscriptions of the members and the donations by philanthropic gentlemen shall form the funds of the Society.

6. Every member shall pay an annual subscription of Re. 1. The year of the Society shall be from July to June. Every member must pay up his subscription before the 30th June.

7. A lump sum of money paid to the Society as contribution shall be treated as a gift to the Society.

8. The subscriptions shall not be returned to the members under any circumstances.

## MANAGEMENT.

9. The management of the affairs of the Society shall vest in a Managing Committee consisting of seven members. One among them shall be the Secretary. The Secretary shall, subject to the approval of the Managing Committee, conduct the affairs of the Society.

10. It shall be the duty of the Managing Committee to do all things which are likely to further the objects of the Society. The Managing Committee shall have power to do such things as the propagation of the benefits of Co-operative Credit Societies by means of printed pamphlets as also through the preaching of competent members of the Society.

11. The Managing Committee shall once a year hold a conference of co-operators at some station in the district. The members of the societies and the members of the Managing Committees of all societies in the Chingleput District registered under India Act X of 1904 shall be invited to the Conference, and shall have the right to attend. The Managing Committee may invite other persons for the Conference and shall settle programme of business thereof.

12. The Managing Committee may incur from the funds of the society such expenditure as is necessary in the interests of the Society.

13. Every member of the society is bound to help the Managing Committee Members in the affairs of the Society.

14. The members of the Managing Committee shall, at the outset, be appointed by the General Body. Any subsequent vacancy in the Managing Committee shall be filled up by the Managing Committee itself.

15. The Managing Committee may enact any by-laws necessary for the conduct of the affairs of the Society.

16. The Managing Committee shall every year before the 15th July place before the General Meeting of the members a report showing the work done during the previous year as also a statement of the receipts and expenditure.

17. The Managing Committee shall work gratuitously.

## Chingleput Co-operators' Society.

## NOTICE.

## Benefits of Co-operative Credit Societies.

1. The Government of India have with a view to relieve the agricultural classes and others who by paying usurious rates of interest live in lifelong indebtedness, passed an Act in 1904 called "the Co-operative Societies' Act X of 1904." Under the Act, ten or more persons residing in the same town or village or in the same group of villages may constitute themselves into a society and run the society with the help of money subscribed by themselves as share capital or with money borrowed either from among themselves or from others for being utilised as loans to members. To such societies, Government have granted certain concessions. The societies registered under this Act are called Co-operative Credit Societies.

2. The following illustration will make clear the statement contained in the latter portion of the preceding paragraph:—30 persons residents of three contiguous villages, each one mile apart, form themselves into a society. The share capital is fixed at Rs. 500 made up of 100 shares of Rupees 5 each. The maximum number of members is 100; and each member can take

up to a limit of five shares. The thirty persons take 50 shares and share money of Rs. 250 is collected. Now, Rs. 250 thus collected will be insufficient for granting loans to all the thirty members. The society has therefore to seek outside borrowings. Should any one of the thirty persons possesses money and is willing to invest it, the amount he can spare may be taken as deposit; so also deposits may be taken from persons other than members. If deposits are not forthcoming, borrowings to any amount can be made at any time from the Madras Central Urban Bank, Limited, which has been established with a view to finance Co-operative Societies in the Madras Presidency. The interest levied on such borrowings is  $7\frac{1}{2}$  per cent. per annum. From the funds thus made available on the pledge of its several and collective liability, the society should lend to its members who are in need of loans, fix a period of repayment, recover the loans, lend it again to others and thus conduct the work of the society. Bylaws are necessary fixing the maximum loan permissible to a member and the period of its repayment. If the bylaws permit, Rs. 100 per each share, in the illustration given above a member becomes eligible for a maximum loan of Rs. 500. The loans granted may by special provision in the bylaws be made repayable in one year; should however a borrower pays interest up to date and a portion of the principal amount borrowed, extensions may be granted from 2 to 5 years. The interest charged by the Society on its loans to members has a bearing on the rate of interest it pays in its turn on its borrowings. The interest on loans to members may for the present be fixed at 9 per cent. per annum. Loans may be advanced on the mortgage of immovable property or on the joint and several responsibility of the borrower and one or more other members standing as sureties for him. It is not incumbent on any society to adhere to what has been stated above. The bylaws may be framed to suit the convenience of the villagers. The ultimate authority in the management of the society is the general assembly of members. Members have every voice in the management.

3. The benefits of the Co-operative Credit Societies is not confined to the loans which they are able to secure at cheap rates of interest. Societies create feelings of selfhelp, co-operation and mutual trust among the members.

4. The money lending world need not look askance at the growth of Co-operative institutions. There is no other institution which affords such safe securities for investing money. Up to date, 100 societies have been started and are working very well. Is there not here more security for one's money when it is lent on the pledge of the unlimited liability of all members and not on the pledge of one single individual's property. Consider this, gentlemen!! the Government exercises supervision; and confidence need not be lost.

5. Concessions made by Government:—Government have appointed an Officer styled the Registrar with a number of subordinate officers under him to stimulate the growth of Co-operative Societies and to check malpractices therein, if any. The office of the Registrar is filled in from officers of the grade of a District Collector. The present Registrar Mr. R. Ramachandra Row, presided over the Collectorate of Kurnool. No charges are made for auditing the accounts of Co-operative Societies by the Registrar, his special Deputy, and other subordinate inspecting staff. The instruments executed by or its behalf of the society are free from stamp duty. If documents for loans borrowed from the society by members are written on plain paper and presented before the Sub-Registrar he will register them without demanding any fees. All Rural Credit Societies are supplied free of cost a copy of the Gazette of the districts in which they are working.

6. Considering the great benefits arising from Co-operative Societies we desire that every villager should come forward to have a Society for his village. Persons desirous of having societies should send an application signed by not less than 10 people to either the Inspector of Co-operative Societies (M. R. R. K. Devasigamani Mudaliar) or to the undersigned. The Inspector will visit the village and do the needful. Applications forms can be had from the undersigned.

7. Persons desirous of knowing more particulars about Co-operative movement may obtain them on application to the undersigned. The Chingleput District Co-operators' Society under whose auspices this notice is issued, desire no remuneration for their services.

Karsala Aruliah Naidu,  
Secretary,

Chingleput District Co-operators' Society,  
Kilacheri Post on way to Sriperumbudur,  
Chingleput District.

## TO INSPECTORS.

The following general instructions are issued for observance in the preparation of the annual audit reports:—

1. The cause of withdrawal of members should be investigated and stated.
2. The profession of members should be given for the entire body of members as it existed on the last day of the year reported on; and not only for the members who joined during the year.

3. Subscribed and paid up share capital is a portion of the working capital and should not be shown under "Loans and deposits of members" in statement IX.

4. Deposits from non-members should, though received under rules and conditions of deposits, be shown under "borrowings from non-members" in the statements. Details should be given in the narrative.

5. Interest on investments, general and of reserve funds, should be treated as miscellaneous "receipts" and shown under "other items"; they should not be included under "Interest received or paid".

6. All items of miscellaneous receipts, inclusive of penalties paid for non-payment of interest on due dates, other than entrance fees and those referred to in No. 5 which are included in the Profit Account should be shown under "other items". Items which have to be repaid, adjusted or to be kept unclassified at the end of the year for want of particulars or Registrar's orders should be shown under 'Adjusting heads'. Similarly, miscellaneous items of charges which have to be debited to the loss account should be shown under 'other items'; and those paid or adjusted against accounts already credited under 'Adjusting heads' or items advanced out of the society's funds to be subsequently recouped should be shown under 'Adjusting heads'.

7. The purpose of loan should be noted at the periodical inspections in the Loan Ledger, and the auditor should report if any attempt was made to check if the loan was properly applied.

8. Full, very full particulars should be given about defaulters and the action taken.

9. The auditor will note if loan applications were dealt with with promptitude but he must never remark that a loan was improperly granted or rejected.

10. The auditor should note if the original terms of payment were fixed with due reference to the specified purpose of the loan.

11. Full particulars should be given of the contingent expenditure and the auditor should certify whether the expenditure was, in his opinion, desirable in the interests of the society.

12. The local rates of interest obtaining in the village before and after the formation of the society should be ascertained and the effect, if any, of the society in lowering the general rate of interest should be noted.

13. The maximum borrowing power of the society should be stated and the report should show whether at any time this power was exceeded.

14. The cash balance on the date of inspection should be checked by actual counting and certified to. Particulars as to how the cash balance at the close of the year was invested should be furnished.

15. The original pass books of investments should be referred to and the fact expressly certified.

16. It is very difficult to print tabular statements; there should not be a single table of figures. The entries should be made right across the report. The assets and liabilities, the Receipts and Disbursements and the Profit and Loss statements should not be prepared in parallel columns but one set of figures should follow another.

17. The amount once carried to the credit of the Reserve fund should under no circumstances be brought to credit again in the general funds except with the Registrar's sanction.

18. In the course of audit, if any mistake is detected, it must at once be rectified. If the mistake relates to the accounts of a year passed by the Registrar, the auditor should not correct the accounts of that year but submit a plus and minus memorandum for the Registrar's sanction to be carried out in the account of the year of report.

19. In Statement No. IX the amounts actually due and not merely accrued-i.e., to say, when due dates of payment have lapsed, should be shown in column 6, 10, 11, 18, 24 and 25. Advance collections should be excluded from columns 7, 13, 19, 27 and 28.

20. No alterations should be made in the forms of the posting statements. Where the auditor is doubtful about the classification, he may open a manuscript head with full explanation.

21. Before final audit, the auditor should carefully read the by-laws, the past year's audit report and the printed form of the 'audit notes' and try to understand them before he begins making entries.

## NOTIFICATION.

The following notification of the Government of India is reproduced for general information:—

No. 2520.

Home Department—Public.

Simla, the 6th November 1908.

In supersession of the Home Department notification No 1104, dated the 30th September 1904, and in exercise of the powers conferred by sub-section (1), clause (c), and sub-section (2), of section 25 of the Co-operative Credit Societies Act, 1904 (X of 1904), the Governor-General in Council is pleased to remit all fees payable under the law of registration for the time being in force, in respect of instruments executed by or on behalf of any Co-operative Credit Society for the time being registered under the Act, or by an officer or member of such a society and relating to the business thereof.

Provided that the local Government may at any time withdraw such exemption in the case of any society.

## NOTIFICATION BY THE REGISTRAR.

Printed bond forms for (1) suretyship and (2) mortgage loans are available; and societies may obtain them on indent from the office of the Registrar of Co-operative Credit Societies.

LIST OF NEW SOCIETIES REGISTERED BETWEEN THE 1ST JULY 1908  
AND THE 30TH JUNE 1909.

| Number. | Short title.                         | Taluk.       | District.    |
|---------|--------------------------------------|--------------|--------------|
| 102     | Mangavaram                           | Sarvasiddhi  | Vizagapatam. |
| 103     | Chandragiri                          | Chandragiri  | North Arcot  |
| 104     | Taramangulam                         | Salem        | Salem.       |
| 105     | Odavankuruchi                        | Do.          | Do.          |
| 106     | Tolur                                | Do.          | Do.          |
| 107     | Omahur                               | Do.          | Do.          |
| 108     | Nannagripettai                       | Do.          | Do.          |
| 109     | Kurnool Urban                        | Ramallakotta | Kurnool.     |
| 110     | Mecheheri                            | Salem        | Salem.       |
| 111     | Vanavasi                             | Do.          | Do.          |
| 112     | Rasipuram                            | Do.          | Do.          |
| 113     | Talangai                             | Wallaja      | North Arcot. |
| 114     | Kannangurichi                        | Salem        | Salem.       |
| 115     | Pottiparam                           | Do.          | Do.          |
| 116     | Jalakantapuram                       | Do.          | Do.          |
| 117     | Muthumayakkampatti                   | Do.          | Do.          |
| 118     | Krishnagiri Urban                    | Krishnagiri  | Do.          |
| 119     | Palakodu                             | Dharmapuri   | Do.          |
| 120     | Krishnapuram                         | Do.          | Do.          |
| 121     | Adamankottai                         | Do.          | Do.          |
| 122     | Dharmapuri                           | Do.          | Do.          |
| 123     | Adhikarpatti                         | Uttangurai   | Do.          |
| 124     | Pallipatti                           | Do.          | Do.          |
| 125     | Kambiahellur                         | Do.          | Do.          |
| 126     | Kondrapatti                          | Do.          | Do.          |
| 127     | Ichchambadi                          | Do.          | Do.          |
| 128     | Harur                                | Do.          | Do.          |
| 129     | Uttangurai                           | Do.          | Do.          |
| 130     | Attayampatti                         | Salem        | Do.          |
| 131     | Madayampatti                         | Do.          | Do.          |
| 132     | Maruthiyambadi                       | Madurantakam | Chingleput   |
| 133     | Perunkoli                            | Do.          | Do.          |
| 134     | Kannulampundi                        | Do.          | Do.          |
| 135     | Ayyakallatur                         | Conjeevaram  | Do.          |
| 136     | Belugappa                            | Kalyandrug   | Anantapur.   |
| 137     | Pamidli                              | Gooty        | Do.          |
| 138     | Kizhullatur                          | Tiruvallur.  | Chingleput   |
| 139     | Gundaperumbedu                       | Conjeevaram  | Do.          |
| 140     | Malaiattu                            | Do.          | Do.          |
| 141     | Salur                                | Chingleput   | Do.          |
| 142     | Pichivakkam                          | Conjeevaram  | Do.          |
| 143     | Kannantangal                         | Do.          | Do.          |
| 144     | Edayarakkam                          | Do.          | Do.          |
| 145     | Periyakulam                          | Periyakulam  | Madura.      |
| 146     | Kappankottur                         | Conjeevaram  | Chingleput   |
| 147     | Vadamalaipuram                       | Sattur       | Madura.      |
| 148     | Kallakuruchi                         | Kallakuruchi | South Arcot. |
| 149     | Manimangalam                         | Conjeevaram  | Chingleput   |
| 150     | Sankarapuram                         | Kallakuruchi | South Arcot. |
| 151     | *Salem District Urban Bank, Limited. | ...          | Salem.       |
| 152     | Silavattam                           | Madurantakam | Chingleput   |
| 153     | Ryvaathanallur Kandrigai             | Do.          | Do.          |
| 154     | Meltandurai                          | Do.          | Do.          |
| 155     | Serappakkam                          | Do.          | Do.          |
| 156     | Manampatti Kandigai                  | Do.          | Do.          |
| 157     | Karuveppambundi                      | Do.          | Do.          |
| 158     | Nelvay                               | Do.          | Do.          |

\* The area of operations extends over the whole district of Salem.

LIST OF NEW SOCIETIES REGISTERED BETWEEN THE 1ST JULY 1908  
AND THE 30TH JUNE 1909—cont.

| Number. | Short title.                            | Taluk.       | District.    |
|---------|-----------------------------------------|--------------|--------------|
| 159     | Nanjiparam                              | Do           | Do.          |
| 160     | Orattur                                 | Do           | Do.          |
| 161     | Pallevada                               | Gudivada     | Kistna.      |
| 162     | Melpakkam                               | Madurantakum | Chingleput   |
| 163     | Annamantandalam                         | Madurantakum | Chingleput   |
| 164     | Valluvambakkam                          | Walajapet    | North Arcot  |
| 165     | Neykkarappatti                          | Salem        | Salem        |
| 166     | Kadiyampatti                            | Salem        | Salem        |
| 167     | Malikundam                              | Salem        | Salem        |
| 168     | Pallipatti                              | Salem        | Salem        |
| 169     | Tolasampatti                            | Salem        | Salem        |
| 170     | Sulankurechi                            | Kallakurchi  | South Arcot  |
| 171     | Mamundi                                 | Tiruchengodu | Salem        |
| 172     | Samudram                                | Tiruchengodu | Salem        |
| 173     | Sinnappampatti                          | Salem        | Salem        |
| 174     | Pannappatti                             | Salem        | Salem        |
| 175     | Oragadam                                | Chingleput   | Chingleput   |
| 176     | Vangur                                  | Walajapet    | North Arcot  |
| 177     | Kalyandrug                              | Kalyandrug   | Anantapur    |
| 178     | *Kulitalai District Urban Bank, Limited | ...          | Trichinopoly |
| 179     | Kolakkudi                               | Musiri       | Do.          |
| 180     | Appanallur                              | Do.          | Do.          |
| 181     | Pathur                                  | Uppinaugadi  | South Canara |

\* The area of operations extends over the Trichinopoly district.

STATEMENT OF RESERVE FUNDS AS THEY STOOD ON THE 1ST JULY 1908.

| Register Number of Society | Name of Society.              | District.    | Reserve Fund on 30th June 1908. | Amount since ordered to be added to the Reserve Fund. | Total amount to the credit of the Reserve Fund. |
|----------------------------|-------------------------------|--------------|---------------------------------|-------------------------------------------------------|-------------------------------------------------|
|                            |                               |              | RS. A. P.                       | RS. A. P.                                             | RS. A. P.                                       |
| 1                          | Tirur                         | Chingleput   | 105 3 4                         | 74 15 4                                               | 180 2 8                                         |
| 2                          | Kilacheri                     | Do.          | 685 4 9                         | 234 13 3                                              | 920 2 0                                         |
| 3                          | Conjeeveram                   | Do.          | 782 15 9                        | 435 3 11                                              | 1218 3 8                                        |
| 4                          | Kaveripak                     | North Arcot  | 660 2 9                         | 473 8 8                                               | 1130 11 5                                       |
| 5                          | Damal                         | Chingleput   | 235 12 7                        | 297 3 1                                               | 532 15 8                                        |
| 6                          | Vilatikulam                   | Tinnevely    | 279 8 10                        | 223 11 8                                              | 503 4 6                                         |
| 7                          | Nidamangalam                  | Tanjore      | 571 0 10                        | 483 1 7                                               | 1,054 2 5                                       |
| 8                          | Nicholson Urban               | Do.          | 80 2 0                          | 94 10 10                                              | 174 12 10                                       |
| 9                          | Melatur                       | Do.          | 402 12 2                        | 269 15 0                                              | 672 11 2                                        |
| 10                         | Nandalur                      | Cuddalaph    | 378 1 4                         | 193 12 0                                              | 571 13 4                                        |
| 11                         | Nemuli                        | Chingleput   | 138 15 0                        | 110 0 9                                               | 248 15 9                                        |
| 12                         | Vadanangur                    | North Arcot  | 180 4 11                        | 153 9 0                                               | 333 13 11                                       |
| 13                         | Nambipuram                    | Tinnevely    | 180 11 5                        | 154 2 0                                               | 334 13 5                                        |
| 14                         | Bukkapatnam                   | Anantapur    | 267 7 9                         | 142 6 3                                               | 409 14 0                                        |
| 15                         | Triplieane Stores             | Madras       | 1,726 13 2                      | 2,647 1 2                                             | 4,373 14 2                                      |
| 16                         | Alinjivakam                   | Chingleput   | 69 0 5                          | 84 4 2                                                | 153 4 7                                         |
| 17                         | Salavedu                      | North Arcot  | 295 0 7                         | 134 6 2                                               | 429 6 9                                         |
| 18                         | Madras, Central               | Madras       | 211 8 9                         | 554 14 11                                             | 766 7 8                                         |
| 19                         | Namakkal Urban                | Salem        | 233 13 4                        | 170 4 10                                              | 404 2 2                                         |
| 20                         | Velur                         | Do.          | 510 0 8                         | 462 3 11                                              | 972 4 7                                         |
| 21                         | Conjeeveram Weavers           | Chingleput   | 71 12 0                         | 3 4 0                                                 | 75 0 0                                          |
| 22                         | Tenali Urban                  | Guntur       | 495 14 0                        | 368 4 9                                               | 864 2 9                                         |
| 23                         | Surepalli                     | Do.          | 260 0 0                         | 261 2 4                                               | 521 2 4                                         |
| 24                         | Gudur                         | Nellore      | 375 3 6                         | 419 6 6                                               | 794 10 0                                        |
| 25                         | Salem Urban                   | Salem        | 525 8 6                         | 654 1 5                                               | 1,179 9 11                                      |
| 26                         | Coimbatore stores             | Coimbatore   | 208 0 6                         | 193 0 1                                               | 401 0 7                                         |
| 27                         | Mannargudi Urban              | Tanjore      | 320 1 0                         | 326 14 0                                              | 646 15 0                                        |
| 28                         | Madura stores                 | Madura       | 496 4 0                         | 625 12 4                                              | 1,122 0 4                                       |
| 29                         | Tirumangalam Urban            | Do.          | 72 0 6                          | 216 1 3                                               | 288 1 9                                         |
| 30                         | Lalgudi                       | Trichinopoly | 269 13 0                        | 469 8 0                                               | 739 5 0                                         |
| 31                         | Anaikkadu                     | Tanjore      | 191 0 0                         | 114 6 0                                               | 308 6 0                                         |
| 32                         | Kottakkotta                   | Anantapur    | 87 1 2                          | 111 10 11                                             | 198 12 1                                        |
| 33                         | Thozhur                       | Chingleput   | 28 0 8                          | 15 0 9                                                | 73 1 5                                          |
| 34                         | Kandukuru                     | Nellore      | 47 9 0                          | 120 2 0                                               | 167 11 0                                        |
| 35                         | Bajamadam                     | Tanjore      | 55 0 0                          | 76 1 0                                                | 131 1 0                                         |
| 36                         | Huvinahadagalli               | Bellary      | 35 8 6                          | 64 3 4                                                | 99 11 10                                        |
| 37                         | Zamin Nungambakkam            | Chingleput   | 26 6 3                          | 30 9 9                                                | 57 0 0                                          |
| 38                         | Tenali stores                 | Guntur       | ...                             | ...                                                   | ...                                             |
| 39                         | Tummapudi                     | Do.          | 90 8 2                          | 389 15 6                                              | 480 7 8                                         |
| 40                         | Berhampur Urban               | Ganjam       | ...                             | 198 2 11                                              | 198 2 11                                        |
| 41                         | Uttaramallur                  | Chingleput   | 168 7 0                         | 1046 14 8                                             | 1,215 5 8                                       |
| 42                         | Kaliyampundi                  | Do.          | 25 11 0                         | 177 5 0                                               | 203 0 0                                         |
| 43                         | Pakulpatti                    | Salem        | 37 11 0                         | 335 9 0                                               | 373 4 0                                         |
| 44                         | Panamathupatti                | Do.          | 72 0 0                          | 289 15 3                                              | 361 15 3                                        |
| 45                         | Paramagudi Urban              | Madura       | 143 15 2                        | 91 15 3                                               | 235 14 5                                        |
| 46                         | Tindivanam Urban              | South Arcot  | 476 2 6                         | 123 6 10                                              | 899 9 4                                         |
| 47                         | Dharuavaram                   | Anantapur    | 20 2 0                          | 182 6 0                                               | 202 8 0                                         |
| 48                         | Melmalayanur                  | South Arcot  | 20 2 0                          | 172 8 4                                               | 192 10 4                                        |
| 49                         | Madras Tailoring House        | Madras       | 1 2 2                           | 8 2 4                                                 | 9 4 6                                           |
| 50                         | Kannandahalli                 | Salem        | 102 11 1                        | 406 2 0                                               | 508 13 1                                        |
| 51                         | Kallipattu                    | Chingleput   | 48 0 0                          | 172 13 0                                              | 220 13 0                                        |
| 52                         | Madras Railway Em-<br>ployees | Madras       | 16 14 7                         | 47 0 7                                                | 63 15 2                                         |
| 53                         | Pyapali                       | Kurnool      | 33 8 2                          | 112 6 11                                              | 145 15 1                                        |

STATEMENT OF RESERVE FUNDS AS THEY STOOD ON THE 1ST JULY  
1908—cont.

| Register Number of Society. | Name of Society.          | District.    | Reserve Fund on 30th June 1908. | Amount since ordered to be added to the Reserve Fund. | Total amount to the credit of the Reserve Fund. |
|-----------------------------|---------------------------|--------------|---------------------------------|-------------------------------------------------------|-------------------------------------------------|
|                             |                           |              | RS. A. P.                       | RS. A. P.                                             | RS. A. P.                                       |
| 54                          | Vajrakarur                | Anantapur    | 54 9 6                          | 207 8 1                                               | 262 1 7                                         |
| 55                          | Guntakal                  | Do.          | 68 4 10                         | 285 4 4                                               | 353 9 2                                         |
| 56                          | Nagayalanka               | Kistna       | 13 6 0                          | 362 0 3                                               | 375 6 3                                         |
| 57                          | Timmacherla               | Anantapur    | 49 12 11                        | 320 8 8                                               | 370 5 7                                         |
| 58                          | Kurnool Stores            | Kurnool      | ...                             | 118 8 0                                               | 118 8 0                                         |
| 59                          | Chittoor Stores           | North Arcot  | ...                             | 32 3 7                                                | 32 3 7                                          |
| 60                          | Uravakonda                | Anantapur    | ...                             | 45 6 2                                                | 45 6 2                                          |
| 61                          | Pondavakam                | Chingleput   | 11 4 0                          | 241 1 0                                               | 252 5 0                                         |
| 62                          | Guntur stores             | Guntur       | ...                             | 84 9 10                                               | 84 9 10                                         |
| 63                          | Madanapalle stores        | Cuddapah     | ...                             | 7 15 7                                                | 7 15 7                                          |
| 64                          | Anakkavur                 | North Arcot  | ...                             | 10 6 9                                                | 10 6 9                                          |
| 65                          | Kadiyam                   | Godavari     | ...                             | 7 11 0                                                | 7 11 0                                          |
| 66                          | Magalam                   | Bellary      | ...                             | ...                                                   | ...                                             |
| 67                          | Hirehadagalli             | Do.          | ...                             | 39 0 6                                                | 39 0 6                                          |
| 68                          | Jayankondasholapuram      | Trichinopoly | ...                             | 89 3 0                                                | 89 3 0                                          |
| 69                          | Perambalur                | Do.          | ...                             | 10 14 0                                               | 10 14 0                                         |
| 70                          | Vadlamannadu              | Kistna       | ...                             | 5 6 4                                                 | 5 6 4                                           |
| 71                          | Mudiyapur                 | South Arcot  | ...                             | 73 10 9                                               | 73 10 9                                         |
| 72                          | Chennimalai               | Coimbatore   | ...                             | 53 1 9                                                | 53 1 9                                          |
| 73                          | Puduppalaipam             | Do.          | ...                             | 29 13 10                                              | 29 13 10                                        |
| 74                          | Yerrabommanahalli         | Anantapur    | ...                             | 18 7 0                                                | 18 7 0                                          |
| 75                          | Jammanahalli              | Salem        | ...                             | 190 0 2                                               | 190 0 2                                         |
| 76                          | Sengalipuram              | Tanjore      | ...                             | 79 1 8                                                | 79 1 8                                          |
| 77                          | Tatiguntapalli            | Cuddapah     | ...                             | 0 1 8                                                 | 0 1 8                                           |
| 79                          | Valluvakkudi              | Tanjore      | ...                             | 11 1 0                                                | 11 1 0                                          |
| 80                          | Velliyampakkam            | North Arcot  | ...                             | 14 5 6                                                | 14 5 6                                          |
| 81                          | Ottakkadai                | Madura       | ...                             | 80 0 0                                                | 80 0 0                                          |
| 82                          | Pondarikapuram            | Tanjore      | ...                             | 15 6 0                                                | 15 6 0                                          |
| 83                          | Cowtharam                 | Kistna       | ...                             | 14 14 7                                               | 14 14 7                                         |
| 84                          | Venkatapuram              | Do.          | ...                             | 5 11 9                                                | 5 11 9                                          |
| 90                          | Haresamudram              | Anantapur    | ...                             | 11 8 1                                                | 11 8 1                                          |
| 91                          | Tirupandiyur              | Chingleput   | ...                             | 7 4 0                                                 | 7 4 0                                           |
| 92                          | Molatur                   | Do.          | ...                             | 4 13 0                                                | 4 13 0                                          |
| 93                          | Tirumalavadi              | Trichinopoly | ...                             | 20 14 0                                               | 20 14 0                                         |
| 94                          | Atur                      | Salem        | ...                             | 11 4 1                                                | 11 4 1                                          |
| 95                          | Valarapuram               | Chingleput   | ...                             | 0 4 1                                                 | 0 4 1                                           |
| 96                          | Ongole Urban              | Guntur       | ...                             | 15 9 2                                                | 15 9 2                                          |
| 97                          | Akkamapuram               | Chingleput   | ...                             | 5 15 3                                                | 5 15 3                                          |
| 98                          | Sholinghur Urban          | North Arcot  | ...                             | 14 15 0                                               | 14 15 0                                         |
| 99                          | Narasingapuram            | Chingleput   | ...                             | 1 4 0                                                 | 1 4 0                                           |
| 100                         | Karunguli Rajagopalachari | Do.          | ...                             | 0 9 3                                                 | 0 9 3                                           |
|                             | Total                     |              | 13,017 3 0                      | 18,126 6 2                                            | 31,143 9 2                                      |

CALENDAR OF REPAYMENTS OF STATE LOANS FOR THE  
Co-operative year 1909-1910.

| Serial No. |    | Registered No and short title of the society. | District.     | Amount of Principal due. |                 | Amount of interest due. |     |     | Due date. |
|------------|----|-----------------------------------------------|---------------|--------------------------|-----------------|-------------------------|-----|-----|-----------|
|            |    |                                               |               | 1st instalment           | 2nd instalment. | Rs.                     | As. | P.  |           |
| 1          | 14 | Bakkapatnam                                   | Anantapur     | 85                       | ...             | 31                      | 0   | 0   | 29-7-09   |
| 2          | 16 | Alinjivakkam                                  | Chingleput    | 15                       | ...             | 6                       | 0   | 0   | 27-8-09   |
| 3          | 1  | Tirur                                         | Do.           | ...                      | 40              | 14                      | 6   | 5   | 30-8-09   |
| 4          | 2  | Kilacheri                                     | Do.           | ...                      | 200             | 72                      | 0   | 0   | 7-9-09    |
| 5          | 17 | Salavedu                                      | North Arcot.  | 135                      | ...             | 54                      | 0   | 0   | 26-9-09   |
| 6          | 20 | Velur                                         | Salem         | 200                      | ...             | 80                      | 0   | 0   | 10-11-09  |
| 7          | 3  | Kaveripauk                                    | North Arcot.  | ...                      | 200             | 72                      | 0   | 0   | 24-12-09  |
| 8          | 5  | Damal                                         | Chingleput    | ...                      | 195             | 70                      | 3   | 2   | 19-1-10   |
| 9          | 23 | Surepalli                                     | Guntur        | 200                      | ...             | 80                      | 0   | 0   | 21-1-10   |
| 10         | 6  | Vilatikulam                                   | Tinnevelly    | ...                      | 85              | 30                      | 9   | 7   | 30-1-10   |
| 11         | 7  | Nidamangalam                                  | Tanjore       | ...                      | 200             | 72                      | 0   | 0   | 5-2-10    |
| 12         | 9  | Melatur                                       | Do            | ...                      | 115             | 41                      | 6   | 5   | 11-2-10   |
| 13         | 24 | Gudur                                         | Nellore       | 200                      | ...             | 80                      | 0   | 0   | 19-2-10   |
| 14         | 10 | Nandalur                                      | Cuddapha      | ...                      | 120             | 43                      | 3   | 2   | 14-3-10   |
| 15         | 11 | Nemmili                                       | Chingleput    | ...                      | 40              | 14                      | 6   | 5   | 18-4-10   |
| 16         | 30 | Lalgudi                                       | Trichinopoly. | 200                      | ...             | 80                      | 0   | 0   | 1-5-10    |
| 17         | 12 | Vadanangur                                    | North Arcot.  | ...                      | 100             | 36                      | 0   | 0   | 6-5-10    |
| 18         | 13 | Nambipuram                                    | Tinnevelly    | ...                      | 45              | 16                      | 3   | 2   | 30-6-10   |
|            |    |                                               | Total         | ...                      | 1035            | 1310                    | 896 | 6 4 |           |

