Co-operative Department

Report ~~Depart~~

Administration

1933-34

Co-operative Department
Administration Report

1933-34

(G.O. No. 1666, Development, dt. 8.12.1934)

Administration Report of the Cooperative Societies in Madras State for the year 1933-34.

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Government of Madras

DEVELOPMENT DEPARTMENT.

XM.2...

G.O. No. 1666, dated 8th December 1934.

Co-operative societies—Administration Report—1933–34—Recorded with remarks.

READ—*Letter from the Registrar of Co-operative Societies, dated 2nd November 1934, No. A-3377/34.*

Order—No. 1666, Development, dated 8th December 1934.

Recorded.

2. The Co-operative movement passed through another year of general economic depression; but, owing to the unceasing efforts both of the officers of the department and of the non-officials concerned with the movement, directed to the rectification and improvement of bad and dormant societies, the movement is resisting the effects of the depression without as much deterioration as might perhaps have been expected. In spite of the efforts referred to, however, there has been an increase in the percentage of balance to demand as shown in the following statement:—

Percentage of balance to demand.	Central banks.		Agricultural societies.		Non-agricultural societies.	
	1932–33.	1933–34.	1932–33.	1933–34.	1932–33.	1933–34.
Principal	39·69	53·86	67·09	70·28	23·21	23·14
Current interest ...	8·79	12·41	59·39	63·81	21·74	23·35
Arrear interest ...	41·40	48·16	65·81	70·38	54·37	58·73

The percentage of balance to demand under principal in the case of the central banks has increased considerably during the year. Central banks must take all possible steps to reduce this balance. There was also an increase in the percentage of balance due to agricultural societies to demand under all three items. The Registrar reports that central banks have realized that collections must be made however difficult this may be, and that postponement may result ultimately only in the accumulation of bad debts. Most of the central banks have taken stock of their position, and have set on foot schemes of rectification of their affiliated societies in order to secure their investments, on the lines laid down in the revised scheme of rectification drawn up by the Joint Registrar which is described in paragraph 12 of the report. The Government note with satisfaction that the central banks and the primary societies in their turn reduced the rate of interest charged on loans and adopted the suggestion of the Registrar to waive penal interest in the case of overdues paid before the close of the year. The Government trust that these measures of relief will tend to reduce the difficulties created by the depression and the overdues resulting from it. The Government share the hope of the Registrar that, with the continued efforts of the Department and of the non-officials in the movement to raise the standard of working of the societies, and with an improvement in the economic conditions of the people, the position of the movement will become more satisfactory.

3. There was a further contraction in the loan transactions of central banks which amounted to Rs. 84·77 lakhs against Rs. 92·57 lakhs in the previous year. The loan transactions of the Provincial Bank in consequence fell considerably in the year. The fall in the loan transactions of these banks is traceable in part to a realization of the need for increased caution in the matter of advancing loans during the anxious period of depression which has crippled the repaying capacity of borrowers. That the existence of surpluses has not proved a temptation to indiscriminate lending is reassuring; the surpluses have also been reduced in the central banks from over a crore of rupees at the end of 1932–33 to Rs. 54 lakhs at the end of the year under report, as a result of the measures adopted by the banks at the instance of Government. The Government hope that with the continued adoption of these measures the surpluses will be completely wiped out. It is noteworthy that in accordance with the contraction in their business central banks cut down their expenses, and all of them worked at a profit in the year; though the total net profits were reduced.

4. Compared to 1932–33, a rather larger number of societies were newly registered while the registration of fewer societies was cancelled in the year. Presumably this decrease is due to the fact that a number of dormant societies have already been weeded out. This reduction also seems to be due to the fact that a number of societies resorted to the method of voluntary supersession of their panchayats. The Registrar reports that as many as 244 societies took steps to supersede their panchayats voluntarily, so that attempts might be made to improve the affairs of the society and, if possible, to avert its final cancellation. The number of such societies at the end of the year was 591, as against 396 at the end of 1932–33. There was a small reduction in the amount of loans disbursed by agricultural societies from Rs. 92·37 lakhs in 1932–33 to Rs. 92·16 lakhs during 1933–34.

The transactions of non-agricultural societies improved and slightly better profits were earned during the year under review.

In paragraph 39 of the report the Registrar refers to the working of the industrial and credit societies started in 1932–33 with the object of manufacturing sugar. Some of these societies have not yet begun real work. The Government watch with interest the working of these enterprises. The South Indian Insurance Society made considerable progress in the year.

5. The Land Mortgage Bank system has come to stay and is now a permanent feature of the co-operative credit organization. There has been a steady progress in the transactions of the Central Land Mortgage Bank. It issued during the year debentures to the extent of Rs. 24,79,500 against Rs. 10,81,400 in 1932–33. Besides issuing fresh debentures, the Bank took the opportunity offered by the lower rates of interest prevailing to convert high interest bearing debentures into issues carrying a lower rate of interest. The benefit of the reduced rate of interest on the debentures has been passed on

to the ultimate borrower who is now able to get loans at 6½ per cent. Seven new primary banks were registered during the year. The primary banks were able to grant loans to the extent of Rs. 14·78 lakhs against Rs. 10 lakhs in the previous year, and succeeded in repaying their obligations to the Central Bank completely. It has to be noted, however, that the amounts collected by primary banks, particularly in respect of principal, were inadequate; the balances overdue have increased by more than Rs. 58,000 and by approximately Rs. 11,000 under the heads of principal and interest. The Land Mortgage Banks Act which is designed to facilitate the working of the Land Mortgage Bank scheme came into force after the close of the year, and the rules which have to be issued under the Act are under the consideration of the Government. The Government of India were pleased to amend the Indian Trusts Act so as to include in the list of Trustee Securities the debentures of the Central Land Mortgage Bank which are fully and unconditionally guaranteed by the local Government in respect of their principal and interest. The Government have recently given the necessary guarantee. The Government hope that, in view of their guarantee and the inclusion of these debentures in the list of Trustee Securities, they will command a larger sale, especially among long term investors such as Insurance Companies, and provide funds sufficient for the expansion of the Bank's operations in the direction of relieving rural indebtedness.

(By order of the Government, Ministry of Development)

C. A. HENDERSON,
Secretary to Government.

To the Registrar of Co-operative Societies.
„ the Director of Agriculture, Madras.
„ the Director of Industries, Madras.
„ the Director of Fisheries, Madras.
„ the Board of Revenue (Land Revenue and Settlement), Madras.
„ the Director of Veterinary Services, Madras.
„ the Director of Town-Planning, Madras.
„ the Revenue Department.
„ the Finance Department.
„ the Public Department.
„ the Accountant General, Madras.
„ the Government of India, Department of Education, Health and Lands (with C.L.).
„ the Secretary to Government, Bengal, Agriculture and Industries Department with (C.L.).
„ the Secretary, Legislative Council, Madras.
„ the Secretary, Madras Services Commission, Madras.
„ the Public Works and Labour Department.
Press.

No. A-3377/34.

OFFICE OF THE
REGISTRAR OF CO-OPERATIVE SOCIETIES,
MADRAS,
Dated the 2nd November 1934.

From

T. AUSTIN, ESQ., I.C.S.,
REGISTRAR OF CO-OPERATIVE SOCIETIES,
MADRAS,

To

THE SECRETARY TO GOVERNMENT,
DEVELOPMENT DEPARTMENT,
FORT ST. GEORGE, MADRAS.

Annual Report on the working of the Madras Co-operative Societies Act VI of 1932 *for the year* 1933–34
(*1st July* 1933 *to* 30*th June* 1934).

SIR,

I have the honour to submit the annual report on the working of the Madras Co-operative Societies Act for the co-operative year ending 30th June 1934.

PART I.—GENERAL.

Registrar.

1. Mr. D. N. Strathie, I.C.S., was in charge of the department till the 11th July 1933, when he went on leave handing over charge to M.R.Ry. Diwan Bahadur K. Deivasikhamani Mudaliyar Avargal. The latter held the post till 26th June 1934, when I assumed charge.

Joint Registrar.

2. In the vacancy caused by the promotion of Mr. Deivasikhamani Mudaliyar as *Acting* Registrar, M.R.Ry. M. Giriappa Avargal was appointed Joint Registrar and he held the post from 12th July 1933 onwards. Mr. Deivasikhamani Mudaliyar proceeded on leave on his relief as Registrar.

Deputy Registrars.

3. At the beginning as at the end of the year, there were 22 posts of Deputy Registrars, of which 20 were permanent and 2 temporary.

The four Deputy Collectors who were doing duty as Deputy Registrars at the end of last year, were reverted to the Revenue Department in the course of the year. All the posts of Deputy Registrars are now held by the officers of this department.

During the year 8 posts of Deputy Registrars fell vacant, 6 were filled during the year and the remaining 2 since the close of the year by the promotion of Sub-Deputy Registrars.

Honorary Assistant Registrars.

4. For reasons stated in the previous year's administration report, the Government, in their order No. 1403, Development, dated 17th November 1933, passed orders directing the abolition of the posts of the Honorary Assistant Registrars.

Subordinate staff.

5. There were 25 permanent and 17 temporary posts of Sub-Deputy Registrars at the beginning of the year. Seven temporary posts were sanctioned during the year of sale officers for the execution of decrees of societies and four more for work in connexion with land mortgage banks. The Government have also sanctioned the employment of three Sub-Deputy Registrars on the formation of ten new land mortgage banks during the current year. Towards the close of the year five posts of Sub-Deputy Registrars doing duty as Superintendents of the Co-operative Training Institutes were abolished. Thus at the end of the year, there were 48 posts of Sub-Deputy Registrars, of which 25 were permanent and 23 temporary.

Fifteen vacancies arose in the ranks of Sub-Deputy Registrars and all of them were filled by the promotion of Senior Inspectors.

The following staff was sanctioned during the year :—

Twenty-three Junior Inspectors were appointed as Sale officers for the execution of decrees by the departmental officers.

Five out of the 12 Senior Inspectors sanctioned for concurrent audit of societies were replaced by 5 Junior Inspectors and 5 additional Junior Inspectors were sanctioned instead.

One Senior Inspector sanctioned for land reclamation work in the Trichinopoly district was replaced by a Junior Inspector.

Sixty peons were also sanctioned for employment under Sale officers.

Consequent on the reduction in the number of depressed classes co-operative societies, seven posts of Junior Inspectors in charge of these societies were abolished. With the closing of the training institutes five posts each of routine clerks and peons were abolished.

Two posts of Senior Inspectors sanctioned for the supervision of non-credit societies and one post of Junior Inspector sanctioned for the supervision of societies for Todas in the Nilgiris were also abolished in the year.

6. The following statement shows the arrangements of the circles and the distribution of the staff.

District.	Deputy Registrars.	Sub-Deputy Registrars. General.	Sub-Deputy Registrars. Execution.	Senior Inspectors. Credit.	Senior Inspectors. Non-credit.	Senior Inspectors. Concurrent audit.	Junior Inspectors on executive duty. Audit.	Administration.	Liquidation.	Loan and sale.	Execution.	Concurrent audit.	Depressed classes.	Special staff.	Clerical staff. Junior Inspectors.	Clerical staff. Routine clerks.	Peons.	Remarks.
Ganjam	1	1	...	1	1	..	11	3	1	..	1	1	...	...	4	4	6	* 1 Junior Inspector for the Agency.
Vizagapatam ...	1	1	...	1	1	...	8	3 1*	...	1	1	1	...	...	3	4	6	
Kistna	1	1	1	1	1	...	9	3	1	...	1	2	4	...	4	4	8	
Guntur	1	1 1†	...	1	1	1	11	3	3	...	1	...	10	...	4	4 1†	6 1†	† Liquidator, Guntur Urban Bank and Staff.
Salem	1	1	...	1 1‡	1	..	9 2‡	2	4	...	1	.	3	..	4	4	6	‡ Salem Audit Scheme.
North Arcot	1	1	1	1	1	...	14	3	5	..	1	1	4	..	4	4	8	
South Arcot	1	1	1	1	1	1	15	2	4	2	1	..	8	.	4	5	8	
Trichinopoly ...	1	1	...	1	1	.	9	3	1	..	1	.	4	..	4	5	6	
Madura	1	1	...	1	1	...	13	4	2	...	1	.	13		4	4	6	
Tinnevelly	1	1	1	1	1	...	12	3	3	2	1	.	4	.	3	4	8	
Srivilliputtur ...	.	1	...	1	...	...	4	...	3	.	1		1	.	1	2	4	
South Kanara ...	1	1	...	1	1	..	8	3	3	..	1	1	3	.	3	4	6	
Malabar	1	1	...	1	1	..	11	4	4	.	1	.	4		4	4	7	
Tanjore	1	1	1	1	1	1	18	3	4	..	1	2	22	...	5	5	8	
Madras	1	1	...	1	1	2	11*	1	1	..			2	1§	5	4	5	§ Milk supply.
Chingleput		1	1	1	1		18	2	4	..	1	...	6		...	...	4	
Coimbatore	1	1	...	1	2	1	11	4	2	1	1	...	3	.	4	4	7	
Nilgiris	...	...	...	1	...	.	2	...	...				.	.	...	...	...	
East Godavari ...	1	1	1	1	1	1	12	3	2	..	1		10	..	4	5	7	
West Godavari ...	.	1	...	1	1	.	7	3	1	.	1	.	3		2	2	4	2+1
Nellore	1	1	...	1	1	..	8	3	1	.	1		3	..	3	4	5	
Chittoor	..	1	...	1	..	.	5	3	1	..	1	1	1	.	2	2	4	
Anantapur	1	1	...	1	1	...	8	4	2	.	1	1	2	.	3	4	5	
Cuddapah	.	1	..	1	1	.	5	4	2	.	1		4	.	2	2	4	
Bellary	1	1	...	1	1	.	5	4	1	1	1		2	..	3	4	5	
Kurnool	...	1	...	1	1	...	6	3	1		..	.	2	.	2	2	2	
Land Reclamation.	.	...	...	...	...	.	...	...	..	...			...	2‖	...	...	...	‖ 1 at Tanjore and 1 at Trichinopoly.
Land Mortgage Banks, North ...	1	7	...	...	...	.	...	...	...	...	..	.	...	.	...	1	9	
Land Mortgage Banks, South ...	1	9	...	...	..		...	...	..	...		.	...	...	...	1	11	
Registrar's Office ...	1	1	...	8	...	..	...	...	...	..		.	...		13	5	14¶	¶ Including one Attender.
Central Co operative Institute ...	..	...	...	1	...	.	...	...	...	.	.		...	...	...	1	2	Also 1 Principal and 1 Lecturer.
Total ...	22	43	7	36	24	7	252	74	56	7	23	10	118	3	94	99	182	

*	M.S.M. Urban Bank	2
	Post and Telegraphs	2
	City Audit	4
	Total ...	8

On the 30th June 1934, there were 50 officers of the department on foreign service, of whom 6 were Sub-Deputy Registrars, 11 Senior Inspectors and 33 Junior Inspectors. They were employed by 13 central banks, 5 federations, 8 audit unions and 14 miscellaneous institutions. One Sub-Deputy Registrar was deputed to the Secunderabad Local (Abkari, etc.). Fund for a period of six months for work in connexion with clearing of slums in Secunderabad.

7. The total expenditure incurred on the working of the department amounted to Rs. 10·85 lakhs as against Rs. 9·86 lakhs in the previous year and was made up as follows:—

Cost of working.

	RS. (IN LAKHS.)		RS. (IN LAKHS.)
Pay of the Registrar ...	0·23	Contingencies	0·59
Pay of the officers ...	1·10	Grants	0·31
Pay of the establishment.	6·61		
Allowances	2·01	Total ...	10·85

This expenditure represents 0·66 per cent of the total working capital of all the societies as compared with 0·57 per cent in the preceding year. The increase in the percentage of expenditure is due to the sanction of additional staff for work connected with execution and land mortgage banks and also to the contraction of business of societies owing to the economic depression.

8. The general summary of progress during the year in respect of share capital, deposits, loans, reserve fund and working capital together with particulars of arrears under principal and interest as compared with the corresponding figures for the previous year is exhibited in Appendix No. 1.

General summary.

The south-west monsoon commenced early and was on the whole satisfactory, and the north-east monsoon was on or above the average. A severe cyclone swept the Coromandel coast for two days in December 1933, resulting in heavy rainfall and causing considerable damage in some of the east coast districts. The world economic depression persists; there was a phenomenal fall in the price of paddy, the most important staple food-crop of this Presidency. The result is that the economic condition of the ryots has not improved and the overdues from members of village societies have generally increased.

Season.

9. Only 140 societies were registered during the year, though there were applications for the registration of as many as 497 societies. No society was registered in the districts of Bellary and Tanjore; in Cuddapah, Coimbatore, South Arcot and Madura, the number of societies registered was 16, 15, 13 and 11, respectively, and in each of the remaining districts it was below 10. The societies registered are classified below:—

Societies.

1.	Agricultural credit societies	77
2.	Non-agricultural credit societies	23
3.	Land mortgage banks	3
4.	Purchase, purchase and sale societies	14
5.	Loan and sale societies	4
6.	Production, production and sale societies ...	1
7.	Other types of societies	10
8.	Local co-operative unions	3

The registration of 89 of these societies was effected at the instance of non-officials while 51 were organized by departmental officers. The village credit societies were registered either to connect the ryots with produce sale societies or for the benefit of the depressed classes.

The policy of reconstruction and consolidation of existing societies in preference to the registration of fresh societies was continued in the year and this accounts for the small number of new societies registered.

The department did not cease to weed out bad societies. Four hundred and sixty-two bad and dormant societies were cancelled during the year as against 691 in the previous year. As liquidation work has become very heavy and as the collection of money due is difficult and slow after liquidation, the method of voluntary supersession referred to in paragraph 12 of the administration report for 1930-31 was resorted to on a large scale during the year. As many as 244 societies were during the year brought under the operation of by-law 62 of the model by-laws for village societies and the number of such societies at the end of the year was 591 as against 396 at the end of the previous year. If it is possible to bring bad societies under the operation of this by-law, it will be more effective than liquidation as experience has shown. Deputy Registrars were requested to find out in all cases whether, before suggesting liquidation, resort could not be had to by-law 62. In almost every case, liquidation was carried out with the consent of the Central Banks, the Federation or the Union concerned. A large number of societies was liquidated in the districts of Tinnevelly, Chingleput, Anantapur, Madura and Bellary, the numbers being 42, 35, 34, 33 and 32, respectively. There were only 30 appeals to Government against the orders of cancellation. In no case was the appeal successful. There were at the end of the year 13,634 societies as against 13,956 at the end of the preceding year.

10. There was a slight reduction in the amount of loans disbursed by Central Banks to individuals and societies—Rs 17·44 lakhs to individuals and Rs. 67·33 lakhs to societies as against Rs. 18·65 lakhs and 73·92 lakhs, respectively in the previous year. Only in the districts of Coimbatore, Salem, Vizagapatam and in the Amalapuram area of the East Godavari district, did the societies show indications of borrowing. This is perhaps due to the better economic condition of the ryots there. The Banks at Coimbatore, Salem, Vizianagram and Amalapuram, therefore, did appreciable business during the year.

Loans.

During the last three or four years there has been a considerable contraction in the issue of fresh loans by Central Banks to societies and a considerable fall in the amount outstanding against societies and individuals. The factors which contributed to this result were referred to in the last year's report. It is only inevitable that when people are hit hard by a severe agricultural depression and when there is a decline in the purchasing power of the agricultural classes, they hesitate to contract new loans. The depression has equally brought home to the Central Banks the need for caution and circumspection in the issue of fresh loans. But fresh finance should not be denied to deserving members in village societies. While the hard times call for caution it is a fact that it is in hard times that members require easy monetary facilities. The matter engaged the attention of the Eleventh Conference of Registrars of Co-operative Societies in India held in New Delhi in January last and I have commended the resolution passed thereat to the notice of the Central Banks. "The conference is of opinion that—

(a) in view of the present depression the rate of interest charged by primary societies should be temporarily reduced as far as possible, consistent with the safety of the society, even at the cost of not leaving a margin for contribution to the reserve fund;

(b) the instalments payable to the societies may be spread over a large period as far as the resources would permit; and

(c) fresh finance should be given to the members consistent with the safety of the funds."

Demand, collection and balance.

11. The following figures show the demand, collection and balance in the Central Banks, agricultural societies and non-agricultural societies during the year :—

	Amount due by		
	Societies to Central Banks.	Members to agricultural societies.	Members to non-agricultural societies.
	RS. (IN LAKHS).	RS. (IN LAKHS.)	RS. (IN LAKHS.)
Amount overdue on 30th June 1933.	168·24	259·93	59·84
Demand for 1933-34	117·24	100·59	207·71
Total demand ...	285·48	360·52	267·55
Extension	7·00	3·32	6·48
Collection	102·91	103·81	199·17
Total of extension and collection.	109·91	107·13	205·65
Balance ...	175·57	253·39	61·90
Percentage of balance to demand under principal	61·50	70·28	23·14
Percentage of balance to demand under arrear interest	48·17	70·38	58·73
Percentage of balance to demand under current interest	12·69	63·81	23·35
Percentage of balance to demand under principal on 30th June 1933.	44·86	67·09	23·21
Percentage of balance to demand under arrear interest on 30th June 1933	41·24	65·81	54·37
Percentage of balance to demand under current interest on 30th June 1933	9·37	59·39	21·74

The repayments by members to societies and by societies to Central Banks were still poor. This is not, however, to be wondered at. The chief contributory cause has been the continued worldwide economic depression with its concomitants of low commodity prices and reduced repaying power of agricultural classes. There are of course other factors to which my predecessor referred in the last administration report but relatively they have ceased to operate to the same extent as before the depression. The redeeming feature, however, is that both the official and non-official staff are alive to the realities of the situation and they are directing their efforts mainly to reducing the arrears. With the continuance of their endeavours with the same degree of patience and courage and an improvement in the general economic condition of the people, the position must get better.

In view of the easy conditions of the money market and the low rates of interest obtaining all round, the Madras Provincial Bank reduced the rate of interest charged by it on loans to Central Banks to 5 per cent per annum. Some of the Central Banks in turn reduced their lending rate to societies to 6¼ or 6½ per cent per annum subject to a corresponding reduction by societies in the rates of interest charged on loans to their members. With a view to give some relief to agricultural borrowers in societies during the depression and the difficult times through which they are passing and with a view to stimulate payment on their part, Central Banks and societies were advised to collect interest on all outstanding loans at 6½ per cent and 7½ per cent respectively, provided that the entire interest arrears were paid by 30th June 1934. It was also suggested that the penal interest might be waived if the overdues were paid before the close of the year under review.

The federation and unions in some of the districts have not furnished the full particulars in the matter. The following statements, however, indicate that an attempt was made during the year by Central Banks and societies to give effect to the suggestions made:—

STATEMENT No. I.

Number of Central Banks which reduced their lending rate of interest.	Reduced rate of interest.	Number of societies which availed themselves of the concession of the reduced rate of interest.	Amount of interest collected.	Amount of interest remitted.
			RS.	RS.
20	6 per cent to 7¼ per cent per annum.	604	2·41 lakhs.	29,475

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STATEMENT No. II.

Number of districts in which reduced rate of interest to members was given effect to.	Reduced rate of interest.	Number of societies which extended the concession to members.	Number of members benefitted.	Amount of interest collected at the reduced rate.
(1)	(2)	(3)	(4)	(5)
				RS.
12	7½ per cent to 9⅜ per cent per annum.	284	4,368	47,178

Amount of interest remitted.	Number of societies which waived the penal interest.	Number of members benefitted.	Amount of interest collected by waiving penal interest.	Amount of penal interest waived.
(6)	(7)	(8)	(9)	(10)
RS.			RS.	RS.
12,139	261	2,450	59,976	13,513

It may be seen that the concessions were not availed of to any great extent during the year under report partly because there was not sufficient time. As the position of agriculturists has not improved and they still require relief, I have advised the banks to extend the concessions to societies in the current year also.

In view of the marked contraction in their loan business and net profits, the Central Banks were advised to limit their expenditure to minimum requirements by effecting all possible economy in establishment and contingent charges. Accordingly, some of the Central Banks endeavoured to cut down their expenditure by the adoption of one or more of the following methods:—

(a) Reduction in the size of the Board of Management or the Executive Committee;

(b) Reduction in the rate of travelling allowance and sitting fees paid to directors;

(c) Revision of the scales of pay of the staff; or

(d) Reduction in the number of local supervising unions and in the size of the governing body of such unions and also reduction in the rate of T.A. paid to the members of the governing body.

It is hoped that all Central Banks will do something substantial in this direction.

Soundness of investments in societies and Registrar's scheme of rectification.

12. In paragraph 12 of last year's report Mr. K. Deivasikhamani Mudaliyar uttered a note of warning and stressed the urgent need for a comprehensive programme of reformation of societies and examination of outstanding assets, and I am glad to be able to record that his appeal has had considerable effect. Most Central Banks have taken stock of their existing position and set on foot schemes of rectification of affiliated societies with a view to secure their investments. They have realized that the crux of the present situation is that collections should be made even though it might be a difficult task. Postponement of collections in many cases may result ultimately in the accumulation of bad debts; any wholesale or precipitate action against defaulters indiscriminately may prove equally disastrous. It may mean that societies or Central banks acquire properties of defaulters on account of forced sales in execution of decrees against them while the income from such properties may be enjoyed by defaulters or others; or it may entail continuous litigation for the possession of properties—a prospect which no one can view with equanimity. What is now required is a determined and courageous effort to collect the arrears in all cases where the security for loans is inadequate or where postponement may lead to certain loss. What portion of loans outstanding against members of societies should be recovered at once and what portion postponed is all a question of discretion and expediency. Diwan Bahadur K. Deivasikhamani Mudaliyar has been urging action on these lines for several years. Sporadic action was taken here and there, but no systematic endeavour was made to proceed with the work. As Joint Registrar Mr. Deivasikhamani Mudaliyar drew up a scheme of rectification in 1930 and this was referred to in paragraph 12 of the annual administration report of this department for the year 1930–31. Although the scheme was for the last four years before the co-operators, it was not generally taken up, apparently because the scheme contemplated strong action against defaulters without fear or favour. During the year under review he revised the scheme suitably in view of the changed conditions and exhorted the Central Banks to carry on the work of rehabilitation of societies.

The principal features of the revised scheme as formulated by Mr. Deivasikhamani Mudaliyar are briefly indicated below:—

(1) Every loan in every society shall be examined with a view to ascertain whether it is adequately secured and whether action should be taken at once to collect it or time can be given to enable the borrower to pay it of his own accord. For this purpose a classification of borrowers has been suggested: (i) those whose loans stand on good security and who can be expected to pay out of income within the period given, or within the period to be extended; (ii) those whose loans stand on inadequate security but who can give and are willing to give additional security, and who can pay out of income within the period given or within the period to be extended; and (iii) those against whom action should be taken at once either on account of their inability to pay out of income or on account of their inability to give additional security or for other reasons.

(2) The work should be entrusted to a special staff under the control of a small committee appointed by the Central Bank. The head of the staff shall be an "Executive Officer" and the subordinate staff shall work under his direction and control.

(3) The scheme should be worked in one compact area after another and the examination of all loans in a society should be completed before another society is taken up.

(4) The previous sanction of the Central Bank should be obtained for giving extension of time for repayment of loans.

(5) If in the course of investigation it is found that with certain concessions, borrowers are likely to pay their dues in full without coercive action, such concessions may be given with the previous approval of the Central Bank, for example, waiving of penal interest, etc.

(6) When it is not possible to rectify or revive a society, the question of supersession or liquidation should be considered.

During the year most of the Central Banks introduced the scheme. Some Central Banks have appointed departmental officers as executive officers to control the work of the rectification staff, viz., at Cuddalore, Coconada, Tenali, Kumbakonam, Tinnevelly and Aska. In Chingleput, North Arcot and Madura districts the scheme is carried on by the District Federation to each of which a departmental officer has been lent. The few banks which did not launch the scheme during the year have adopted it in the current year, e.g., Coimbatore, Vizianagram, Tanjore, Malabar and Salem.

The scheme of rectification provides for securing loans outstanding against members of village societies adequately, even if it were not possible to collect them immediately in the present difficult times and some appreciable work has been done in some districts like Chingleput and Guntūr. If all the Central Banks carry out the work of reformation of societies on the lines suggested patiently and with zeal, some substantial results will be achieved in the near future. The following statement, for instance, gives the results obtained by the introduction of the scheme by four of the central banks :—

Name of bank.	Number of societies in which examination of loans completed.	Total amount of loans including interest involved in the societies mentioned in column (2).	Of the sum in column (3), the amount which stands on adequate security.	Of the amount in column (3), the amount which stands on inadequate security.	Of the amount in column (5), the sum for which additional securities have been taken.	Amount still ill-secured.
(1)	(2)	(3)	(4)	(5)	(6)	(7)
	RS.	RS.	RS.	RS.	RS.	RS.
Co-operative Central Bank, Conjeevaram.	253	12,05,123	8,97,105	3,08,018	89,320	2,18,698
Guntūr District Bank.	100	7,04,000	3,04,000	4,00,000	26,000	3,44,000
Srivilliputtur Banking Union...	134	5,56,000	4,35,000	1,21,000	9,000	1,12,000
Sri Konaseema Central Bank, Amalapuram.	113	12,28,002	5,06,219	7,21,783	3,63,474	3,58,309

Name of bank.	Estimated bad debts in societies.	Of the amount in column 8, the amount which will affect the Central Bank.	Amount of loans collected during rectification work.	Share capital of the Central Bank.	Reserve fund of the Central Bank.	Bad Debt reserve of the Central Bank.
	(8)	(9)	(10)	(11)	(12)	(13)
	RS.	RS.	RS.	RS.	RS.	RS.
Co-operative Central Bank, Conjeevaram.	1,25,070	19,207	66,002	3,88,693	2,17,552	24,000
Guntūr District Bank.	1,24,000	20,272	74,291	1,94,755	1,80,710	1,04,000
Srivilliputtur Banking Union	69,000	21,575	...	98,330	30,358	24,000
Sri Konaseema Central Bank, Amalapuram.	71,128	14,927	...	1,75,200	43,188	28,000

A definite attempt has been made during the rectification compaign to arrive at an accurate estimate of bad debts in societies and the amounts which the Banks may ultimately suffer or write off. It may be seen from the above statement that the financial position of none of the Banks is in jeopardy.

Rectification and consolidation and classification of societies.

13. The classification of societies audited up to 10th October 1934 is given in Appendix No. 4, section II-(*a*) and (*b*). The classification of societies according to audit certificates for 1932–33 and 1931–32 is given below. Classified according to their general working, primary credit societies are grouped as follows :—

	Year. 1932–33.	Year. 1931–32.
A. Thoroughly good societies	306	348
B. Societies with some defaulters and some mistakes in accounts	1,832	2,081
C. All other societies that do not come under Class D	8,507	8,951
D. Bad societies which probably have to be liquidated should they fail to come under Class C within two years ...	1,982	1,718
Total ...	12,627	13,098

The number of societies classed as thoroughly good has been diminishing, while many more societies are being brought under class " D ".

Classified according to collections the figures are as follows :—

	Year. 1932–33.	Year. 1931–32.
Number of societies in which collections were—		
95 per cent	604	662
70 do.	970	1,159
55 do.	687	847
40 do.	759	967
Below 40 per cent	4,119	3,791
Dormant societies	5,308	5,447
Societies in which no loans fell due ...	180	225
Total ...	12,627	13,098

The figures indicate that the number of societies in which there were 95 per cent, 70 per cent, and 55 per cent collections, has been gradually on the decline. The only point for some satisfaction is that there was some decrease in the number of dormant societies. Under the scheme of subvention to Central Banks for carrying on consolidation and rectification work, the Madras Provincial Bank sanctioned Rs. 17,130 to 22 Central Banks in the year. The Central Banks in their turn spent Rs. 1,31,728 from their funds for the whole year. According to reports received from Deputy Registrars, 8,191 societies were marked for rectification work during the year. Of these, 2,444 particularly bad societies were taken up as shown below :—

Central Bank staff ...	1,494	Union staff	390
Federation staff ...	560		
			2,444

It has been stated that the number of societies rectified by the Central Banks, Federations and Unions were 339, 14 and 68 respectively, the overdues in these societies having been reduced to below 40 per cent.

Resources.

14. The statement given below shows the resources of the various classes of societies on 30th June 1934 :—

Serial number and type of societies.	Total working capital.	Percentage of total working capital derived from: Share capital.	Deposits.	Loans from other societies.	Government.	Reserve fund.	Total.
	RS.						
1. Madras Provincial Bank ..	190·96	3·45	41·08	48·21	...	7·26	100
2. District Central Banks	535·03	10·29	61·26	23·03	...	5·42	100
3. Central Land Mortgage Bank ...	37·40	5·19	93·77	0·67	...	0·37	100
4. Agricultural societies	519·96	13·79	7·40	64·21	1·51	13·09	100
5. Non-agricultural societies	348·70	25·66	53·06	6·86	5·06	9·36	100

The working capital fell from Rs. 1,734·63 lakhs to Rs. 1,632·05 lakhs. The total working capital employed in the movement exclusive of the investments of one society in another amounted to Rs. 1,011·97 lakhs as against Rs. 924·87 lakhs in the previous year ; and it is made up of—

	RS. (IN LAKHS.)
Paid up share capital	178·09
Deposits of individuals and institutions ...	664·71
Reserve Fund	143·65
Loans from Government...	25·52
Total ...	1,011·97

The owned capital in the movement is Rs. 321·74 lakhs (i.e., 31·79 per cent of the net working capital.)

Disputes, civil suits and decrees.

15. The total number of arbitration references dealt with under section 51 of Act VI of 1932 (Madras) in agricultural and non-agricultural societies is given below :—

	Agricultural societies.	Non-agricultural societies.	Total.
1. Number pending disposal at the beginning of the year	8,251	2,192	10,443
2. Number filed during the year	26,579	9,218	35,797
3. Number in which claims were satisfied before decree	1,373	869	2,242
4. Number decreed during the year	25,498	7,921	33,419
5. Number pending disposal at the end of the year ...	7,959	2,620	10,579
	RS.	RS.	RS.
6. Amount involved	10,27,053	6,18,872	15,45,925

Civil Suits.—Under civil suits in both agricultural and non-agricultural societies, the position is as follows :—

1. Number pending disposal at the beginning of the year	653
2. Number filed during the year	1,188
3. Number in which claims were satisfied before decree	119
4. Number decreed during the year	1,158
5. Number pending disposal at the end of the year.	564
	RS.
6. Amount involved	49,972

Of the number of cases pending at the end of the year, 380 relate to agricultural societies and 184 to non-agricultural societies.

Execution.—Under execution in both agricultural and non-agricultural societies, the position is as follows :—

1.	Number of decrees to be executed	137,711
2.	Number of decrees satisfied before execution.	10,577
3.	Number of claims satisfied after taking execution proceedings	9,786
4.	Out of the number in item 3, number of claims executed through village courts	661
5.	Number of decrees pending execution at the end of the year. (Agricultural 98,248, Non-Agricultural 19,100)	117,348
		RS.
6.	Amount involved	1,31,72,905
7.	Out of the number in item 5, the number of decrees relating to Civil Courts	4,561
		RS.
8.	Amount involved	2,27,822

The following statement shows the number of applications received for execution by this department, the number executed and the number pending disposal :—

	Agricultural societies.	Non-agricultural societies.
1. Number of applications received for execution	12,977	1,806
	RS.	RS.
2. Amount involved	24,70,479	3,69,724
3. Number satisfied before attachment.	530	131
4. Number satisfied after attachment ...	1,415	348
	RS.	RS.
5. Amount realized	2,89,533	75,368
6. Number pending execution at the end of the year	11,032	1,327
	RS.	RS.
7. Amount involved	21,39,720	2,82,936

Much headway could not be made in the execution of decrees by the department. The work was begun late in the year. There was, owing to the economic depression, a paucity of bidders at sales. Besides, one of the difficulties experienced in the execution of decrees by departmental officers is the custody of movable properties attached in villages. The Board of Revenue has been requested to issue instructions to the village officers to give the sale officers of the department necessary help in the matter.

In the course of execution of decrees, societies themselves had to purchase the properties of defaulters; on the 30th June 1934, they had in their possession immovable properties worth Rs. 10·76 lakhs as against properties valued at Rs. 6·23 lakhs on 30th June 1933. They purchased the properties in lieu of loans due to them to the extent of Rs. 12·44 lakhs. The income realized from these properties in the year was Rs. 18,232 while the expenses incurred for their maintenance amounted to Rs. 12,414. The amount realized by sale of some of the properties was Rs. 27,936.

I may utter a note of warning in regard to purchase of lands by societies and banks. The management of lands purchased will, for obvious reasons, be difficult and societies cannot afford to get their funds locked up this way. I may invite in this connection the attention of co-operators to the resolution passed on this subject at the Eleventh Conference of Registrars of Co-operative Societies held at New Delhi in January last. The resolution runs as follows :—

"The conference considers that the problems arising from the purchase of lands, whether by societies or banks, must be dealt with locally according to local conditions, but is strongly of opinion that purchase of lands should be resorted to as a last resource and to the least extent possible."

Liquidation.

16. Four hundred and sixty-two societies were dissolved during the year; 3 of these were District Federations, 18 unions, 386 agricultural and 55 non-agricultural societies. This number excludes 65 societies actually dissolved in the year under report, but whose liquidation work could not be taken up as the statutory period of appeal was not over by the 30th June 1934. There were in all 1,615 societies under liquidation. The affairs of 294 of these societies were finally wound up in the year. Thus, there were 1,321 societies under liquidation at the end of the year. Of these, 115 have been under liquidation for over three years; 118 for over four years and 169 for over five years. The total collections in cash in all the liquidated societies amounted to Rs. 7,02,449, as against Rs. 6,70,032 in the previous year. The total amount written off as irrecoverable during the year was Rs. 2,57,713 as against Rs. 2,36,119 in the preceding year. The assets to be collected in the 1,321 societies under liquidation at the end of the year amounted to Rs. 59,52,995, while the liabilities to be discharged were Rs. 37,97,678. The liquidators held Rs. 2,08,980 in cash on hand on the 30th June 1934.

In 469 societies, loans due from members amounting to Rs. 2,03,797 were written off, and in consequence the liabilities to the creditors to the extent of Rs 42,361 had to be written off. Amongst these creditors were the Madras Christian Co-operative Central Bank and the Central Banks at Cuddapah, Tenali, Kurnool, Nellore and Salem. With a view to enforce unlimited liability contribution orders were passed in 361 cases for Rs. 3,19,676, but only Rs. 20,279 could be collected before the close of the year. Liquidators purchased properties in 109 cases to the value of Rs. 93,049 against Rs. 1,78,999 to be collected; the sale-proceeds of some of the properties amounted to only Rs. 1,903. In most cases liquidators experience difficulty in finding sales for the properties purchased by them. This is partly due to combination amongst the villagers and partly to the continued agricultural depression.

I have been reviewing the progress in collections in liquidated societies every month and issuing instructions to the officers to expedite the liquidation proceedings. In pursuance of instructions from Government, I am now submitting to Government quarterly reviews on the progress in liquidation work.

Supersession of Committees.—At the close of the previous year, there were six societies whose committees were superseded under section 43 of the Act. As the non-official agent appointed to one of the societies did not take charge, the supersession order lapsed. Hence there were only five societies under supersession at the beginning of the year. Five were added during the year. Of these, eight societies were placed in charge of departmental officers and the remaining two, in charge of non-officials selected by the financing banks concerned. Out of a total demand of Rs. 11,22,261 under principal and Rs. 1,30,706 under interest due from members of these societies on the date of taking charge by the agents, an amount of Rs. 2,01,149 under principal and Rs. 89,275 under interest was collected in the year. On the whole, there is an improvement in the general working of the societies under supersession.

Audit of 1932-33.

17. Twenty-eight societies were audited by certified auditors recognized by the Registrar, 145 societies by the staff of audit unions, while 42 societies chose to come under the audit schemes obtaining in Madras and Salem. The remaining societies were audited by the departmental staff. According to the rules now in force, 242 societies had to pay audit fees of Rs. 60,898; but of this, Rs. 10,919 were remitted and the balance was realized before the end of the year. The amount of contributions levied under the audit scheme was Rs. 8,414, a staff of one Senior Inspector and six Junior Inspectors having been employed for the purpose.

Audit was completed before the close of the year in all societies. Audit certificates for 1932-33 were issued before the close of the year in respect of all societies except one. The system of issuing special summaries of defects noticed in the course of audit continued during the year. Thirteen thousand and eighty-three societies were marked for interim audit. Of these, 13,005 were audited before the close of the year. Summaries of defects were issued in respect of 12,550 societies, the accounts of which were interim-audited.

The figures furnished in the Administration Report are the audited figures for 3,646 societies out of 13,552 for audit on 30th June 1934. The figures relating to Central Banks are all audited figures.

The system of concurrent audit has been tightened up during the year. Deputy Registrars have been instructed to draw up a regular programme of concurrent audit of all central and big urban banks so that the audit of accounts of a particular month is not delayed beyond the close of the succeeding month. Under these arrangements a greater degree of efficiency in the audit of central and urban banks has been ensured.

My predecessors have already represented to Government that the existing scale of audit fees is very high and that it should be reduced. I have been receiving requests from banks for a reduction in the fees levied under the present rule.

The Act and the Rules.

18. The new rules under the Madras Co-operative Societies Act came into effect from August 1933.

During the year proposals were submitted to Government for the amendment of certain sections of the Act and the Rules and they are now under the consideration of Government.

The Land Mortgage Banks Bill was passed into law during the year. The rules under this Act are being considered by Government.

Criminal prosecutions.

19. Thirty-four cases were pending disposal at the beginning of the year. Thirty-six criminal prosecutions were launched at the instance of the department in the year as against 25 in the previous year. One prosecution was instituted by a society on its own initiative. Of the 71 cases, 31 were disposed of before the close of the year, 21 resulting in conviction of the persons concerned, 6 in acquittal, 2 in discharge, while one case was withdrawn, and another was dropped as the accused died. There were at the end of the year 40 cases pending disposal. Of these, 2 cases ended in conviction in the lower Court, but they are pending on appeal in the High Court. In the 71 cases referred to above, 84 persons were or are involved. Of these men, 65 are office-bearers of societies and 19 employees of societies. Of the 65 office-bearers, 8 belong to urban societies.

Miscellaneous.

20. The Eleventh Conference of Registrars of Co-operative Societies in India was held at New Delhi from the 29th January to 1st February 1934 and Diwan Bahadur K. Deivasikhamani Mudaliyar attended it. The resolutions passed at the conference are now under the consideration of Government. The Thirteenth Session of the Central Banks' Conference was held in March 1934. District conferences were held at Bhimavaram (West Gōdāvari) and Dimili (Vizagapatam). The Third Madras Urban Banks' Conference was held at Periyakulam (Madura) in December 1933, under the presidentship of Professor H. L. Kaji of Bombay and my predecessor opened the conference.

The annual departmental conferences were stopped four years ago owing to financial stringency. But as the department took up new items of work under the Co-operative Societies Act of 1932 and as the movement was going through troublous times after the economic depression set in, a departmental conference was found necessary and one was held with select Deputy Registrars and Sub-Deputy Registrars in November 1933 and much useful work was done thereat. There was a free exchange of views on the several matters relating to the administration of the department and certain agreed conclusions were arrived at on such subjects as supersession, liquidation, collection of overdues, execution, land mortgage banks, non-credit societies, etc.

There were three visitors to this province during the year—Mr. K. L. Panjabi, I.C.S., Registrar of Co-operative Societies, Bombay and Messrs. Sanat Kumar Chatterjee and A. F. M. Abdur Rahman, Directors of the Bengal Provincial Co-operative Bank; they came to study the working of co-operative land mortgage banks in this Presidency.

Contributions to the Bihar Earthquake Relief Fund.—In pursuance of the Government Memorandum No. 2491–9, Public (General) Department, dated 13th February 1934, my predecessor circularized all Deputy Registrars and Sub-Deputy Registrars to give wide publicity to the appeal for contributions to the Earthquake Relief Fund by co-operative institutions and the officers of this department. Accordingly they contributed Rs. 17,215 to the fund.

PART II.—DETAILED WORKING OF SOCIETIES.

The Madras Provincial Co-operative Bank.

21. The working of the Madras Provincial Co-operative Bank has continued to be satisfactory as may be seen from the following comparative statement for the last three years:—

	1931–32. RS. (IN LAKHS.)	1932–33. RS. (IN LAKHS.)	1933–34. RS. (IN LAKHS.)
1. Share capital paid-up ...	6·53	6·59	6·59
2. Deposits and other borrowings including overdrafts.	171·49	211·42	170·51
3. Working capital	188·90	231·51	190·96
4. Net profits	1·68	1·40	2·31
5. Reserve fund after audit ...	11·30	13·85	14·44

During the year, the deposits of individuals fell from Rs. 59·05 lakhs to Rs. 53·27 lakhs, while there was slight increase from Rs. 15·58 lakhs to Rs. 15·83 lakhs in the deposits from local boards, municipal and jail contractors, etc. There was a fall in the deposits made by joint stock banks and other institutions, the amount held at the end of the year being Rs. 9·33 lakhs as against Rs. 13·91 lakhs at the end of the previous year. The bank has invested Rs. 151·89 lakhs in Government securities, which include a sum of Rs. 4·98 lakhs invested in treasury bills.

Net Profit.—The Bank earned a net divisible profit of Rs. 2·31 lakhs in the year under review as against Rs. 1·40 lakhs in the preceding year. The increase in the net profit was due to the reduced rates of interest on borrowings and the profit earned by the sale or conversion of Government promissory notes in which the Bank had to invest large sums owing to shrinkage in its loan business.

Loans.—The loan transactions of the bank fell considerably in the year as there was no demand for money from the Central Banks

which had large surpluses themselves. During the year, the Bank disbursed a loan of Rs. 15,414 to the Hospet Central Bank only as against Rs. 5·66 lakhs in 1932–33 and Rs. 20·56 lakhs in 1931–32 disbursed to Central Banks. Rupees 31·57 lakhs were advanced to individuals on the security of their deposits as against Rs. 20·44 lakhs in the previous year. At the close of the year, Rs. 5·53 lakhs were outstanding under short term and Rs. 11·39 lakhs under long term loans. Except for a sum of Rs. 2,478 due from societies under liquidation, the Bank had no direct dealings with primary societies.

Overdraft and Fluid Resources.—The Bank continued to have the overdraft of Rs. 37 lakhs given by the Imperial Bank of India on the security of Government securities. There was no overdraft on the security of the pro-notes of rural credit societies. The Provincial Bank maintained throughout the year the necessary standard of fluid resources.

The Madras Co-operative Central Land Mortgage Bank.

22. The Madras Co-operative Central Land Mortgage Bank has recorded one more year of successful working. That there has been a steady progress in its transactions is evident from the following statement:—

	1929–30.	1930–31.	1931–32.	1932–33.	1933–34.
1. Number of members—					
Individuals	124	166	168	181	190
Primary Land Mortgage Banks ...	19	37	35	50	63
	RS.	RS.	RS.	RS.	RS.
2. Share capital	70,400	99,500	1,07,000	1,45,600	1,94,300
3. Borrowings—					
Debentures	...	3,51,900	10,78,900	20,83,300	34,55,800
Advance deposits ...	63,000	1,44,000	1,39,350	2,00,893	51,700
4. Loans outstanding against primary banks—					
Number	4	57	157	378	678
Amount	42,200	5,38,684	11,31,004	20,92,734	33,82,135
5. Investments in Government promissory notes, etc. ...	...	...	...	...	3,11,806
6. Overdues	...	407	109	95	...
7. Net profits	1,358	7,212	18,920	15,223	41,111
8. Reserve fund after audit	340	340	6,873	10,678	23,953
			PER CENT.	PER CENT.	PER CENT.
9. Dividend	...	...	7	7	6

The condition of the money market continued to be easy during the year. The debentures of the Bank have continued to be popular among the investing public and the Bank has been able to secure all the funds required by it at cheap rates of interest. The Bank not only issued fresh debentures but availed itself of the favourable monetary conditions and embarked on a systematic conversion of high interest-bearing debentures. Four series of debentures for twenty years to the extent of Rs. 24,79,500 were issued during the year, the first series at 5½ per cent interest, the second and the third at 5 per cent and the last one at 4 per cent. Two series of debentures for ten years carrying interest at 6½ per cent and 6 per cent were converted into 5 per cent debentures of twenty years and the benefit of such conversion was passed on to the borrowers in primary land mortgage banks. The conversion of another series of fifteen years' debentures carrying interest at 6½ per cent has been effected since the close of the year. At present the only debentures bearing interest above 5 per cent are the first and the fifth series bearing interest at 6 per cent and 5½ per cent respectively, the amount covered by them being Rs. 9,09,500. Debentures to the extent of Rs. 1,09,700 being the collections from primary banks in respect of the loans issued to them, were redeemed during the year. But most of this money came back to the Bank in the form of subscriptions for new debentures.

The last series issued during the year under report and the two new series issued since the close of the year carry only 4 per cent interest.

The benefit of the reduced rate of interest on the debentures has been passed on to ultimate borrowers. Funds are now made available to them at 6½ per cent. The reduction in the Central Land Mortgage Bank's rate of interest has brought about a general reduction in the rates of interest in the countryside.

It is gratifying to note that the primary banks were prompt in meeting their obligations to the Central Land Mortgage Bank. The total demand of Rs. 1,88,234 under principal and of Rs. 1,69,770 under interest was completely repaid to the Bank before the end of the year.

The Mortgage Bank system has become an important and permanent feature of rural credit organization in this Presidency and under the management of the directors of the Central and primary land mortgage Banks, has an effective role to play in the redemption of mortgage indebtedness in the Presidency. And the assurance of the Government of India given at the Economic Conference held in Delhi in April last that they "will be very ready to assist by giving their technical advice in regard to provincial schemes (of land mortgage banks) or otherwise, and will see that the Reserve Bank is organized to do so in the future" is an encouraging sign for the future of the land bank movement in the country.

Primary Land Mortgage Banks.

23. There were 57 banks at the beginning of the year 7 new banks were registered during the year; thus there were 64 banks at the end of the year. The banks are situated as shown below:—

		Number of banks.
Bellary, Kurnool, Salem and Ganjām ...	1 in each ...	4
Guntūr, Nellore, Ramnad and Tinnevelly.	2 " ...	8
South Arcot, Madura, Trichinopoly and Vizagapatam	3 " ...	12
North Arcot, Chingleput and Kistna ...	4 " ...	12
East Gōdāvari and West Gōdāvari ...	6 " ...	12
Tanjore	... ...	7
Coimbatore	... ...	9
	Total ...	64

Since the close of the year four more banks were registered, one each in the districts of Vizagapatam, South Arcot, Salem and Kistna.

Transactions.—A comparative statement of the transactions of these banks is given below:—

	1931-32.	1932-33.	1933-34.
Number of banks	38	57	64
Number of members ...	5,270	7,211	11,305
	RS.	RS.	RS.
Share capital	2,29,132	2,99,250	3,76,280
Borrowings—			
(a) Loans from the Central Land Mortgage Bank	11,31,004	20,49,740	33,82,135
(b) Deposits	80,990	65,330	3,32,654
(c) Debentures—Public.	5,90,400	5,79,450	3,01,450
Government.	2,30,400	2,09,600	1,40,600
Reserve fund	19,343	24,428	30,612
Working capital	22,81,269	32,27,798	45,63,731

Twenty-two banks made a profit of Rs. 12,833 while 41 banks incurred a loss of Rs. 24,889. Some of these banks which were started during the year could not transact much business.

Some of the old banks which floated debentures before the formation of the Central Land Mortgage Bank continued to enjoy the privilege during the year under report. But none of these banks issued any fresh debentures during the year. Debentures of the value of Rs. 69,000 under A series and Rs. 2,78,300 under B series were redeemed during the year. The Ambur Bank redeemed its debentures in full. Some of the banks are paying 6 per cent and 7 per cent interest on their debentures. Now that the Madras Co-operative Central Land Mortgage Bank is advancing money to the primary banks at 5½ per cent, some of the banks are proposing to redeem their high interest-bearing debentures by borrowing the necessary funds from the Central Mortgage Bank.

The debentures of the Gudlavalleru Land Mortgage Bank in circulation at the beginning of the year amounted to Rs. 50,000 under A series carrying interest at 6½ per cent and Rs. 2,41,700 under B series carrying interest between 6 and 7 per cent. With a view to reduce the interest on all debentures to 5 per cent, the A series debentures were completely redeemed and 5 per cent debentures were offered to the B series debenture-holders in the place of their old debentures. Some of them agreed to take 5 per cent debentures to the extent of Rs. 1,95,000. The other debentures were redeemed. To enable the Bank to redeem debentures, the Madras Provincial Co-operative Bank purchased 5 per cent debentures for Rs. 1 lakh.

A statement showing the debentures issued and the debenture deposits held by the banks as on 30th June 1934 is given below :—

	A series.	B series.
	RS.	RS.
1. Alamuru	50,000	1,08,450 8,850*
2. Gudlavalleru	...	2,65,200*
3. Vadlamannadu	10,000	99,300
4. Kambliampatti	28,000	23,000
5. Peelamedu	4,000	2,000
6. Kulittalai	18,600	22,700
7. Conjeevaram	30,000	25,000
8. Madurantakam	...	21,000 3,000*
Total ...	1,40,600	5,78,500

Out of the loans obtained from the Madras Co-operative Central Land Mortgage Bank, a sum of Rs. 33,82,135 was outstanding on 30th June 1934. An amount of Rs. 1,88,234 under principal and Rs. 1,69,770 under interest fell due during the year including the arrears of the previous year. The primary land mortgage banks paid the whole amount during the year.

Demand, Collection and Balance.—During the year the banks had to recover from their members Rs. 3,52,567 under principal and Rs. 2,86,232 under interest. They collected Rs. 1,84,464 under principal and Rs. 2,49,467 under interest, leaving arrears of Rs. 1,68,103 under principal and Rs. 36,765 under interest. The percentages of arrears under principal and interest at the end of the year were 47·68 and 12·84 as against 38·63 and 12·49 respectively

* Debenture deposits.

at the end of the previous year. The bulk of the overdues was contributed by the banks noted below :—

Name of the Bank.	Principal overdue.	Interest overdue.	Percentage of overdues under Principal.	Percentage of overdues under Interest.
	RS.	RS.		
1. Pittapuram ...	31,684	2,597	87·75	44·29
2. Conjeevaram ...	9,600	2,301	40·09	21·88
3. Vadlamannadu ...	36,402	11,627	78·08	51·61
4. Gudlavalleru ...	20,065	5,111	50·78	15·27
5. Alamuru	25,550	2,913	53·69	10·65
6. Kulittalai ...	8,382	2,434	50·65	14·60
7. Chingleput ...	1,982	432	41·91	11·60
8. Kilacheri ...	5,061	1,365	94·86	60·67
9. Kodavasal ...	3,151	1,157	62·71	18·76
10. Trichinopoly ...	3,367	700	59·24	9·86

The abnormal fall in the price of agricultural produce reduced the repaying capacity of the ryots and many of the borrowers could not meet their obligations to their banks. The overdues shown above do not represent only the overdue instalments. Under the by-laws if a borrower defaulted for a period of over three months, his loan has to be closed and action taken to recover the whole outstanding loan. In such cases the entire loan is considered overdue. Some of the banks have been allowed to amend their by-laws permitting them to recover only overdue instalments without closing the whole loan. The question of permitting the banks to re-open "closed" or "decreed" loans on payment by the defaulters of the entire overdues is under consideration.

The Land Mortgage Banks Bill which was pending before the Legislature was passed into law during the year. Among other things, the Act has conferred on the banks summary powers for the speedy recovery of arrears from defaulters through distraint and sale of the produce on the mortgaged land and the sale of the hypotheca without resort to Courts. The Government have also powers under the Act to guarantee the interest on and the principal of the debentures of the Madras Co-operative Central Land Mortgage Bank and since the close of the year the Government have unconditionally guaranteed the interest not exceeding 5 per cent on and the principal of the debentures to the extent of Rs. 50 lakhs. The Indian Trusts Act, 1882, has been suitably amended and the debentures of the Central Land Mortgage Bank to the extent guaranteed by Government are now in the list of Trustee securities. Now that the debentures have been included in the list of trustee securities, they will command a wider market and a steady flow of cheap money to the Central Land Mortgage Bank is assured. The usefulness of land mortgage banks is being increasingly realized by the agricultural population and the demand for more banks throughout the Presidency is increasing. Investigations into the possibilities of starting new banks are being made in select localities but the expansion of new banks has for obvious reasons to be cautious and slow.

24. The number of Central Banks remained the same as in the preceding year, viz., 32. The number of individual members in these banks rose from 3,977 to 4,106, while that of societies fell from 12,210 to 11,978. The society members were made up of 279 central societies (i.e., Unions and Federations), 10,521 agricultural credit societies, 909 non-agricultural credit societies and 269 societies of other types. The further decrease in the total number of society members is due to the cancellation of some societies.

Central Banks.

The working of the Hospet Co-operative Central Bank was not satisfactory for some time past. At the instance of the Registrar, the by-laws of the Bank were amended vesting the entire management of the bank in a special committee of seven members. Accordingly the special committee took up the management of the Bank. This arrangement, however, did not improve matters. There was, therefore, no alternative other than the supersession of the committee of the Bank under section 43 of the Co-operative Societies Act. The Committee was superseded with the concurrence of the Madras Provincial Co-operative Bank in February last and a Sub-Deputy Registrar of the department was deputed to work as the manager of the bank. I am closely watching the affairs of this Bank and also those of the Aska Central Bank which is the only other Central Bank whose affairs are giving cause for considerable anxiety.

Working Capital.—The following comparative statement shows some of the important financial particulars relating to the operations of Central Banks:—

	1931-32.	1932-33.	1933-34.
	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)
1. Paid-up share capital ...	57·48	56·10	55·05
2. Deposits and other borrowings including overdrafts	493·69	505·25	451·00
3. Working capital	576·28	588·74	553·21
4. Net divisible profit ...	8·61	6·05	4·43
5. Reserve fund after audit for 1933-34	27·32	28·90	30·10

The fall in the paid-up share capital is chiefly due to the cancellation of some societies. The fall in deposits and other borrowings and consequently in the working capital of the banks is due to the non-renewal of old deposits and non-acceptance of fresh deposits from Local Boards and Municipalities.

Net Profits.—All the Central Banks worked at a profit in the year; the total net profits of all banks, however, fell from Rs. 6·05 lakhs to Rs. 4·43 lakhs. The banks at Tenali, Hospet, Cocanada, Mangalore and Srivilliputtur earned low profits in the year. The fall in net profits was due partly to the shrinkage in the loan transactions of Central Banks and partly to the provision made for bad and doubtful debts. The Central Banks were advised to declare dividend not exceeding 6 per cent in view of the present condition of societies and the low interest rates prevailing in the money market.

With the sum of Rs. 2,99,940 added to the bad debt fund in the year before the net profits were declared by me, the total to the credit of the fund in all Central Banks on the last day of the year was Rs. 10 lakhs. I have also advised the Central Banks at Conjeevaram, Coimbatore and Rajahmundry to set apart substantial amounts to this fund from the net profits of the year under review.

Borrowings from the Provincial Bank.—The Hospet Central Bank is the only Bank which took a loan of Rs. 15,414 in the year from the Provincial Bank. There was no need for the other Central Banks to borrow afresh. For one thing, they themselves had surpluses; for another, they continued to adopt the same cautious policy in the matter of advancing loans to societies as in the preceding four or five years. The amount borrowed and outstanding at the end of the year was Rs. 6·93 lakhs as against Rs. 13·88 lakhs in the previous year. The Hospet and Aska Central Banks were in arrears to the Provincial Bank to the extent of Rs. 1·17 lakhs and Rs. 0·28 lakh respectively at the end of the year.

Loans.

A sum of Rs. 10 lakhs was outstanding against individuals at the beginning of the year. A sum of Rs. 17·44 lakhs was advanced in the year and Rs. 17·65 lakhs were recovered. Thus, Rs. 9·79 lakhs were outstanding against individuals at the end of the year.

A sum of Rs. 346·28 lakhs was outstanding against societies at the beginning of the year; Rs. 67·33 lakhs were advanced to them in the year and Rs. 96·95 lakhs recovered. There was, thus, at the end of the year a sum of Rs. 316·65 lakhs outstanding against societies. Of this, Rs. 230·11 lakhs were on long term and Rs. 86·54 lakhs were on short-term. The ratio of short term to long term loans issued to societies stood at 1 : 0·7 and that of the outstandings at the end of the year was 1 : 2·6.

Though most of the Central Banks have developed their short term loan business, large sums were granted by the following banks for long-term purposes in the year:—

Loans disbursed to Societies.

Name of the Bank.	Long term.	Short term.	Total.	Percentage of long term to total.
	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	
1. Vellore Central Bank.	2·27	0·31	2·58	88·00
2. Coimbatore Central Bank	7·05	2·85	9·90	70·20
3. Kurnool Central Bank.	0·50	0·06	0·5[illegible]	89·29
4. The Christian Central Bank, Madras ...	1·74	0·29	2·03	85·71
5. Madura-Ramnad Central Bank ...	2·33	1·36	3·69	63·18
6. Salem Central Bank.	4·58	0·97	5·55	82·52

Arrears.—Section II of Appendix 3 shows the percentage of balance to demand for principal, arrear and current interest due to Central Banks. The Presidency average of arrears under principal was 65·22 per cent for long term and 43·45 per cent for short term as against 61·20 and 38·05 for long term and short term respectively in the previous year. The Presidency average of balance to demand under interest was 42·61 per cent for arrear interest and 14·49 per cent for current interest as against 28·25 for arrear interest and 12·81 for current interest in the previous year. The following Central Banks had arrears under principal above the Presidency average both under long term and short term:—

Name of the Bank.	Percentage of balance to demand. Long term.	Short term.
1. Anantapur	86·67	45·45
2. Cuddalore	88·63	45·74
3. Hospet	92·60	58·11
4. Cuddapah...	82·26	55·60
5. Berhampore	68·72	45·13
6. Aska	66·75	88·17
7. Amalapuram	69·62	61·45
8. Guntūr	79·16	59·08
9. Malabar	92·09	69·00
10. Srivilliputtur	71·63	45·21

In the Central Banks at Vellore, Conjeevaram, Chittoor, Rajahmundry, Masulipatam, Kurnool, Nellore, Kumbakonam, Tanjore, Tinnevelly, Trichinopoly and Vizianagaram the percentage under long term was higher, while in Cocanada, Ramachandrapuram, Ellore, Madura, Madras District Banks and the Christian Central Bank the percentage under short term was above the Presidency average. The banks at Coimbatore, Bezwada and Tanjore showed slight improvement both under long term and short term over last year. South Kanara is the only bank which did worse than in last year though its percentages are below the Presidency averages of the year.

As regards the arrear interest, the banks at Anantapur, Chittoor, Cuddapah, Amalapuram, Mangalore, Madura, Calicut, Salem and Trichinopoly did very badly, the percentages being far above the Presidency average of 42·61 per cent.

As regards current interest, the collections in Conjeevaram, Chittoor, Coimbatore, Berhampore, Rajahmundry, Amalapuram, Bezwada, Salem, Vizianagaram and Madras District Banks were good. The Banks at Anantapur, Aska, Ellore, Srivilliputtur and Trichinopoly did well, the percentages being below the Presidency average of 14·49.

Fluid resources.

The following Central Banks failed to maintain the required standard of fluid resources for the days noted against each in the year under report:—

Name of Bank.	Number of days.	Maximum deficit. RS.
1. Hospet	104	29,143
2. Aska	22	22,479
3. South Kanara	25	44,751
4. Viziawada	25	19,518
5. Srivilliputtur	110	37,745
6. Cocanada	15	23,746
7. Coimbatore	47	1,44,056

It was explained that the deficit was due to the fall in the repayments of loans expected from societies. In the case of the Cocanada Bank, the deficit was due to its reluctance to withdraw any of its fixed deposits or to raise a loan on those deposits to make up the deficiency. These banks were advised to make adequate arrangements to maintain the required standard in future.

Overdrafts.

At the end of the year under report, the Central Banks had an overdraft accommodation of Rs. 26·49 lakhs with the Madras Provincial Bank and of Rs. 29·01 lakhs with the Imperial Bank of India. The total overdraft allowed by the Imperial Bank was Rs. 7·14 lakhs less than in the previous year. The Imperial Bank's policy of cutting down overdrafts to Central Banks on the security of promissory notes of rural credit societies was completed in the year and all the overdrafts given by it were only on the security of Government paper. The Central Banks at Aska, Chittoor and Srivilliputtur did not have any overdraft account with the Imperial Bank. On the 30th June 1934, out of the sanctioned amount of Rs. 29·01 lakhs as much as Rs. 27·52 lakhs were undrawn. This is due to the fact that the banks continued to have surpluses.

In the last administration report reference was made to the marked increase in the surplus funds in the Provincial and Central Banks and to the steps taken to reduce them. The measures taken brought about a marked decline in the surplus funds of Central Banks from over a crore of rupees on the 30th June 1933 to Rs. 54 lakhs on 30th June 1934. There was only a slight reduction of Rs. 2 lakhs in the case of the Provincial Bank. The following Central Banks contributed heavily to the surpluses:—

Name of Bank.	RS. (IN LAKHS.)	Name of Bank.	RS. (IN LAKHS.
1. Trichinopoly ...	16·33	7. Amalapuram ...	1·68
2. Salem	6·80	8. Tinnevelly	1·65
3. Madura-Ramnad ...	6·75	9. The Christian Central bank, Madras ...	1·55
4. Coimbatore ...	4·97	10. Chittoor	1·28
5. Vizianagaram ...	3·39	11. Conjeevaram ...	1·05
6. South Kanara ...	2·35		

In view of the persisting surpluses the Government, in their order No. 6510, L. and M., dated 13th December 1933, prohibited fresh investments of local bodies' moneys in Co-operative Central Banks and permitted renewals of old deposits only with my specific sanction. I have also advised the Central Banks which had surplus funds of over three lakhs of rupees not to accept fresh fixed deposits from individuals and institutions. The position of the Provincial Bank practically remains the same and on the 30th June 1934 its investments in Central Banks were only Rs. 5·31 lakhs.

The Madras Provincial Co-operative Union and Language Federations.

25. The Provincial Co-operative Union continued to do useful work. On the 30th June 1934, it had 490 members on its rolls including 20 honorary individual members. It continued the publication of the "Madras Journal of Co-operation" in English and the "Andhra Sahakara Patrika" in Telugu. A number of books were added to the library of the union and the reading room continued to be popular. The President and some of the members of the Executive Committee carried on general propaganda on "co-operation," insurance and rural reconstruction during their tours. The Madras Provincial Bank contributed Rs. 1,500 in the year for rural reconstruction work as against Rs. 2,000 in 1932–33 and Rs. 9,000 in 1931–32. The work was conducted in five centres during the year. Magic lantern lectures were also delivered on "Co-operation" and rural reconstruction.

The Union continued to co-ordinate the activities of the Co-operative training institutes through its Education Committee and to hold the examinations.

The Tamil Nadu Co-operative Federation at Coimbatore continued to publish the monthly journal "Kooturavu" in Tamil. The Andhra Sahakara Sammelanam whose registration was cancelled in 1932, was restored by Government in August 1933. Since then, the main work of the Sammelanam was an attempt at a reconstitution of its directorate. It has not done anything in the matter of co-operative propaganda during the year and it remains to be seen whether there will be any improvement in its affairs.

District Co-operative Federations.

26. There were eleven federations at the beginning of the year. The Federations at Bellary, Guntūr and Vizagapatam were cancelled in the year. Thus, there were eight federations at the end of the year, viz.—

1. North Arcot District Council of Supervision.	5. Madura-Ramnad District Federation.
2. Chingleput District Federation.	6. Malabar do.
3. Cuddapah do.	7. Tinnevelly do.
4. Kistna do.	8. Trichinopoly do.

The Government rejected the appeal preferred by the Guntūr District Federation against the liquidation order. The following federations are doing active work and the rest have suspended their work handing over their functions to the Central Banks concerned :—

(1) The North Arcot District Council of Supervision, besides controlling and guiding the supervising unions in the district, is attending to rectification work in bad societies, and to the individual examination of loans in primary societies. The results achieved are satisfactory.

(2) The Chingleput District Federation concentrated its activities mainly on rectification work in bad and dormant societies, besides co-ordinating the activities of the supervising unions in the district. This federation has changed its constitution temporarily by entrusting its management to a small committee of five persons.

(3) The Madura-Ramnad District Federation continued to attend to the rectification of bad societies and examination of individual loans in societies.

(4) The Kistna District Federation is co-ordinating the activities of local co-operative unions in the district and controlling the supervising staff.

(5) The Trichinopoly District Federation continued to control the work of the non-official supervising staff in the district.

Supervision.

27. For purposes of supervision, primary societies were grouped under different agencies as follows :—

1. Affiliated to local supervising unions	9,554
2. Affiliated to district federations directly	112
3. Affiliated to Central Banks for supervision ...	442
4. Under the Fisheries Department	50
5. Under the Special Police Officers for Kallars ...	142
6. Depressed classes societies under the supervision of the Madras Christian Central Bank	470

It will be observed that the chief agency for supervision continued to be the local co-operative supervising unions. There were 375 supervising unions at the beginning of the year. Eighteen of them were cancelled during the year, mostly for reasons of economy, and three were added. Thus, there were 360 unions at the end of the year.

For various reasons most of the local co-operative supervising unions have not fulfilled the objects for which they have been started. The control and direction of supervisors has practically in all districts been taken over either by the Central Banks or the Federations where they are effectively functioning although the work is done through unions. There were 581 supervisors at the end of the year. The expenditure incurred by them was Rs. 5,72,778 while their income from supervision fund, grants from Central Banks and contributions from District Federations amounted to Rs. 2,19,961, Rs. 2,15,308 and Rs. 61,971, respectively. Including the arrears of previous years Rs. 3·98 lakhs had to be collected in all districts from primary societies towards supervision fund. Of this, Rs. 2·71 lakhs, were collected and Rs. 1·27 lakhs were left in arrears at the end of the year.

In the conference of the Registrar with select Deputy Registrars and Sub-Deputy Registrars held in November 1933, it was agreed that supervision by unions should be continued though it was realized that bad and dormant unions should be liquidated; and that the existing unions might be regrouped into larger unions with compact areas of operations as a measure of retrenchment.

Training institutes and co-operative education.

28. Two hundred and fifty-five students were trained by the six institutes during the year. One hundred and fifty-nine passed the examination conducted by the Madras Provincial Co-operative Union. The six institutes together incurred an expenditure of Rs. 20,488 of which the subsidy received from Government amounted to Rs. 6,250. In addition to this subsidy, Government gave each institute (except that at Rajahmundry) the services of a Sub-Deputy Registrar free of cost to do duty as Superintendent of the institute.

In G.O. No. 867, Development, dated 26th June 1934, the Government have ordered the discontinuance of this subsidy and staff to the institutes and sanctioned instead the starting of a Central Co-operative Institute at Madras and two mufassal peripatetic schools. The staff of the Central Institute consists of a Principal and two lecturers, a clerk and two peons. The course of training in Co-operation, Audit, Banking, Book-keeping and Rural Economics will be one year including vacation and candidates for departmental requirements will be trained in the Institute. The Institute has since the close of the year been opened by the Honourable the Minister for Public Works. It is hoped that the Institute will in course of time develop into a college and give a more detailed training to students in "Co-operation" and allied subjects.

The two peripatetic schools will be run under the auspices of the Madras Provincial Co-operative Union—one in the northern districts and the other in the southern districts. The schools will conduct a course of training in the elements of co-operation and allied subjects for five months each and employees for non-official co-operative service will be trained thereat. Owing to the delay in the satisfactory settlement of the question of the period of the course of training in the schools they could not be started in time. The Provincial Co-operative Union has since agreed to the conditions laid down by Government and Government have directed that the schools may be started—one at Vellore and the other at Rajahmundry.

Classes for training the panchayatdars of village societies and supervisors in the principles and practice of co-operation were held by the District Federations and Central Banks at Chingleput, Cuddapah and Tanjore. The classes were held in four centres and 68 members of 26 societies attended them.

Agricultural Societies.

Progress.

29. At the end of the previous year the total number of all types of societies under this class was 12,064. During the year 94 societies were registered

and one was brought in by transfer from non-agricultural societies, while the registration of 386 societies was cancelled. Thus at the end of the year, there were 11,773 societies composed of 11,348 credit societies, 75 purchase, purchase and sale societies and 350 other types of societies. The membership of these societies fell from 628,805 to 597,606.

Loans.—These societies advanced loans to their members to the extent of Rs. 92·16 lakhs as against Rs. 92·37 lakhs in the previous year. A classification of loans disbursed during the year with reference to their purpose as compared with those in the previous years is given below:—

Year.	Number of members.	Working capital.	Loans for productive purposes. Number.	Amount.	Percentage.
(1)	(2)	(3)	(4)	(5)	(6)
		RS. (IN LAKHS.)		RS. (IN LAKHS.)	
1929-30	713 615	677·10	174,229	188·42	69·90
1930-31	714,820	669·11	118,870	112·97	69·10
1931-32	674,417	592·80	63,979	64·88	66·59
1932-33	627,088	545·41	59,766	59·35	64·25
1933-34	597,606	519·96	52,927	51·02	55·37

Year.	Loans for redemption of prior debts. Number.	Amount.	Percentage.	Loans for non-productive purposes. Number.	Amount.	Percentage.	Total loans. Number.	Amount.
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		RS. (IN LAKHS.)			RS. (IN LAKHS.)			RS. (IN LAKHS.)
1929-30 ...	26,052	71·77	27·50	5,279	6·61	2·60	172,944	260·80
1930-31 ...	22,683	48·22	29·49	2,367	2·31	1·41	143,920	163·50
1931-32 ...	13,473	31·10	31·93	1,477	1·45	1·48	78,929	97·43
1932-33 ...	12,310	31·68	34·30	1,484	1·34	1·45	73,560	92·37
1933-34 ...	14,158	39·39	42·74	1,725	1·75	1·89	68,810	92·16

It may be seen from the classification that the societies have continued to grant the bulk of loans for productive purposes. Rs. 41·43 lakhs of the total amount disbursed was for short term purposes, the ratio between short term and long term being 5 : 6. The percentage of long-term loans outstanding against members is still high, being 73 per cent of the entire amount outstanding. The amount of loans due by agricultural societies to Central banks was Rs. 333·78 lakhs, of which Rs. 73·80 was on short term and Rs. 259·98 on long term, while the amount due by members of these societies was Rs. 420·28 lakhs, of which Rs. 113·67 lakhs were on short term and Rs. 306·61 lakhs on long term.

30. The number of agricultural credit societies fell from 11,623 to 11,348; of these, 47 had not started work by the end of the year. Of the total number of societies, 87 were on the basis of limited liability, viz., 64 land mortgage banks, 11 grain banks, 8 seed societies, 3 classed as agricultural banks and one rural reconstruction society.

Credit societies.

Members.—The total number of members in these societies fell from 593,374 to 562,541. The following statement gives the financial particulars regarding these credit societies :—

	1932-33. RS. (IN LAKHS.)	1933-34. RS. (IN LAKHS.)
1. Paid-up share capital	72·75	67·95
2. Deposits by members	10·27	10·59
3. Do. by non-members	24·97	26·99
4. Loans from financing banks and other societies	356·52	331·91
5. Loans from Government	8·43	5·80
6. Reserve fund	62·79	67·18
7. Total working capital	535·73	510·42
8. Net profit	9·74	8·83
9. Loss	25·82	24·63

Profits.—The total divisible profits earned by some of the agricultural credit societies fell from Rs. 9·74 lakhs to Rs. 8·83 lakhs. The total loss not yet recouped by some societies on the last day of the year was Rs. 24·63 lakhs. The loss occurred in 51 per cent of the societies, all the districts contributing to it.

Arrears.—A statement showing the percentage of balance to demand under principal, arrear interest and current interest for the last five years is given below :-

Year. (1)	Demand under principal in the year. (2) RS. (IN LAKHS.)	Amount overdue. (3) RS. (IN LAKHS.)	Percentage of columns (3) to (2). (4)	Interest overdue at the end of the previous year. (5) RS. (IN LAKHS.)
1929-30	379·72	176·24	47·00	38·00
1930-31	427·30	254·52	59·56	46·96
1931-32	436·88	275·74	63·11	61·54
1932-33	391·42	264·41	67·55	68·09
1933-34	356·24	251·89	70·71	74·76

Year.	Interest overdue at the end of the year of the amount in column (5). (6) RS. (IN LAKHS.)	Percentage of columns (6) to (5). (7)	Interest accrued and fallen due during the year. (8) RS. (IN LAKHS.)	Balance overdue at the end of the year out of the amount in column (8). (9) RS. (IN LAKHS.)	Percentage of columns (9) to (8). (10)
1929-30	22·47	59·00	58·45	23·35	39·00
1930-31	30·62	65·20	62·75	31·35	49·91
1931-32	38·31	62·25	60·43	31·29	51·77
1932-33	44·87	65·89	54·01	32·22	59·65
1933-34	52·62	70·39	48·54	31·11	64·10

Appendix No. 4, section I gives details of overdues by districts and the percentage of balance to demand under principal, arrear interest and current interest. Under long-term loans, the arrears were above 47 per cent in all districts. The arrears under short-term were below 40 per cent in the districts of Madura, Nilgiris, and Trichinopoly, whose percentages were 38·19, 29·82 and 39·90, respectively. In all other districts the percentage was heavier ranging from 42 to 90 per cent.

31. There were 79 societies under this class at the beginning of the year. Four societies were registered in the year, while the registration of eight societies was cancelled. Thus at the close of the year there were 75 societies. These societies are classified as follows:—

Purchase, purchase and sale societies.

	NO.		NO.
1. Loan and sale societies ...	53	6. Milk Supply Union ...	1
2. Trading unions	7	5. Miscellaneous	5
3. Agricultural improvement societies	7	Total ...	75
4. Stores	2		

The purchases made by these societies amounted to Rs. 2,95,227, and the sales to Rs. 4,69,486. The following societies contributed to the bulk of the sales :—

	RS.		RS.
1. Tiruppur Cotton Sale Society	3,10,907	4. Anakapalle Loan and Sale Society ...	76,690
2. Madras Milk Supply Union	1,11,981	5. South Arcot Central Groundnut Sale Society	57,660
3. Kovilpatti Cotton Sale Society ...	89,470	6. Dharmavaram Loan and Sale Society...	53,194

The South Arcot Central Groundnut Loan and Sale Society continued to market groundnut in the Cuddalore, Vriddhachalam, Tirukkoyilur and Kallakurichi taluks. The warehouses at Cuddalore, Tirukkoyilur and Vriddhachalam run under the guidance of the officers of the Agricultural department continued to make progress. The officers of the Agricultural and Co-operative departments carried on propaganda work in the area. The ryots had the benefit of fair weights and weighment at the warehouses. The three warehouses together sold 2,866 candies of groundnut for Rs. 57,660. The saving to the ryots is reported to range from Rs. 1-8-0 to Rs. 2-4-0 per candy.

The profits of some of these societies were Rs. 14,180 and the losses of others were Rs. 17,266.

The transactions of a few loan and sale societies which did substantial work are furnished in the statement on page 35.

During the year the need for co-operative marketing was brought home to the officers of the Department and they were instructed to explore the possibilities of co-operative sale societies in suitable centres in districts in their charge.

Of the loans given by Government to sale societies for construction of godowns, the following amounts were outstanding and overdue against each on the last day of the year :—

	Amount outstanding.	Overdues.
	RS.	RS.
(1) Ambur Agricultural Improvement Society (North Arcot)... ...	1,665	200
(2) Nandyal Loan and Sale Society (Kurnool)	1,090	...
Total ...	2,755	200

32. *Production.*—There were no societies under this class.

Production and sale.

33. Under this class, there were 13 societies at the beginning of the year. Three milk-supply societies were liquidated. There were at the end of the year 10 societies composed of 7 milk-supply societies, 2 agricultural and industrial societies and one salt licensees society.

Milk-supply Societies.—At the beginning of the year, there were 13 societies (10 in Chingleput classed as agricultural and 3 in Madras classed as non-agricultural). Three societies in Chingleput and one in Madras were cancelled in the year. There were *nine* societies at the end of the year. They had 361 members on the rolls with a paid-up share capital of Rs. 1,999. These societies supplied milk to the Madras Milk Supply Union to the value of Rs. 75,553 during the year.

The Madras Milk Supply Union.—The Union realized Rs. 1,11,981 by the sale of milk and milk products and earned a net profit of Rs. 2,411. It received about 663 measures of milk on an average per day and supplied 350 measures to State hospitals. The average daily sales at depots and by house-delivery were 254 measures.

Transactions of a few Loan and Sale Societies.

Name of district.	Name of society.	Produce dealt with.	Number of members. Indivi-duals.	Number of members. Societies.	Paid-up share capital.	Borrowings from the Central Bank on the security of produce.	Repay-ments.	Advances to members.	Paid out of advance.	Value of goods received on pledge or for sale.	Value of stock sold as agent or owner.	Net profit or loss.
					RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Ananta-pur.	Dharmavaram Loan and Sale Co-operative Society.	Paddy, ragi, cotton and chillies.	271	48	4,250	13,500	17,503	38,364	35,668	53,195	53,195	+1,139
	Tadpatri Loan and Sale Co-operative Society.	Cotton, cholam and korra.	121	42	2,860	14,582	13,251	16,803	17,422	3,031	2,534	+ 149
Bellary ...	Bellary Loan and Sale Co-operative Society.	Cotton and groundnut.	87	13	1,521	4,310	20,892	2,720	18,636	3,000	5,085	+ 4
	Hospet Loan and Sale Co-operative Society.	Jaggery and groundnut.	124	11	2,507	12,469	12,295	15,001	24,007	39,262	41,850	+ 630
Coimba-tore.	Erode Loan and Sale Co-operative Society.	Paddy, groundnut, turmeric and cotton.	89	40	2,105	15,311	5,553	26,930	16,644	33,823	11,174	− 492
	Tiruppur Co-operative Trading Society.	Cotton seeds, kappas, ragi and chillies.	670	67	20,610	1,69,248	2,58,523	2,92,766	3,59,488	2,18,264	3,10,907	+1,994
Kistna ...	Viziavada Loan and Sale Co-operative Society.	Paddy	9	19	2,080	19,250	1,010	25,814	1,000	50,991	...	+ 21
Tanjore.	Tanjore Loan and Sale Co-operative Society.	Do.	59	5	1,580	32,284	22,248	33,839	21,654	47,780	27,396	+ 282
Tinne-velly.	Kovilpatti Loan and Sale Co-operative Society.	Cotton	739	36	8,023	26,533	33,176	34,179	31,704	1,09,102	89,470	+1,534
	Tuticorin Loan and Sale Co-operative Society.	Cotton-seeds	52	33	3,350	7,595	6,298	7,620	6,175	13,556	11,355	− 169

The contract secured by the Union for the supply of milk to the Mental and the Women and Children Hospitals was continued by Government in the year. It completely repaid the balance of loan of Rs. 1,799 due to Government out of the loan of Rs. 15,000 taken by it for the purchase of motor lorries, etc. It paid the second instalment of Rs. 2,125 towards the excess expenditure incurred by Government for non-fulfilment of contract in the previous year. It has still to pay three more instalments. The Union is making steady progress. The question of the sanction of a loan of Rs. 75,000 to the Union for the purchase of the plant and buildings for pasteurising milk is still under consideration.

Industrial societies.

The Kallakurichi Agricultural and Industrial Society did no work this year also except leasing out its factories for Rs. 4,080. It had a profit of Rs. 1,002. The Udipi Agricultural and Industrial Society did some useful work in the year. It crushed sugarcane to the value of Rs. 6,800 and produced 3,904 maunds of jaggery and 213 maunds of sugar. It also hulled rice and extracted oil from cocoanuts, etc. The society earned a gross profit of Rs. 749. The total loss incurred by the society till 30th June last was Rs. 5,988. Attempts are being made to instal a bigger mill and a centrifugal for the manufacture of sugar.

Other forms.

34. There were 340 societies at the end of the year as against 349 at the end of the previous year. During the year 5 societies were registered and 14 were cancelled. These societies are distributed as shown below :—

1. Kudimaramat and irrigation societies	10
2. Agricultural demonstration societies	10
3. Land reclamation societies	12
4. Landholders' lease societies	8
5. Arbitration union	1
6. Agricultural improvements societies	12
7. Industrial and credit societies	2
8. Cotton growers society	1
9. Field labourers and tenants societies	284
Total ...	340

A brief account of the working of these societies is given below :—

Kudimaramat and irrigation societies.

There were 10 societies, 3 in South Arcot, 3 in Tanjore and 1 in each of the districts of Guntūr, Kistna, Malabar and Tinnevelly. All the societies except one in Tanjore did some useful work in the year. Three of these societies undertook kudimaramat work by the removal of silt and the digging of irrigation channels. The area under these channels was 2,227 acres of land. These societies helped to bring under cultivation 5,011 acres of land, the total number of members benefited being 428. The number of members of all these societies was 554. Their share capital and working capital were Rs. 3,459 and Rs. 11,722, respectively.

Agricultural demonstration societies.

There were 10 societies of this type at the end of the year with a membership of 344, composed of 313 individuals and 31 societies. Four societies in Trichinopoly transacted some business in the year. They introduced improved methods of cultivation on 58 acres of land in paddy and cotton. The traditional methods of cultivation were also adopted on 9 acres of land to demonstrate to the public the utility of modern methods of farming.

The Sivagnanam Agricultural Demonstration Society at Lalgudi (Trichinopoly district) distributed manures and implements to the value of Rs. 97,270 to members and to the public. It also took on lease about 40 acres of wet land for demonstration purposes. It earned a net profit of Rs. 595.

Land reclamation societies.

There were 5 societies of this kind in the Tanjore and seven in the Trichinopoly districts. They had on their rolls 684 members with a paid-up share capital of Rs. 18,202. The Government loans outstanding against these societies amounted to Rs. 2,02,625, of which Rs. 4,379 were overdue. The extent of land reclaimed up to the beginning of the year, by these societies was 1,741 acres and that reclaimed during the year was 6 acres by one society in the Trichinopoly district. Eight hundred and seventy-one acres still remained to be reclaimed at the end of the year.

The transactions of tenants and field labourers' societies are given in paragraph 42 under the heading "Societies for depressed and backward classes."

Non-agricultural Societies.

Progress.

35. At the end of the year, there were 1,438 societies with a membership of 281,472 as against 1,451 societies with 269,390 members at the end of the previous year. Five of these societies did not start work before the close of the year.

Societies of this class had a paid-up share capital of Rs. 89·48 lakhs and a working capital of Rs. 348·70 lakhs. They issued loans amounting to Rs. 222·85 lakhs for the purposes set forth in Appendix No. 2. Rs. 65·81 lakhs of the total amount of loans were given on short-term and Rs. 157·04 lakhs were given on long-term. Their indebtedness to the Central Banks on 30th June 1934 was Rs. 23·20 lakhs, of which Rs. 11·35 lakhs represented short-term loans and Rs. 11·85 lakhs long-term loans.

The demand, collection and balance of principal and interest due to these societies are given in Appendix No. 1, section II. The societies were in arrears to the extent of Rs. 7·59 lakhs against a demand of Rs. 255·51 lakhs under principal which works out to a percentage of 2·97 as against 3·5 in the previous year. Their overdues under interest work out to 4·87 per cent as against 3·99 per cent in the previous year. There was some improvement in principal collections over those of last year, while interest arrears went up.

The net divisible profit of some of these societies was Rs. 11·53 lakhs, while the loss sustained by the remaining societies was Rs. 2·57 lakhs.

The detailed working of the various types of societies under this class is given below:—

Credit Societies.—The progress made by non-agricultural credit societies is exhibited below:—

	1932–33.	1933–34.
1. Number of societies	1,080	1,069
2. Number of members	236,750	248,245
	RS. (IN LAKHS.)	RS. (IN LAKHS.)
3. Paid-up share capital	78·38	77·62
4. Reserve fund	25·97	28·50
5. Deposits by members	90·23	85·55
6. Deposits by non-members ...	89·03	96·33
7. Loans from Government	0·02	0·21
8. Loans from Central Banks and other societies	18·14	20·65
9. Total working capital	301·77	308·86
10. Divisible profits	9·86	10·37
Arrears.	Percentage.	
Principal	23·94	22·50
Interest	30·13	33·68

These 1,069 societies can further be classified as follows:—

Government servants societies	222
Municipal, local board and railway employees, etc.—Superior societies	77
Municipal, local board and railway employees—Inferior societies	54
Factory employees societies...	12
Thrift societies	11
Others	693
Total ...	1,069

Three Municipal Employees' societies purchased and distributed in the year cloth and foodstuffs to the value of Rs. 7,444 and the savings effected by members were estimated at Rs. 117.

Loans.

During the year, these societies disbursed loans amounting to Rs. 219·96 lakhs, of which Rs. 65·58 lakhs were on short-term and Rs. 154·38 lakhs

were on long-term. The arrears under principal and interest due to and due by these credit societies are shown in section 1 of Appendices Nos. 4 and 3 respectively. There was some improvement in repayments to the Central Banks over those in the previous year, the percentage of overdues in the Presidency being 4·93 under long-term and 2·15 under short-term as against 6·48 and 2·42 respectively in the previous year. The interest arrears, however, increased in the year, the percentage being 4·71 as against 3·65 in the preceding year. Out of a total demand of Rs. 173·29 lakhs and Rs. 86·91 lakhs under long-term and under short-term loans respectively outstanding against members, there was an arrear balance of Rs. 40·38 lakhs and Rs. 18·13 lakhs under long-term and short-term loans, the percentages of arrears working out to 23·30 and 20·86. The percentages of overdues under arrear and current interest were 60·01 and 22·68 respectively as against 54·30 and 21·37 in the previous year. The loss sustained by 192 societies of this class was Rs. 1·27 lakhs. The rest earned a net divisible profit of Rs. 10·37 lakhs.

Fluid resources.

During the year, the number of societies and banks which had to maintain fluid resources ranged from 143 to 156. The following statement shows the number of societies that had to maintain fluid resources and the number that failed to maintain them in each of the four quarters of the year:—

Quarter.	Number of societies at the beginning.	Number of societies at the end.	Number of failures.
I	143	148	18
II	148	149	17
III	149	156	18
IV	156	154	22

The importance of maintaining the necessary standard of fluid resources was impressed on the societies concerned.

Societies for purchase, purchase and sale and production, production and sale.

36. The total number of societies under these classes at the close of the year was 200 as against 195 in the previous year. The classification of societies is as follows:—

Stores	61	Milk supply societies in Madras	2
School and College societies	89	Industrial and credit societies	2
Weavers' societies ...	27	Miscellaneous	10
Fishermen societies...	7	Total ...	200
Coir-workers' societies...	2		

These societies had on their rolls 21,118 members with a paid-up share capital of Rs. 3,13,067. The total working capital amounted to Rs. 10,41,669. The net profits made by some societies amounted to Rs. 43,027 and the loss incurred by the rest was Rs. 74,568. A short account of the work done by some of the important classes of societies is given below.

37. These societies classed under "Purchase" had a working capital of Rs. 5·48 lakhs. In addition to the stock on hand at the end of the previous year valued at Rs. 2,57,346, they purchased goods worth Rs. 26,19,787 and sold goods for Rs. 26,27,991. Thus, there was stock worth Rs. 2,49,142 on hand at the end of the year. The profit earned by some of these societies amounted to Rs. 37,017 as against Rs. 39,707 in the previous year, while the loss sustained by the rest amounted to Rs. 35,746 as against Rs. 37,775.

Stores.

The Triplicane Urban Co-operative Society with its 26 branches in the Madras City had on its rolls 5,735 members with a paid-up share capital of Rs. 92,534. The society purchased goods to the value of Rs. 7,06,277 and sold goods for Rs. 7,93,200. It earned a profit of Rs. 7,208 in the year as against Rs. 5,392 in the previous year.

There were 89 students' stores at the end of the year as against 81 in the previous year. The following figures indicate the transactions of these societies during the year:—

	1932-33.	1933-34.
1. Members	4,319	3,814
2. Associate members	9,070	8,833
	RS.	RS.
3. Paid-up share capital	7,165	7,094
4. Value of books, stationery, etc., purchased	92,397	86,092
5. Value of articles sold	93,616	89,176
6. Stock on hand at the end of the year	21,656	19,677
7. Savings effected	6,896	6,723
8. Amount of bonus distributed from the profits of the previous year...	2,972	3,211

Some of the societies earned a profit of Rs. 7,223 as against Rs. 5,651 in the previous year, while the loss incurred by some others amounted to Rs. 1,250 as against Rs. 785 in the preceding year.

38. There were 27 societies exclusively for weavers. Of these, 17 societies remained dormant. The rest purchased raw materials worth Rs. 7,811 and from its members finished products to the value of Rs. 56,517.

Weavers' societies.

Finished products were sold to the public to an extent of Rs. 71,083. The working capital of all these societies was Rs. 1,08,695 while the profits earned by some of these societies amounted to Rs. 5,057 and the loss sustained by the rest was Rs. 2,409.

The Salem Weavers' Society continued to work in the year. The Senior Inspector deputed to work in the society continued as its marketing officer till January last, when he was replaced by a Junior Inspector. The society purchased from its members finished products worth Rs. 37,151 and realized Rs. 41,450 by sales. It earned a net profit of Rs. 2,098 as against Rs. 418 in the previous year. As a result of large credit sales in the previous years, heavy arrears remained to be realized. The attention of the marketing officer had, therefore, to be concentrated on the work of realizing the heavy arrears besides pushing on sales. Owing to the general trade depression, the society had to limit the production of goods. The society continues to supply mainly to co-operative institutions and some leading firms in Madras. The only other society that did some useful work is the Coimbatore Devanga Weavers' Society.

The number of credit societies in which weavers contributed more than 60 per cent of membership fell further from 90 to 74 at the end of the year. They had a paid-up share capital of Rs. 60,045 and a working capital of Rs. 3,88,668. The profit and loss made by these societies were Rs. 11,669 and Rs. 14,049 in the year.

There were two societies of this type in the Vizagapatam district at the beginning of the year. A third society was registered at Bobbili but it was subsequently cancelled as it could not start work. Two more societies were registered and started in the year in the Kistna district. In all, there were four societies at the end of the year for the manufacture of sugar. The societies at Etikopaka and Tummapala did not turn out any appreciable work in the year, partly because they started the manufacture of sugar late in the season and partly because the machinery did not work smoothly.

Industrial and credit societies.

The Vuyyur Industrial and Credit Society started work in February last with a membership of 256 and a paid-up share capital of Rs. 38,819. The Madras Provincial Co-operative Bank sanctioned a loan of Rs. 10 lakhs for the purchase of machinery and the construction of buildings. The services of a Deputy Registrar and two Sub-Deputy Registrars were lent to this society since the close of the year for work as General Manager and for the scrutiny of documents relating to the landed properties of members tendered as mortgages to the society. The Provincial Co-operative Bank has, since the close of the year, disbursed a sum of Rs. 2·50 lakhs, out of the loan of Rs. 10 lakhs sanctioned to this society. The society paid Rs. 1·80 lakhs towards the cost of plant and machinery supplied by the firm of A. W. Smith & Co., of Glasgow. It has appointed a Civil

Engineer for working the plant. The work of this society will be watched with interest.

Insurance societies.

39. There were two societies in this class at the end of the year.

The South India Co-operative Insurance Society, Madras.

This is the third year of the working of this society. At the end of the year under report, there were 1,311 members with a paid-up share capital of Rs. 42,999 as against 605 members with a share capital of Rs. 41,111 at the end of the previous year. Of the 1,311 members, 35 were co-operative societies and the rest individuals. At the beginning of the year, there were eleven proposals for policies amounting to Rs. 15,000 pending acceptance. One thousand and sixty-one proposals for policies amounting to Rs. 8,81,950 were received during the year. Of these, 1,034 proposals for Rs. 8,58,750 were accepted and 28 proposals to the value of Rs. 28,250 were rejected. Thus, at the end of the year, 10 proposals for policies amounting to Rs. 9,950 were pending acceptance. Eight hundred and sixteen policies for Rs. 6,66,850 in all were issued during the year as against 489 for Rs. 4,62,700 in the previous year. Two policies for Rs. 2,000 were paid in the year on account of the death of the holders. At the end of the year, there were 1,453 policies for an assured sum of Rs. 13,00,350 as against 635 policies for Rs. 6,31,700 at the close of the previous year. A premium of Rs. 47,119 was collected in the year as against Rs. 22,582 in the preceding year. To the thirty-five local boards working at the end of the previous year, four were added in the year. Thus the total number of local boards constituted in several centres to canvass business was 39 at the end of the year. Of the 816 policies to the value of Rs. 6,66,850 issued during the year, the Telugu districts contributed a business of Rs. 4·27 lakhs, the Tamil districts Rs. 1·80 lakhs, West Coast Rs. 0·38 lakh and the Madras City Rs. 0·22 lakh. It is gratifying to record that the society continued to make satisfactory progress in the year.

The other society included in this class is the Postal R.M.S. Mutual Benefit Fund, Madras. On the 30th June 1934, it had 2,711 members with a paid-up share capital of Rs. 39,498 as against 2,401 members with a share capital of Rs. 41,266 in the previous year. During the year the society realized Rs. 1,47,732 by way of premium as against Rs. 1,35,498 in the preceding year. Claims actually paid in the year on account of death and maturity of policies amounted to Rs. 78,400 as against Rs. 89,701 in the previous year. The total life assurance fund at the close of the year was Rs. 3,30,511 as against Rs. 2,50,121 in the previous year. Claims admitted or intimated to the extent of Rs. 23,085 remained unpaid on the last day of the year as against Rs. 26,722 at the end of the previous year. The society has deposited with the Controller of Currency post office cash certificates and other Government securities to the value of Rs. 1,45,077 as against Rs. 97,311 in the preceding year.

Other forms (building societies).

40. Of the total number of 167 societies in this class, 114 were building societies. Their progress is indicated in the following statement :—

	1932 33.	1933–34.
Number of members	3,878	3,808
Paid-up share capital	RS. 9·45 lakhs.	RS. 8·75 lakhs.
Net profits or loss ...	+89,602 —10,329	+64,086 — 8,585
Loans outstanding to Government	19·84 lakhs.	17·45 lakhs.
Number of houses (completed)	1,531	1,573
Estimated value	RS. 45·64 lakhs.	RS. 44·25 lakhs.
Number of houses (under construction)	71	48
Estimated value	RS. 1·81 lakhs.	RS. 1·28 lakhs.

A sum of Rs. 7,645 under principal and Rs. 5,834 under interest were overdue in respect of Government loans as against Rs. 13,384 and Rs. 7,621, under principal and interest respectively in the previous year. The societies in the Guntūr and Kistna districts chiefly contributed to these overdues.

A sum of Rs. 27·22 lakhs was outstanding against members. Of this, Rs. 2·95 lakhs under principal and Rs. 1·10 lakhs under interest were overdue at the close of the year as against Rs. 3·70 lakhs and Rs. 1·35 lakhs under principal and interest respectively at the end of the previous year. Though there is some improvement in collections, the position cannot be said to be satisfactory. In the departmental conference held in November 1933, my predecessor emphasised on the Deputy Registrars the imperative need for giving personal attention to the recovery of the heavy arrears due to Government.

Other forms (other societies).

41. Excluding the building societies, there were 53 societies of this class at the end of the year and they are classified as under :—

1. Labour contract societies...	19	6. Benefit fund societies ...	3
2. Forest coupe societies ...	2	7. Miscellaneous	2
3. Societies for purchase of house-sites	2		
4. Printing societies	4	Total ...	53
5. Fishermen societies ...	21		

A brief account of the working of some of these societies is given below :—

Labour contract societies.

There were 19 societies of this type as against 21 in the preceding year. Of the 19 societies, five did no work in the year. The total number of members of all societies was 2,950, of whom 105 were helpers and 2,845 were actual workers. They had a paid-up share capital of Rs. 7,119 and a reserve fund of Rs. 11,829.

Work to the value of Rs. 3,768 was pending execution at the beginning of the year and fresh work for Rs. 27,010 was secured in the year. The societies executed work to the value of Rs. 26,241; a contract worth Rs. 158 was cancelled in the year. Thus, at the end of the year, work to the value of Rs. 4,379 was pending execution. The members derived Rs. 15,200 as wages and non-members were paid Rs. 3,547. Twelve of these societies earned a net income of Rs. 2,579, while two of them worked at a loss of Rs. 373. The bonus paid to members was Rs. 258.

Printing societies.

There were three printing societies one in each of the districts of Tanjore, Trichinopoly and in Madras at the beginning of the year. One society was registered at Coimbatore in the year. The transactions of these four societies were as shown below:—

	1932-33.	1933-34.
	RS.	RS.
1. Paid-up share capital	28,020	31,635
2. Reserve fund	10,176	10,291
3. Borrowed capital	17,540	9,647
4. Value of business done ...	25,867	29,378
5. Working expenses	16,229	16,316
6. Net profit	+ 215	+ 2,733
7. Loss	− 6,226	− 6,033

All the four societies worked at a profit in the year. But the societies in Madras and Trichinopoly have yet to recoup the losses of previous years. Including the arrears to be recovered in respect of printing and binding done in the previous years, the total amount recoverable during the year was Rs. 39,794. Of this, a sum of Rs. 28,784 was actually collected and a balance of Rs. 11,010 was pending recovery from customers at the close of the year. From the above statement, it may be observed that the societies have increased their owned capital and reduced the borrowed capital.

Thrift societies.

There were eleven thrift societies including three benefit fund societies at the beginning of the year. During the year, one society was started in Kurnool and three were cancelled. Thus, there were only nine societies at the end of the year. Their share capital amounted to Rs. 10,245. The savings of members of these societies are shown below:—

	1932-33.	1933-34.
	RS.	RS.
1. Recurring deposits	5,960	6,889
2. Current deposits	100	...
3. Savings deposits	667	2,329
4. Provident deposits	6,643	7,011
5. Fixed deposits	5,265	2,678
6. Other deposits	3,923	9,862

The societies invested Rs. 11,128 in loans to members, Rs. 29,031 in deposits in other societies and Rs. 2,382 in Central banks.

Fishermen's societies.

At the close of the year there were 28 societies—seven classed as non-agricultural (purchase, purchase and sale) and 21 classed as non-agricultural (other forms)—for the benefit of the fishermen community.

A brief account of the working of some of these societies is given below:—

The four societies in Kurnool obtained in the year fishing lease in tanks and the Kurnool-Cuddapah canal from the Fisheries Department on an annual rental of Rs. 1,510. The working of these societies resulted in a loss of Rs. 443.

The Blangad Fishermen Society in Malabar purchased additional boats and nets worth Rs. 206 for joint fishing. The society's share of the catches was Rs. 180. The Kandukur Fishermen Society in the Nellore district took the lease of the fisheries of the Mopaud and Machavaram tanks for Rs. 915 for one year.

The two societies in Trichinopoly conjointly worked the lease of the Cauvery-Coleroon fishery for Rs. 6,000 and incurred a loss of Rs. 13,179.

Depressed and backward classes societies.

42. On the 30th June 1934 there were 2,776 societies formed specially for the Adi-Dravidas, Adi-Andhras, Fishermen, Kallars and other backward classes as against 2,905 on the last day of the previous year.

In G.O. No. 918, Development, dated 29th July 1933, the Government sanctioned the continuance of the scheme of supervision by the Madras Christian Central Bank of depressed class societies in the districts of Guntūr, Chingleput and Cuddapah for another year from 1st July 1933. The Government also granted a subsidy of Rs. 1,600 a month to meet the cost of the staff employed for the purpose. The request of the Bank to waive the recovery of the excess subsidy of Rs. 1,633 paid for the year 1932–33 and to sanction an increased subsidy of Rs. 1,800 per month was negatived by Government. The Government also ordered that the experiment should be terminated on 30th September 1934. The supervision of these societies has since been taken over by the department from 1st October 1934.

The societies are financed chiefly by the Madras Christian Central Bank. The overdues to the Bank on 30th June 1934 amounted to Rs. 3,21,219 under principal and Rs. 15,916 under interest as against Rs. 3,32,453 and Rs. 11,764 under principal and interest, respectively, in the previous year. The percentages work out to

52·17 under principal and 20·78 under interest as against 53·92 and 15·93 respectively in the previous year.

The following statement shows the transactions of these societies :—

Particulars.	Societies under Co-operative Department.	Societies under Kallar Special Officers.	Societies under Fisheries Department.
Number of societies ...	2,341	357	78
Number of members ...	121,260	20,892	3,110
	RS.	RS.	RS.
Paid-up share capital ...	7,54,991	1,11,178	69,078
Deposits from members.	1,04,854	162	18,949
Deposits from non-members and loans from Central Banks ...	10,15,832	5,546	34,558
Loans from Government.	2,73,437	2,48,586	...
Reserve fund	4,35,064	1,06,867	36,090
Working capital ...	25,84,178	4,72,339	1,58,675
Divisible profit	72,011	22,560	6,807
Loss	1,84,885	9,405	15,546

At the end of the year, a sum of Rs. 55,785 was overdue from societies in charge of this department in respect of loans amounting to Rs. 2,73,437 due to Government. The Kallar societies in charge of the Special Kallar Officers were in arrears of Rs. 1·06 lakhs out of Rs. 2·49 lakhs due to Government.

Societies for hill tribes.

43. There were 112 societies under this class, one in North Arcot, 69 in the Nilgiris, 10 in Salem, and 32 in the Ganjām, East Gōdāvari, and Vizagapatam agencies including stores and other societies. The one society in North Arcot registered for the benefit of the hill tribes in Javadi hills is dormant. The societies in the Nilgiris were started for the exclusive benefit of Badagas, Todas and Kotas. These 69 societies had a membership of 3,006 with a paid-up share capital of Rs. 16,727. The Agency societies had 7,798 members on their rolls with a paid-up share capital of Rs. 53,700 at the end of the year as against 7,629 members with a paid-up share capital of Rs. 49,475 in the previous year. These societies purchased outright the requirements of their members to the value of Rs. 26,773 as against Rs. 11,503 in the preceding year and distributed the articles to members. They purchased members' products to the value of Rs. 4,846 for sale to the public. The societies are progressing fairly

satisfactorily. The societies in the Salem district are formed for the benefit of koravars.

Societies for joint cultivation of land and purchase of house-sites.

44. The total number of societies for joint cultivation and for the purchase of house-sites was 788 as against 809 in the previous year. They had 33,041 members on the rolls on 30th June 1934 as against 35,299 on 30th June 1933. Thirty-eight thousand nine hundred and fourteen acres of land were in the enjoyment of members at the beginning of the year. They obtained 372 acres of land for cultivation and abandoned 1,463 acres in the year; thus, at the end of the year there were 37,823 acres of land in the enjoyment of members. Land revenue collected from members was Rs. 1·62 lakhs and that paid to Government was Rs. 1·61 lakhs. A sum of Rs. 3,642 was collected from members, out of which Rs. 2,965 were paid to owners towards the lease. The members of these societies held 13,037 house-sites at the end of the year and 10,581 houses were constructed. These societies issued loans to the extent of Rs. 1,80,915 in the year and recovered Rs. 1,56,425. A sum of Rs. 5,16,530 was outstanding against members on the last day of the year.

In the thirteen districts, some of the credit societies undertook the joint purchase of members' requirements, such as agricultural requirements, manure, rice, cloths and other articles to the extent of Rs. 1,42,819 thereby saving Rs. 9,347 to their members. The societies in the Trichinopoly and Kistna districts and in Madras were responsible for the purchase of articles worth Rs. 97,764, Rs. 19,874 and Rs. 12,099 respectively.

45. The report perhaps records more disappointments and difficulties of the movement than its achievements and the task of a Registrar of Co-operative Societies who has to write a report in the present times is rather gloomy. Co-operative societies are economic undertakings and they are as much affected by the universal economic depression as other departments of economic life. It has revealed the drawbacks and difficulties of the co-operative movement as perhaps nothing else can do. It has set co-operators seriously thinking on matters of reform and schemes to "rationalize" and rectify the movement, have been set on foot. If co-operators continue to have the same faith in the co-operative movement as in the past and show a "co-operative" spirit in their mutual dealings, the movement surely will survive the present economic crisis.

Conclusion.

46. In conclusion, I wish to express my thanks to co-operators all over the Presidency for the uniform courtesy shown to the officers and the staff of the department. I also acknowledge the loyal services rendered by my subordinates throughout the year. The Government were pleased to recognize the long and valuable services rendered by M.R.Ry. Rao Bahadur K. Deivasikhamani Mudaliyar

Avargal to the co-operative movement and to the department and they conferred on him the title of "Diwan Bahadur." They also conferred the title of "Rao Bahadur" on M.R.Ry. Rao Sahib V. A. Arunachala Mudaliyar Avargal (President, Co-operative Central Bank, Vellore) and of "Rao Sahib" on Messrs. C. Murugesa Mudaliyar (President, Big Conjeeveram Town Bank) and O. Viswanatha Rao (President, Nellore District Central Bank). I regret to record the premature death during the year of M.R.Ry. V. Swaminatha Ayyar Avargal, Deputy Registrar for Land Mortgage Banks.

The relations with other departments continued to be cordial.

I have the honour to be,

Sir,

Your most obedient servant,

T. AUSTIN,

Registrar.

APPENDICES.

APPENDIX No. 1.—*General Summary of Progress of Co-operative Societies in* 1933–34.

SECTION I.—WORKING CAPITAL OF SOCIETIES ON 30TH JUNE 1934.

	The Central Co-operative Land Mortgage Bank (1).	Provincial Co-operative Bank. (1).	Central Banks (32).	Societies affiliated to Supervising Unions (389) (c).	Agricultural societies.				Non-agricultural societies.					
					Credit (11,301) (d).	Purchase and production (85).	Others (340).	Total of Agricultural societies.	Credit (1,065) (e).	Purchase and production (199) (f).	Others (169).	Total of Non-agricultural societies.	Total, 1933–34.	Total, 1932–33.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Share capital	1,94,300	6,58,750	55,05,029	...	67,94,797	2,18,091	1,57,598	71,70,486	77,62,187	3,13,067	8,72,767	89,48,021	2,24,76,586	2,32,49,266
Deposits from members	(a) 35,07,500	(b) 78,43,615	(b) 3,27,74,981	...	10,58,995	43,315	5,053	11,07,365	85,54,618	1,74,677	43,510	87,72,805	5,40,06,264	5,93,90,396
Loans from other societies	25,006	92,07,228	1,23,24,908	...	3,31,90,457	1,71,169	27,999	3,33,89,625	20,65,503	3,04,660	22,419	23,92,582	5,73,39,349	6,27,12,778
Loans and deposits of non-members (individuals)	...	...	...	...	26,99,144	31,179	5,960	27,36,283	96,32,495	31,913	64,686	97,29,094	1,24,65,377	1,16,00,566
Loans from Government	...	...	...	...	5,79,736	13,604	1,91,889	7,85,229	21,223	...	17,46,030	17,67,253	25,52,482	30,80,283
Reserve fund	13,675	13,86,000	28,97,920	...	67,18,401	59,427	28,793	68,06,621	28,50,131	2,17,352	1,92,784	32,60,267	1,43,64,483	1,34,29,720
Total working capital on 30th June 1934	37,40,481	1,90,95,593	5,35,02,838	6,04,57,966	5,10,41,530	5,36,785	4,17,292	5,19,95,607	3,08,86,157	10,41,669	29,42,196	3,48,70,022	16,32,04,541	...
Total working capital on 30th June 1933	24,54,817	2,31,51,181	5,88,74,034	6,49,37,142	5,35,72,921	5,73,572	3,94,059	5,45,40,552	3,01,76,168	8,56,294	34,09,963	3,44,42,425	...	17,34,63,009
Divisible profits, 1933–34	41,111	2,30,516	4,43,448	...	8,83,295	15,631	7,532	9,06,458	10,37,480	43,027	72,289	11,52,796	+27,74,329	+28,72,192
Loss unrecouped	...	...	...	...	24,62,615	23,325	20,658	25,06,598	1,27,163	74,568	55,258	2,56,989	−27,63,587	−28,59,762
Reserve fund including additions to be made as per audit order of 1933–34	23,953	14,43,629	30,09,589	...	72,02,719	63,300	31,806	72,97,825	30,93,056	2,27,889	2,11,246	35,32,191	1,53,07,187	1,44,40,519
Value of goods purchased as owner	...	...	...	...	...	2,53,221	...	2,53,221	...	27,15,521	...	27,15,521	29,68,742	20,42,341
Value of goods sold as owner	...	...	...	...	...	2,70,105	...	2,70,105	...	17,68,967	...	17,68,967	20,39,072	20,91,730
Value of goods purchased as agent	...	...	...	...	...	57,731	...	57,731	...	64,328	...	64,328	1,22,059	1,42,449
Value of goods sold as agent	...	...	...	...	...	2,04,832	...	2,04,832	...	79,607	...	79,607	2,84,439	3,46,720

(a) Debentures and advanc payment for purchase of debentures.
(b) Includes deposits of non members.
(c) Includes the Madras Provincial Co-operative Union, two language federations, six training institutes, twelve audit unions an eight federations of unions.
(d) Excludes 47 societies no started.
(e) Excludes 4 societies no started.
(f) Excludes 1 society no started.

SECTION II.—DEMAND, COLLECTION AND BALANCE OF PRINCIPAL AND INTEREST DUE TO SOCIETIES IN 1933–34.

1933–34.	Demand.				Collection.				Balance.				Percentage of balance to demand.		
	Provincial and Central Banks.	Agricultural.	Non-agricultural.	Total.	Provincial and Central Banks.	Agricultural.	Non-agricultural.	Total.	Provincial and Central Banks.	Agricultural.	Non-agricultural.	Total.	Provincial and Central Banks.	Agricultural.	Non-agricultural.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.			
Principal including arrears.	3,28,65,889	3,60,52,310	2,67,55,550	9,56,73,749	(a) 1,51,63,949	(b) 1,07,13,289	(c) 2,05,64,730	4,64,41,968	1,77,01,940	2,53,39,021	61,90,820	4,92,31,781	53·86	70·28	23·14
Interest due in previous years.	4,09,853	75,12,540	11,13,384	90,35,777	2,12,455	22,26,907	4,59,445	28,97,807	1,97,398	52,86,633	6,53,939	61,37,970	48·16	70·38	58·73
Interest due in 1933–34...	28,10,915	49,08,747	26,98,963	1,04,18,625	24,64,082	17,76,549	20,68,817	63,09,441	3,46,833	31,32,205	6,30,146	41,09,184	12·41	63·81	23·35

(a) Includes extension of Rs. 7,00,263, (b) fo Rs. 3,32,100 and (c) for Rs. 6,47,754.

Appendix No. 1.—*General Summary of Progress of Co-operative Societies in* 1933–34—cont.

SECTION III.—DEMAND, COLLECTION AND BALANCE OF PRINCIPAL AND INTEREST DUE TO SOCIETIES IN 1932-33.

1932-33.	Demand.				Collection.			
	Provincial and Central Banks.	Agricultural.	Non-agricultural.	Total.	Provincial and Central Banks.	Agricultural.	Non-agricultural.	Total.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Principal including arrears.	4,37,85,253	3,96,15,252	2,56,12,454	10,90,12,959	2,64,08,873(*a*)	1,30,36,993(*b*)	1,96,67,543(*c*)	5,91,13,409
Interest due in previous years.	3,79,471	68,46,385	10,08,314	82,34,170	2,22,417	23,40,917	4,60,119	30,23,453
Interest due in 1932-33.	34,69,282	54,57,177	26,59,908	1,15,86,367	31,64,246	22,16,030	20,81,526	74,61,802

1932-33.	Balance.				Percentage of balance to demand.		
	Provincial and Central Banks.	Agricultural.	Non-agricultural.	Total.	Provincial and Central Banks.	Agricultural.	Non-agricultural.
	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	Rs.	Rs.	Rs.	Rs.			
Principal including arrears.	1,73,76,380	2,65,78,259	59,44,911	4,98,99,550	39·69	67·09	23·21
Interest due in previous years.	1,57,054	45,05,468	5,48,195	52,10,717	41·40	65·81	54·37
Interest due in 1932-33.	3,05,036	32,41,147	5,78,382	41,24,565	8·79	59·39	21·74

(*a*) Includes extension of Rs. 13,33,737, (*b*) for Rs. 6,05,250 and (*c*) for Rs. 7,63,635.

APPENDIX No. 2.

***Synopsis of Loans in Agricultural and Non-Agricultural Societies (other than Central Banks) in* 1933–34 *and* 1932–33.**

APPENDIX No. 2.—*Synopsis of Loans in Agricultural and Non-agricultural Societies (other than Central Banks) in 1933–34 and 1932–33.*

Loans.	Agricultural, 1933–34. Amount.	Agricultural, 1933–34. Percentage.	Agricultural, 1932–33. Amount.	Agricultural, 1932–33. Percentage.	Non-agricultural, 1933–34. Amount.	Non-agricultural, 1933–34. Percentage.	Non-agricultural, 1932–33. Amount.	Non-agricultural, 1932–33. Percentage.
A.—LOANS ISSUED DURING THE YEAR CLASSIFIED ACCORDING TO (1) PURPOSE AND (2) VALUE.								
(1) PURPOSE.	RS.		RS.		RS.		RS.	
For cultivation expenses.	14,80,596	16·07	17,56,527	19·02	3,48,990	1·57	4,17,003	2·04
For purchase of cattle ...	6,10,250	6·62	6,22,639	6·74	1,29,046	0·58	1,27,166	0·62
For payment of kist ...	6,55,647	7·11	8,09,277	8·76	69,325	0·31	67,911	0·33
For improvement of lands	3,48,910	3·78	4,75,712	5·15	1,90,544	0·85	1,25,039	0·61
For purchase of raw materials	32,307	0·35	44,961	0·49	1,44,913	0·65	1,34,996	0·66
For trade	7,53,717	8·18	8,36,368	9·05	29,86,318	13·40	30,79,111	15·03
For education	14,728	0·16	20,093	0·22	3,30,055	1·48	2,55,471	1·25
For building, buying or repairing houses ...	3,90,502	4·24	4,1[illegible],011	4·53	16,75,217	7·52	12,21,725	5·96
For manufacture and purchase of country carts	34,783	0·38	24,065	0·26	1,28,541	0·58	29,606	0·14
For purchase of lands ...	1,75,595	1·91	2,17,143	2·35	2,84,808	1·28	2,50,632	1·22
For purchase of food and necessaries of life ...	6,05,210	6·57	7,09,422	7·68	43,46,794	19·50	49,61,476	24·22
Total, loans for productive purposes ...	51,02,245	55·37	59,35,218	64·25	1,06,34,551	47·72	1,06,70,136	52·08
For paying off prior debts	39,38,943	42·74	31,68,019	34·30	77,10,194	34·60	70,85,187	34·60
For marriages	89,266	0·97	91,041	0·98	27,05,746	12·14	20,28,363	9·90
For other ceremonies ...	21,495	0·23	18,073	0·20	3,66,712	1·65	3,31,697	1·62
For litigation and other non-productive purposes	63,815	0·69	24,728	0·27	8,67,899	3·89	3,70,347	1·80
Total, non-productive purposes	1,74,576	1·89	1,33,842	1·45	39,40,357	17·68	27,30,407	13·32
Grand total ...	92,15,764	100·00	92,37,079	100·00	2,22,85,102	100·00	2,04,85,730	100·00
(2) VALUE.								
Loans not exceeding Rs. 50	11,50,646	12·48	12,10,012	13·10	27,62,924	12·40	23,80,446	11·62
Loans exceeding Rs. 50 but not exceeding Rs. 100	12,39,596	13·44	13,52,102	14·64	34,55,415	15·51	31,35,762	15·31
Loans exceeding Rs. 100 but not exceeding Rs. 250	18,05,002	19·62	19,68,857	21·31	49,60,619	22·26	47,47,390	23·18
Loans exceeding Rs. 250.	50,20,520	54·46	47,06,108	50·95	1,11,06,144	49·83	1,02,22,132	49·89
Total ...	92,15,764	100·00	92,37,079	100·00	2,22,85,102	100·00	2,04,85,730	100·00

Loans.	Agricultural, 1933–34. Amount.	Agricultural, 1933–34. Percentage.	Agricultural, 1932–33. Amount.	Agricultural, 1932–33. Percentage.	Non-agricultural, 1933–34. Amount.	Non-agricultural, 1933–34. Percentage.	Non-agricultural, 1932–33. Amount.	Non-agricultural, 1932–33. Percentage.
B.—LOANS OUTSTANDING AGAINST MEMBERS AT THE END OF THE YEAR CLASSIFIED ACCORDING TO (1) SECURITY AND (2) PERIOD.								
(1) SECURITY.	RS.		RS.		RS.		RS.	
1. Loans on security of deposits	28,868	0·07	40,842	0·09	5,79,182	2·07	6,05,059	2·22
2. Loans on pledge of movables—								
(a) Jewels ...	3,273	...	...	...	3,49,037	...	...	...
(b) Standing crops.	16,702	...	...	...	7,546	...	...	...
(c) Produce and finished products ...	4,12,038	...	...	...	4,404	...	...	...
Total movables (a+b+c)	4,32,013	1·03	4,86,828	1·08	3,60,987	1·28	4,39,533	1·61
3. Loans on mortgage of immovable properties	2,39,53,013	56·99	2,49,53,525	55·53	96,66,590	34·53	92,99,404	34·09
4. Loans on the joint-security of one or more members ..	1,73,56,422	41·30	1,92,61,251	42·87	1,61,99,274	57·86	1,60,29,169	58·76
5. Loans on simple bond of borrowers	2,57,184	0·61	1,93,812	0·43	11,92,219	4·26	9,06,022	3·32
Total (1+2+3+4+5)	4,20,27,500 (a)	100·00	4,49,36,258	100·00	2,79,98,252 (b)	100·00	2,72,79,187	100·00
(2) PERIOD.								
Loans not exceeding one year	1,13,66,601	27·04	1,30,33,683	29·01	51,78,268	18·49	53,62,372	19·66
Loans exceeding one year, but not exceeding two years ...	25,82,548	6·15	27,66,965	6·16	87,44,141	31·23	84,93,790	31·14
Loans exceeding two years, but not exceeding five years ...	1,66,78,547	39·69	1,79,80,733	40·01	1,01,70,568	36·33	93,24,921	34·18
Loans exceeding five years	1,13,99,804	27·12	1,11,54,877	24·82	39,05,275	13·95	40,98,104	15·02
Total ...	4,20,27,500 (a)	100·00	4,49,36,258	100·00	2,79,98,252 (b)	100·00	2,72,79,187	100·00

(a) Excludes Rs. 5,212 due by Banks and Societies.
(b) Do. Rs. 2,000 do.

APPENDIX NO. 8—SECTION I.—*Demand, Balance and Percentage of Loans due by Agricultural and Non-Agricultural Credit Societies to Central Banks and Others*—1933–34.

District.	Principal. Long term. Demand.	Principal. Long term. Balance.	Principal. Long term. Percentage.	Principal. Short term. Demand.	Principal. Short term. Balance.	Principal. Short term. Percentage.	Interest. Demand.	Interest. Balance.	Interest. Percentage.
Agricultural Societies.	RS.	RS.		RS.	RS.		RS.	RS.	
Anantapur	8,82,696	7,73,615	87·64	1,22,045	78,936	64·67	1,22,128	20,222	16·57
Arcot, North	12,46,651	10,01,563	80·34	2,53,540	1,65,651	65·34	1,96,829	28,685	14·57
Do. South	12,38,818	10,94,835	88·37	86,507	57,678	66·67	1,78,807	65,843	36·82
Bellary	7,83,845	7,17,147	91·49	1,10,279	74,729	67·76	1,21,264	51,945	42·84
Chingleput	14,45,980	10,69,286	73·95	1,24,288	11,105	8·93	2,21,755	18,029	8·13
Chittoor	4,86,624	4,34,189	89·22	13,193	5,938	45·01	59,099	17,362	29·38
Coimbatore	8,45,303	2,27,195	26·88	3,48,307	42,174	12·11	1,76,772	7,652	4·33
Cuddapah	3,97,526	3,82,329	96·18	41,620	35,608	85·66	70,616	39.125	55·41
Ganjām	7,79,430	6,09,443	78·20	6,31,920	5,13,431	81·25	1,32,424	11,503	8·69
Gōdāvari, East	6,20,246	3,43,056	55·31	17,35,725	8,30,377	47·84	2,74,249	19,141	6·98
Do. West	5,80,073	3,54,547	61·12	9,68,597	5,12,372	52·90	1,74,818	24,320	13·91
Guntūr	6,78,994	5,43,145	79·99	7,30,753	5,53,189	75·71	1,52,404	35,048	23·00
Kanara, South...	64,606	9,723	15·05	4,49,616	70,907	15·77	44,877	4,341	9·67
Kistna	4,90,675	3,27,057	66·65	8,60,854	4,10,552	47·69	1,62,162	21,813	13·46
Kurnool	5,63,953	5,09,411	90·33	57,977	45,878	79·13	72,615	31,145	42·89
Madras	...	...	...		...		...	...	...
Madura	7,19,100	4,27,973	59·52	1,92,558	27,253	14·15	1,20,303	24,277	20·18
Malabar	6,24,186	5,79,035	92·77	1,13,266	71,884	63·46	1,01,742	49,080	48·24
Nellore	3,83,977	2,93,826	76·52	4,52,460	2,39,941	52·03	1,10,761	35,216	31·79
Nilgiris, the	35,033	5,601	15·99	35,121	2,126	6·05	9,250	51	0·55
Ramnad	5,88,644	4,55,473	77·38	1,41,796	43,236	30·49	93,389	24,620	26·36
Salem	9,56,314	5,35,129	55·96	2,23,819	44 583	19·92	1,67,012	8,455	5·06
Tanjore	14,26,110	10,46,805	73·40	4,38,622	91,968	20·97	2,31,926	56,741	24·47
Tinnevelly	2,49,037	1,66,822	66·99	2,64,882	85,770	32·38	58,158	12,509	21·51
Trichinopoly	14,66,578	8,83,471	60·24	4,78,240	49,523	10·36	2,57,183	28,550	11·10
Vizagapatam	1,18,130	79,321	67·15	10,49,847	5,16,308	49·20	1,00,966	13,415	13·29
Total ...	1,76,72,529	1,28,69,997	72·82	99,25,832	45,81,117	46·15	34,11,509	6,49,088	19·02
Non-Agricultural Societies.									
Anantapur	1,05,025	1,722	1·64	11,50,670	94	0·08	30,166	...	...
Arcot, North	4,86,480	7,865	1·62	1,32,732	5,261	3·96	31,535	1,749	5·55
Do. South	4,58,225	55,867	12·19	3,13,770	2,509	0·80	43,394	1,140	2·63
Bellary	43,634	15,856	36·34	85,029	2,717	3·20	12,623	2,290	18·14
Chingleput	9,27,037	39,670	4·28	2,49,694	..	...	56,889	28	0·05
Chittoor	23,033	10,311	44·77	17,86,729	6,745	0·38	59,724	313	0·52
Coimbatore	1,46,752	1,857	1·27	15,18,354	48	...	47,335	540	1·14
Cuddapah	1,05,409	15,619	14·82	1,23,653	14,367	11·62	15,647	2,797	17·88
Ganjām	86.190	15,946	18·51	1,61,516	6,548	4·05	22,391	...	...
Gōdāvari, East	13,685	3,692	26·98	3,01,282	4,631	1·54	19.983	812	4·06
Do. West	2,810	1,655	58·90	84,607	2,419	2·86	5,714	181	3·17
Guntūr	10,137	6,251	61·67	2,40,809	20,261	8·41	19,153	2,643	13·80
Kanara, South	1,20,726	436	0·36	8,68,672	10,776	1·25	43,958	649	1·48
Kistna	33,762	5,952	17·63	4,39,462	10,753	2·45	16.860	541	3·20
Kurnool	42,502	2,743	6·45	78,982	5,516	6·99	11,477	2,842	24·77
Madras	17,85.671	19,733	1·11	20,12,979	3,154	0·16	2,49,271	4,145	1·66
Madura...	1,09,065	4,598	4·23	17,42,666	2,58,260	14·82	64,514	16,301	25·27
Malabar	70,355	9,868	14·03	62,607	8,788	14·04	22,085	5,180	23·45
Nellore	57,715	23,413	40·57	1,58,340	2,578	1·63	18,441	1,333	7·23
Nilgiris, the	17,250	...		1,09,247	4,987	4·56	5,976		...
Ramnad	1,78,525	6,866	3·85	9,83,799	9,816	1·00	28,612	265	0·93
Salem	1,72,218	15,398	8·94	17,67,063	4,363	0·25	32,403	921	2·84
Tanjore	2,58,676	6,916	2·67	11,44,353	2.603	0·23	62.500	610	0·98
Tinnevelly	83,149	1,340	1·61	10,23,736	16,508	1·61	32,135	2,066	6·43
Trichinopoly	2,21,209	5,101	2·31	13,40,025	770	0·06	85,474	2,991	3·50
Vizagapatam	98,417	...	...	10,45,019	2,672	0 26	39,314	464	1·18
Total ...	56,57,657	2,78,675	4·93	1,89,25,795	4,07,144	2·15	10,77,574	50,801	4·71

APPENDIX No. 3—SECTION II.—*Percentage of overdues by primary societies to individual Central Banks towards principal, arrear interest and current interest for* 1933–34.

Serial number.	Name of the bank.	Percentage of principal overdues to demand.		Percentage of overdue arrear interest to demand.	Percentage of overdue current interest to demand.
		Long term.	Short term.		
1	Anantapur District Co-operative Central Bank, Limited.	86·67	45·45	70·5	9·1
2	Arcot (North) District Co-operative Central Bank, Limited, Vellore.	76·81	36·72	28·91	10·74
3	Arcot (South) District Co-operative Central Bank, Limited, Cuddalore.	88·63	45·74	53·81	21·93
4	Bellary District-Hospet Co-operative Central Bank, Limited.	92·60	58·11	4·55	58·31
5	Chingleput District Co-operative Central Bank, Limited, Conjeeveram.	78·22	8·85	57·91	5·38
6	Chittoor District Co-operative Central Bank, Limited.	87·29	9·51	85·00	7·00
7	Coimbatore District Urban Bank, Limited.	22·90	6·12	39·13	2·11
8	Cuddapah District Co-operative Central Bank, Limited.	82·26	55·60	73·47	25·67
	Ganjām District—				
9	Ganjām District Co-operative Banking Union, Limited, Berhampore.	68·72	45·13	6·12	7·44
10	Aska Co-operative Central Bank, Limited.	66·75	88·17	20·97	9·00
	Gōdāvari District—				
11	District Co-operative Bank, Limited, Cocanada.	64·75	75·57	52·99	27·77
12	Rajahmundry Co-operative Central Bank, Limited.	67·19	42·49	...	4·04
13	Ramachandrapuram Co-operative Central Bank, Limited.	59·30	71·83	...	17·41
14	Sree Konaseema Co-operative Central Bank, Limited, Amalapuram.	69·62	61·45	92·31	1·34
	Gōdāvari West—				
15	West Gōdāvari District Co-operative Central Bank, Limited, Ellore.	55·92	68·52	38·47	8·21
16	Guntūr District Co-operative Bank, Limited, Tenali.	79·16	59·08	37·81	18·89
17	Kanara (South) District Central Co-operative Bank, Limited, Mangalore	26·14	39·32	62·90	15·50
	Kistna District—				
18	Kistna District Co-operative Bank, Limited, Masulipatam.	71·80	36·10	34·07	20·01
19	Viziavada Co-operative Bank, Limited.	40·72	28·42	17·51	3·84
20	Kurnool District Co-operative Central Bank, Limited.	86·81	38·99	32·75	24·78

APPENDIX No. 3—SECTION II.—*Percentage of overdues by primary societies to individual Central Banks towards principal, arrear interest and current interest for* 1933–34—*cont.*

Serial number.	Name of the bank.	Percentage of principal overdues to demand.		Percentage of overdue arrear interest to demand.	Percentage of overdue current interest to demand.
		Long term.	Short term.		
	Madras District—				
21	Christian Central Co-operative Bank, Limited.	52·26	52·61	49·63	15·60
22	Madras District Co-operative Central Bank, Limited.	18·20	69·00	...	4·62
23	Madura-Ramnad Central Co-operative Bank, Limited, Madura.	63·09	50·87	74·12	15·44
24	Malabar District Co-operative Bank, Limited, Calicut.	92·00	69·00	77·00	23·00
25	Nellore District Co-operative Banking Union, Limited.	72·85	41·98	39·40	21·71
26	Ramnad District-Srivilliputtur Banking Union, Limited.	71·63	45·21	28·67	11·70
27	Salem District Urban Bank, Limited.	55·51	1·95	64·04	2·55
	Tanjore District—				
28	Co-operative Central Bank, Limited, Kumbakonam.	71·80	29·70	39·20	15·70
29	Co-operative Central Bank, Limited, Tanjore.	83·20	14·30	48·40	29·70
30	Tinnevelly District Co-operative Banking Union, Limited,	74·30	35·80	46·30	15·60
31	Trichinopoly District Co operative Central Bank, Limited.	70·37	22·55	67·19	7·87
32	Vizagapatam District Co-operative Central Bank, Limited, Vizianagram.	67·60	36·20	20·30	2·02

APPENDIX No. 4—SECTION I.—*Demand, balance and percentage of loans due by members to Agricultural and Non-Agricultural Credit Societies, 1932-33 and 1933-34.*

District.	Out of principal.											
	1932-33.						1933-34.					
	Long term.			Short term.			Long term.			Short term.		
	Demand.	Balance.	Percentage of balance to demand.	Demand.	Balance.	Percentage of balance to demand.	Demand.	Balance.	Percentage of balance to demand.	Demand.	Balance.	Percentage of balance to demand.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Agricultural Societies.	RS.	RS.		RS.	RS.		RS.	RS.		RS.	RS.	
Anantapur	11,75,057	9,80,685	83·46	1,63,455	1,25,830	76·98	10,76,123	9,15,400	85·06	1,50,909	1,20,321	79·73
Arcot, North ...	17,69,395	13,77,671	77·86	4,87,454	3,59,844	73·82	16,80,493	13,82,065	82·24	4,27,609	3,37,298	78·88
Do. South	14,40,774	12,46,383	86·50	1,39,017	1,03,536	74·52	14,01,184	12,51,235	89·30	1,60,611	1,14,191	71·10
Bellary	9,17,324	8,30,654	90·55	1,16,551	85,692	73·61	8,72,114	8,00,961	91·84	98,245	81,390	82·84
Chingleput	25,28,406	18,98,544	75·09	2,12,803	1,28,226	60·26	23,10,193	18,66,800	80·81	1,76,297	1,12,772	63·97
Chittoor	5,52,544	4,66,602	84·44	50,562	44,642	88·29	5,32,789	4,66,764	87·65	46,760	41,418	88·58
Coimbatore	14,85,770	7,70,639	51·87	6,05,433	2,57,939	42·60	13,08,064	6,30,077	48·17	4,84,164	2,05,578	42·46
Cuddapah	4,18,711	3,86,257	92·25	61,514	54,942	89·32	3,97,816	3,67,451	92·36	60,177	53,141	88·31
Ganjām	8,90,339	6,49,190	72·92	7,78,587	5,46,740	70·35	8,58,440	6,88,142	80·16	7,08,681	5,53,096	78·05
Gōdāvari, East	10,46,478	6,59,131	62·99	23,91,087	13,40,439	56·06	9,40,882	6,37,749	67·77	19,30,655	11,67,120	60·45
Do. West	7,16,957	4,65,048	64·86	17,86,632	9,33,674	52·26	7,00,405	4,79,739	68·49	12,53,682	7,82,628	62·43
Guntūr	8,18,129	6,34,533	77·56	11,81,823	8,75,235	74·06	7,45,254	6,01,512	80·71	9,08,349	6,75,331	74·35
Kanara, South	1,65,274	86,410	52·20	7,26,220	3,64,594	50·20	1,49,894	71,104	47·44	6,74,907	3,07,610	45·58
Kistna	6,71,464	4,58,571	68·29	11,83,994	6,57,195	55·51	6,60,447	5,04,541	76·39	10,88,098	6,21,001	57·07
Kurnool	6,17,442	5,40,741	87·57	77,431	64,210	82·93	5,97,587	5,33,469	89·28	84,187	75,631	89·84
Madras	...	...	...	...	...	...	...	...	...	...	...	...
Madura	10,74,551	7,52,158	69·99	2,88,956	1,13,086	39·14	10,06,869	7,02,800	69·80	2,55,219	97,456	38·19
Malabar	5,04,903	4,34,611	86·09	6,82,781	5,78,486	84·72	4,71,447	4,00,910	84·61	6,23,646	5,17,920	83·05
Nellore	4,57,744	3,32,774	72·70	6,23,754	3,55,805	57·05	4,25,658	3,25,481	76·47	6,10,168	3,79,985	62·28
Nilgiris, the	90,413	67,554	74·72	41,105	15,504	37·72	91,145	59,987	65·81	48,067	14,332	29·82
Ramnad	7,64,178	5,74,451	75·17	1,45,527	94,006	64·60	7,05,230	5,40,921	76·70	1,20,040	74,817	62·33
Salem	13,02,567	8,15,747	62·63	3,07,153	1,56,589	50·98	13,12,231	8,46,684	64·52	2,99,139	1,58,601	53·02
Tanjore	19,70,427	15,04,358	76·35	5,07,664	2,65,285	52·26	19,05,513	15,17,368	79·63	4,74,382	2,60,560	54·93
Tinnevelly	4,67,693	3,08,885	66·03	3,76,007	1,80,355	47·97	3,70,265	2,39,591	64·71	2,98,851	1,53,497	51·36
Trichinopoly	21,32,947	14,37,331	67·39	8,05,708	2,57,138	31·91	21,02,489	14,63,326	69·60	6,21,152	2,47,849	39·90
Vizagapatam	1,32,393	89,101	43·00	12,91,540	7,14,424	55·32	1,38,727	87,146	62·82	12,58,985	6,54,692	52·00
Total ...	2,41,09,410	1,77,67,590	73·69	1,50,32,758	86,73,476	57·70	2,27,61,259	1,73,81,223	76·36	1,28,62,980	78,08,235	60·70
Non-Agricultural Societies.												
Anantapur	4,07,407	1,33,583	32·79	92,755	18,019	19·43	4,28,009	1,59,421	37·25	1,29,045	19,127	14·82
Arcot, North	5,09,377	1,55,399	30·51	1,92,518	15,119	7·85	5,29,055	1,17,967	22·30	1,42,775	9,281	6·50
Do. South	6,12,663	3,08,719	50·38	99,750	15,269	15·30	6,15,566	2,84,969	46·29	93,064	14,922	16·03
Bellary	2,98,868	1,35,975	45·50	55,239	10,488	18·99	2,96,251	99,907	33·72	54,573	7,600	13·93
Chingleput	8,57,533	3,08,542	35·98	97,144	4,069	4·19	8,36,329	3,10,484	37·12	85,437	4,467	5·23
Chittoor	6,70,214	3,21,142	47·91	1,50,302	17,407	11·58	6,00,477	2,99,669	49·95	1,81,564	22,074	12·16
Coimbatore	6,37,893	1,39,409	21·85	4,22,973	98,990	23·43	6,87,465	1,96,655	28·61	4,11,071	79,853	19·43
Cuddapah	2,46,913	93,540	37·88	94,149	24,584	26·11	2,87,756	1,30,458	45·34	1,05,286	31,423	29·85
Ganjām	3,52,269	1,81,122	51·42	90,338	32,910	36·43	3,41,756	1,56,014	45·65	88,861	26,927	30·30
Gōdāvari, East	1,91,717	61,263	31·95	2,73,181	88,903	32·54	1,98,245	56,704	28·60	2,77,303	77,613	27·99
Do. West	12,549	4,122	32·86	1,15,208	55,283	47·98	14,808	3,609	24·37	1,28,253	55,509	43·28
Guntūr	1,67,680	1,07,163	63·91	2,08,359	97,775	46·93	1,42,276	84,591	59·46	1,93,687	80,228	41·42
Kanara, South	3,32,863	66,521	20·00	6,19,947	1,41,954	22·89	3,37,460	68,590	20·33	6,07,312	1,36,303	22·44
Kistna	1,35,264	73,828	54·58	2,39,952	1,03,135	42·98	1,23,803	70,044	56·58	2,34,821	91,540	38·98
Kurnool	1,56,738	73,087	46·63	31,959	10,120	31·20	1,53,187	77,312	50·47	39,867	7,690	19·29
Madras	53,01,651	4,81,765	9·09	6,55,226	53,272	8·13	59,88,870	5,30,289	8·85	8,36,982	50,084	5·98
Madura	4,03,413	87,690	21·74	13,26,991	2,99,996	22·60	4,59,263	1,23,724	26·98	10,64,606	5,57,347	52·35
Malabar	1,16,147	77,935	67·10	1,85,577	1,00,518	54·17	1,29,415	69,443	53·58	1,74,304	98,737	56·65
Nellore	2,79,204	1,39,548	49·98	58,938	14,307	24·29	2,86,191	1,53,835	53·75	81,276	19,638	24·16
Nilgiris, the	1,63,251	37,803	23·16	60,340	22,394	37·11	1,73,041	29,822	17·23	59,194	11,793	19·92
Ramnad	3,62,530	1,23,131	33·96	1,87,159	37,344	19·95	3,58,507	1,29,587	33·08	2,08,721	56,161	26·91
Salem	4,62,352	1,02,907	22·26	12,45,292	59,760	4·79	4,85,979	1,06,276	21·87	14,86,366	46,330	3·12
Tanjore	8,00,221	3,09,900	38·73	4,02,886	74,347	18·45	8,18,153	3,02,761	37·01	3,97,213	82,893	20·87
Tinnevelly	5,66,096	1,40,773	24·87	1,52,700	34,264	22·37	5,85,945	1,51,862	25·93	1,60,848	30,772	19·13
Trichinopoly	20,24,383	2,15,584	10·65	4,99,926	46,945	9·39	20,83,098	2,10,340	10·10	6,11,424	52,884	8·65
Vizagapatam	3,14,113	49,037	15·61	7,60,762	1,29,082	16·97	3,68,050	1,13,587	30·86	8,36,928	1,41,647	16·92
Total ...	1,63,71,974	39,19,035	23·94	83,21,160	16,07,011	19·11	1,73,28,955	40,37,920	23·30	86,90,781	18,12,943	20·86

APPENDIX NO. 4—SECTION I.—*Demand, balance and percentage of interest due by members to Agricultural and Non-Agricultural Credit Societies, 1932–33 and 1933–34—cont.*

District.	Out of interest overdue at the end of the previous year (arrears).						Out of interest accrued and fallen due during the year (current).					
	1932-33.			1933-34.			1932-33.			1933-34.		
	Demand.	Balance.	Percentage.	Demand.	Balance.	Percentage.	Demand.	Balance.	Percentage.	Demand.	Balance.	Percentage.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Agricultural Societies.	RS.	RS.		RS.	RS.		RS.	RS.		RS.	RS.	
Anantapur	4,44,193	3,30,835	74·48	4,17,335	3,17,475	76·07	1,98,366	1,58,016	79·66	1,83,314	1,45,853	79·56
Arcot, North	5,53,777	3,71,240	67·04	5,99,770	4,41,609	73·63	3,34,065	2,48,937	74·48	3,10,903	2,38,139	76·60
Do. South	4,67,033	3,54,766	75·98	5,31,973	4,22,982	79·51	2,34,995	1,84,674	78·58	2,14,601	1,83,512	85·51
Bellary	2,38,851	1,71,598	71·84	2,63,159	2,04,621	77·76	1,45,984	1,31,034	89·76	1,30,066	1,04,451	84·92
Chingleput	6,40,428	4,19,245	65·46	6,90,892	4,96,255	71·83	4,18,037	2,84,080	67·72	3,33,250	2,45,394	73·64
Chittoor	2,01,619	1,60,733	79·96	1,91,970	1,57,219	81·90	94,544	66,876	70·74	86,667	68,126	78·61
Coimbatore	3,23,505	1,95,928	60·56	3,27,952	1,92,368	58·66	3,40,671	1,26,975	37·27	2,99,074	1,31,400	43·94
Cuddapah	1,87,334	1,52,725	81·53	2,08,754	1,75,334	83·99	61,889	58,793	94·99	59,532	56,617	95·10
Ganjām	1,27,778	48,543	37·99	1,73,338	88,508	51·06	2,25,809	1,30,876	57·96	1,86,095	1,14,323	61·43
Gōdāvari, East ...	2,53,816	1,15,867	45·65	3,01,330	1,65,863	55·04	3,84,178	1,48,916	38·76	3,38,462	1,49,906	44·29
Do. West ...	2,54,387	1,50,476	59·15	3,16,416	2,23,921	70·77	3,32,820	1,85,524	55·74	2,74,078	1,69,514	61·85
Guntūr	2,05,262	88,480	43·16	2,49,037	1,36,748	54·92	1,84,279	1,08,632	58·95	1,68,519	1,15,679	68·64
Kanara, South ...	77,022	51,081	66·32	1,41,114	1,03,077	73·05	1,09,351	51,576	47·17	85,666	45,391	52·91
Kistna	2,31,548	1,29,704	56·37	2,81,844	1,52,148	53·98	2,70,991	1,57,059	57·96	2,60,410	1,83,754	70·56
Kurnool	1,63,262	1,16,542	71·29	1,93,671	1,50,337	77·63	97,621	78,487	80·39	83,629	74,045	88·54
Madras	...	...	...	...	...	...	...	...	...	...	...	...
Madura	2,38,302	1,49,341	62·68	2,34,421	1,53,846	65·63	1,90,038	1,05,336	55·57	1,81,606	1,00,398	55·28
Malabar	3,07,130	2,30,759	75·13	3,23,582	2,55,116	78·84	1,44,272	1,20,095	83·24	1,45,065	1,23,590	85·19
Nellore	2,16,064	1,43,773	56·02	2,36,881	1,65,793	69·99	1,43,992	1,03,326	71·76	1,37,637	99,910	72·59
Nilgiris, the	41,493	32,094	77·35	44,059	31,988	72·60	26,419	17,849	67·56	31,811	21,445	67·41
Ramnad	2,24,118	1,62,392	72·46	2,42,763	1,75,439	72·27	1,38,612	89,994	64·93	1,20,895	81,353	67·29
Salem	2,53,820	1,63,601	64·46	2,81,777	1,88,146	66·77	2,58,795	1,14,325	44·18	2,54,476	1,22,136	48·40
Tanjore	5,57,572	3,75,679	67·38	6,11,309	4,67,499	76·48	3,57,919	2,34,510	65·52	3,41,398	2,29,972	67·36
Tinnevelly	1,73,381	1,12,441	64·85	1,48,264	97,414	65·70	1,14,521	66,732	58·28	85,917	54,662	63·62
Trichinopoly	3,75,643	2,32,761	61·96	4,08,310	2,71,504	66·49	4,65,085	2,16,018	46·45	4,16,834	2,17,782	52·25
Vizagapatam	51,662	26,616	51·52	55,586	26,481	47·64	1,28,152	32,799	25·59	1,24,336	27,535	22·15
Total ...	68,09,000	44,87,220	65 90	74,75,507	52,61,691	70·39	54,01,405	32,21,740	59·65	48,54,241	31,10,887	64·10
Non-Agricultural Societies.												
Anantapur	18,421	10,684	58·00	24,294	14,242	58·62	50,865	12,954	25·47	53,451	15,785	29·53
Arcot, North	47,721	23,337	48·83	42,490	21,926	51·60	68,840	22,395	32·20	66,467	15,360	23·11
Do. South	75,013	57,818	77·11	82,701	60,217	72·81	83,894	26,929	32·09	74,683	22,793	30·52
Bellary	22,717	7,881	34·69	26,227	14,647	55·85	33,575	17,206	51·22	34,607	12,569	36·32
Chingleput	63,672	23,912	37·55	66,000	36,968	56 01	1,07,081	39,049	36·47	1,18,325	44,667	37·75
Chittoor	43,745	30,374	69·48	43,324	22,419	51·75	99,378	30,364	31·56	1,05,824	47,579	44·96
Coimbatore	35,289	18,866	53·46	38,648	21,666	56 06	1,10,736	18,801	16·98	1,15,634	22,754	19·68
Cuddapah	15,310	4,114	26·87	14,471	4,981	34·42	31,228	12,425	39·79	31,400	11,598	36·94
Ganjām	30,966	13,759	44·43	31,600	17,932	56·75	48,178	17,364	36·04	47,717	15,091	31·63
Gōdāvari, East ...	18,300	10,214	55·81	17,561	10,607	60·40	45,124	7,241	16·05	47,446	9,464	19·95
Do. West ...	6,685	2,812	42·06	8,824	2,272	25·75	16,737	7,641	45·65	14,128	7,269	51·45
Guntūr	24,876	11,391	45·79	46,628	29,020	62·24	53,885	28,687	53·24	33,148	11,647	35·14
Kanara, South ...	34,965	26,142	74·77	49,776	36,928	74·19	78,918	12,993	16·46	78,744	19,666	24·97
Kistna	26,840	15,867	59·12	34,222	24,013	70·17	40,083	16,967	42·33	36,601	18,194	49·71
Kurnool	16,686	3,868	23·18	16,975	6,170	36·35	23,067	12,995	56·34	23,730	12,372	52·14
Madras	70,013	47,308	67·57	99,535	61,996	62·29	5,67,369	32,052	5·65	6,41,115	58,646	9·15
Madura	31,198	12,253	39·27	56,256	37,731	67·07	1,30,081	32,419	24·92	1,51,635	71,304	47·02
Malabar	47,951	36,923	77·00	47,124	35,276	74·86	26,275	14,089	53·62	34,021	20,458	60·13
Nellore	26,682	11,928	44·70	36,502	22,382	61·32	39,028	20,745	53·15	36,173	20,165	55·75
Nilgiris, the	7,681	3,597	46·83	8,884	3,780	42·55	21,316	3,987	18·70	21,354	4,840	22·67
Ramnad	25,890	11,242	43·42	22,739	9,718	42·74	52,392	11,238	21·45	56,444	17,402	30·83
Salem	28,627	15,877	55·46	33,101	17,090	51·63	1,18,286	16,982	14·31	1,18,293	12,981	10·97
Tanjore	43,436	19,683	45·31	52,567	23,972	45·60	1,24,389	35,599	28·61	1,23,450	30,512	24·72
Tinnevelly	21,008	4,971	23·66	26,210	12,785	48·78	76,232	20,860	27·36	74,160	14,154	19·09
Trichinopoly	67,565	41,152	60·91	67,320	52,432	77·88	2,46,839	29,353	11·89	2,40,869	16,812	6·98
Vizagapatam	15,333	4,495	29·32	13,140	3,152	23·99	93,849	8,825	9·40	99,562	8,329	8·37
Total ...	8,66,590	4,70,468	54·30	10,07,119	6,04,322	60·01	23,87,645	5,10,160	21·37	24,78,981	5,62,411	22·69

APPENDIX No. 4—SECTION II (a) AND (b).—*Classification of Societies*—1933–34.

District.	Thoroughly good societies. A	Societies with some defaulters and some mistakes in accounts. B	All other societies that do not come under class D. C	Bad societies which will be cancelled should they fail to come under class C within two years. D	Total.	Number of societies in which collections of principal to demand by members were: 95 per cent. I	70 per cent. II	55 per cent. III	40 per cent. IV	Below 40 per cent. V	Dormant societies which have not given any loans in the last 12 months. VI	Societies in which no loans have yet fallen due. VII	Total.
Anantapur	4	11	119	25	159	10	5	6	7	90	37	4	159
Arcot, North ...	7	24	299	54	384	17	24	16	21	77	225	4	384
Do. South ...	1	17	363	35	416	4	5	5	6	28	361	7	416
Bellary	2	6	128	17	153	3	3	3	2	83	58	1	153
Chingleput	3	42	336	85	466	5	10	16	15	59	361	...	466
Chittoor	4	12	109	37	162	4	6	6	6	120	19	1	162
Coimbatore	12	64	223	27	326	28	51	27	31	31	145	13	326
Cuddapah	3	30	64	45	142	7	8	5	6	72	41	3	142
Ganjam	9	22	289	7	327	13	31	19	21	229	10	4	327
Godavari, East ...	7	37	200	58	302	21	24	32	28	133	62	2	302
Do. West ..	11	53	126	9	199	11	19	25	18	103	20	3	199
Guntūr	6	43	175	23	247	13	22	19	28	133	30	2	247
Kanara, South ...	8	45	95	59	207	12	34	22	25	29	81	4	207
Kistna	9	95	110	31	245	12	32	18	29	101	51	2	245
Kurnool	...	10	135	45	190	...	9	9	10	115	44	3	190
Madras	21	16	25	7	69	22	13	6	4	5	18	1	69
Madura	6	33	273	29	341	24	29	16	9	21	234	8	341
Malabar	1	24	221	80	326	2	11	10	5	125	173	...	326
Nellore	10	46	154	32	242	14	22	19	25	132	26	4	242
Nilgiris, the	2	6	39	4	51	6	6	3	2	7	25	2	51
Ramnad	9	23	152	22	206	6	11	9	5	7	168	...	206
Salem	7	35	185	49	276	15	29	30	15	27	146	14	276
Tanjore	13	70	459	77	619	13	22	29	21	100	428	6	619
Tinnevelly	10	31	277	21	339	32	41	18	17	19	203	9	339
Trichinopoly	16	46	205	43	310	17	21	18	11	18	222	3	310
Vizagapatam	12	81	168	5	266	50	44	21	25	110	12	4	266
Total ...	193	922	4,929	926	6,970	361	532	407	392	1,974	3,200	104	6,970

NOTES CONNECTED WITH G.O. No. 1666, DEVELOPMENT, DATED 8TH DECEMBER 1934.

[SUBJECT.—*Administration Report on the working of Co-operative Societies*, 1933–34.]

From the Registrar of Co-operative Societies, No. A. 3377/34, *dated 2nd November* 1934.

Please see the Administration report on the working of Co-operative Societies for 1933–34 submitted by the Registrar of Co-operative Societies.

2. The number of societies fell from 13,956 to 13,634 at the end of the year under report, and these were made up as follows:—

	1933–34.	1932–33.
Provincial Bank	1	1
Central Banks	32	32
Central Land Mortgage Bank ...	1	1
Provincial Co-operative Unions and language federations	3	3
Audit unions	12	12
District federations	8	11
Training institutes	6	6
Supervising unions	360	375
Agricultural societies	*11,773	12,064 († 291)
Non-agricultural societies	1,438	1,451
	13,634	13,956
	Difference—322.	

There was a further fall in the number of agricultural societies.

3. *Rectification and consolidation.*—One hundred and forty societies were registered during the year against 107 in 1932–33 and 127 in 1931–32. Of the 140 societies registered 77 were agricultural credit

* Of these, 75 were Purchase, Purchase and Sale societies.
† Difference.

societies. It is stated that these were registered either to connect the ryots with produce sale societies or for the benefit of depressed classes. The necessity for restricting registration of societies to cases where there was every prospect of the society working well or where special circumstances were present was again impressed on the Registrar recently. The registration of 462 societies was cancelled during the year against 691 in 1932–33. The Registrar has reported that as liquidation work has become very heavy and the collection of money due is difficult and slow after liquidation, the method of voluntary supersession was resorted to on a large scale during the year, and that as many as 244 societies were brought under the operation of by-law 62 of the model by-laws of village societies. It will be seen that a larger number of societies were registered and the registration of a smaller number of societies was cancelled during the year, when compared with the figures of 1932–33.

Under the scheme of subvention to Central Banks for rectification work the Provincial Bank sanctioned Rs. 17,130 to 22 Central Banks which themselves spent Rs. 1,31,728 from their funds. The number of societies rectified by Central Banks, federations and unions were 421 against 537 in 1932–33. The results do not seem commensurate with the expenditure. It only shows that the task of reducing overdues in bad societies to below 40 per cent is a very difficult one. The revised plan of rectification suggested by the Joint Registrar has been introduced by most of the Central Banks. The scheme is outlined in paragraph 12 of the report and the statement at pp. 10–11 of the report indicates the results obtained by the introduction of the scheme in four banks. The scheme enables Central Banks to take stock of their position and set on foot schemes of rectification of societies to secure their investments. According to the scheme steps have to be taken at once to recover loans on inadequate security in respect of which there is no chance of securing additional security. It may be hoped that as a result of the adoption by Central Banks of the above scheme, overdues will be reduced and the position of the movement will be improved.

4. The following statement shows the percentage of balance to demand in societies :—

Percentage of balance to demand in	Central Banks.		Agricultural societies.		Non-agricultural societies.	
	1932–33.	1933–34.	1932–33.	1933–34.	1932–33.	1933–34.
Principal	39·69	53·86	67·09	70·28	23·21	23·14
Current interest ...	8·79	12·41	59·39	63·81	21·74	23·35
Arrear interest ...	41·40	48·16	65·81	70·38	54·37	58·7[illegible]

There has been an allround increase in balance to demand in the case of all societies, except in the case of principal in non-agricultural societies, where there was a very slight reduction. This is attributed to continued economic depression and the Registrar hopes that with the endeavours made by officials and non-officials to reduce arrears the position must get better.

5. *Loans.*—There was a further fall in the loan transactions of Central Banks, a slight fall in transactions of Agricultural societies and a rise in those of Non-agricultural societies. The Registrar reports that as a result of the measures adopted by Central Banks with reference to the orders in G.O. No. 5210, L. & M., dated 13th December 1933, there was a marked decline in the surpluses in Central Banks, from over a crore of rupees on 30th June 1933 to Rs. 54 lakhs on 30th June 1934.

	1932–33.	1933–34.
	LAKHS.	LAKHS.
Central Banks	92·57	84·77
Agricultural societies ...	92·37	92·16
Non-agricultural societies.	204·85	222·85

6. *Net profits.*—The net profits earned by various classes of societies were as follows :—

	1932–33.	1933–34.
	LAKHS.	LAKHS.
Central Banks	7·46	6·74
Non-agricultural societies ...	8·68	8·96
Agricultural societies ...	—16·16	—16·00

7. *Working capital.*—The working capital of all societies fell from Rs. 1,734·63 lakhs to Rs. 1,632·05 lakhs. The percentage of owned capital to working capital was 22·57 against 21·14 in the previous year. The total working capital employed in the movement not taking into account the investment of one society into another was Rs. 1,011·97 lakhs as against Rs. 924·87 lakhs in the previous year.

8. *Agricultural societies.*—(i) The number of these societies fell from 12,064 to 11,773. The number of members fell from 628,805 to 597,606. The societies disbursed loans to the extent of Rs. 92·16 lakhs as against Rs. 92·37 lakhs in the previous year. There was a small drop in the loan transactions of these societies.

(ii) *Credit.*—The number of credit societies fell from 11,623 to 11,348. The number of members fell from 593,374 to 562,541.

(iii) *Non-credit.*—The number of societies for Purchase and Purchase and Sale fell from 79 to 75. They sold goods to the extent of Rs. 4,69,486 against Rs. 6,61,442 in the previous year. The value of goods bought was Rs. 2,95,227 against Rs. 2,60,902 in the previous year.

(iv) *Production and Sale.*—The number under this class fell from 13 to 10. The Milk Supply Union earned a net profit of Rs. 2,411 against Rs. 2,337 in the previous year. As regards the loan to the union for the purchase of a pasteurising plant, the Registrar has not renewed his proposal this year for consideration in connexion with the budget of 1935–36 in view perhaps of the small sum available for Part II schemes.

9. *Non-agricultural societies.*—(i) There were 1,438 societies of this class against 1,451 in the previous year. Membership increased

from 269,390 to 281,472. The following statement shows the working of these societies :—

	1932-33.	1933-34.
	LAKHS.	LAKHS.
Share capital	92·33	89·48
Working capital	344·42	348·70
Loans issued	204·85	222·85
Divisible profit of some societies ...	11·09	11·53
Loss of some societies	2·42	2·57

The transactions of Non-agricultural societies have not been much affected by the continued economic depression. They had better transactions and were able to increase their profits.

(ii) *Credit.*—The number of these societies fell from 1,080 to 1,069. A statement showing the working of these societies will be found at page 38 of report. It will be seen that the working of the societies was satisfactory during the year.

(iii) *Non-credit—Societies for Purchase, Purchase and Sale, Production and Production and Sale.*—The number of these societies increased from 195 to 200. The working capital of stores societies fell from Rs. 6·46 lakhs to Rs. 5·48 lakhs. Goods worth Rs. 26,27,991 were sold against Rs. 17·27 lakhs in the previous year. The profits earned by some of the societies fell from Rs. 39,707 to Rs. 37,017, while the loss sustained by others was reduced from Rs. 37,775 to Rs. 35,746. The Triplicane Stores earned a profit of Rs. 7,208 against Rs. 5,392 in the previous year.

(iv) *Weavers' societies.*—The number of weavers' societies fell from 28 to 27. Of these, 17 remained dormant. The rest worked well as will be seen from the following statement :—

	1932-33.	1933-34.
	RS.	RS.
Purchase of raw materials	15,000	7,811
Do. finished products ...	62,983	56,517
Sale of finished products	60,807	71,083
Working capital of all societies ...	1,14,998	1,08,695
Profits earned by some societies ...	1,216	5,057
Loss sustained	3,610	2,409

The societies were able to earn more profits in the year. The Salem Weavers' Society which the Government helped by providing a marketing officer was able to earn a profit of Rs. 2,098 against Rs. 418 in the previous year. The Coimbatore Devanga Weavers' Society was also working well.

10. *Industrial and Credit societies.*—Two societies of this type were started in Vizagapatam in the year 1932–33. Their object was the manufacture of sugar out of sugarcane purchased from members and sale to the best advantage. Two more such societies were started in the year under report in the Kistna district. The Registrar reports that the societies started in the Vizagapatam district did not turn out any appreciable work in the year partly because they started manufacture of sugar late in the season and partly because the machinery did not work smoothly. The Vuyyur Society started in February last had a membership of 256 and paid-up share capital of Rs. 38,819. It has taken a loan of Rs. 10 lakhs from the Madras Provincial Bank for purchase of machinery and construction of a building. The Government have lent to the society the services of a Deputy Registrar and two Sub-Deputy Registrars for employment as General Manager and for scrutiny of documents relating to landed properties tendered by members as mortgage to the society. The working of the society may be watched with interest.

11. *Insurance societies.*—The South Indian Insurance Society made considerable progress in the year. At the end of the year there were 1,453 policies for an assured sum of Rs. 13,00,350 as against 635 policies for Rs. 6,31,700 at the end of the previous year. The R.M.S. and Postal Benefit Fund also turned out useful work in the year.

12. *Building societies.*—The number of these societies fell from 116 to 114. The following statement shows the position as regards overdues :—

		1932-33.	1933-34.
		RS.	RS.
Overdues in respect of Government loans.	Principal ...	13,384	7,645
	Interest ...	7,621	5,834
		LAKHS.	LAKHS.
Outstanding against members	...	29·90	27·22
Overdues of members to societies.	Principal ...	3·70	2·95
	Interest ...	1·35	1·10

There was a decrease in the overdues of societies in respect of Government loans and those of members to societies. In spite of improvement in collection, the position cannot be said to be satisfactory.

13. *Depressed classes societies.*—The number of societies under this class fell from 2,905 to 2,776. Of these, 2,341 were in charge of the Co-operative Department, 357 in charge of the Kallar Special officers and 78 under the Fisheries Department. The overdues from societies in charge of the Co-operative Department were reduced from Rs. 1,19,256 in respect of loans amounting to Rs. 3,05,642 due to Government in 1932–33 to Rs. 55,785 in respect of loans amounting to Rs. 2,77,437 in the year under report.

14. *Supervision.*—The number of federations fell from 11 to 8 and the number of supervising unions from 375 to 360. The Registrar reports that the control and direction of supervisors has

practically in all districts been taken over either by central banks or federations where they are effectively functioning, although the work is done through unions. The unions maintained a staff of 581 supervisors and incurred expenditure of Rs. 5,72,778 against a staff of 606 supervisors and expenditure of Rs. 6,60,797 in the previous year, while the income from supervision fund amounted to Rs. 4,97,240.

15. *Training institutes.*—Two hundred and fifty-five students were trained by the six institutes during the year against 245 in the previous year. The institutes incurred an expenditure of Rs. 20,488 towards which the Government paid a subsidy of Rs. 6,230. The Government have discontinued the subsidy and staff to the institutes from the year 1934–35 and have sanctioned the establishment of a Central Co-operative Institute at Madras for training of candidates required for service in the department and of two peripatetic schools, one for the north of the Presidency and one for the south, for training persons employed in non-official co-operative service. The Central Institute has been started since the close of the year under report and two peripatetic schools will be run during the current year at Vellore and Rajahmundry by the Provincial Co-operative Union.

16. *Litigation.*—

	Suits filed.	Arbitration references made.
1932–33	2,596	41,323
1933–34	1,188	35,797

Execution—

	1932-33.	1933-34.	Execution by the department (out of decrees referred to in column 3)	
			Agricultural societies.	Non-agricultural societies.
Number of decrees to be executed	135,405	137,711	12,977	1,806
Satisfied before execution	10,384	10,577	530	131
Claims satisfied after execution	9,931	9,786	1,415	348
Pending execution at the end of the year ...	115,090	117,438	11,032	1,327

The Registrar reports that one of the difficulties experienced in departmental execution of decrees is the custody of the movable property attached in villages and that the Board of Revenue has been requested to issue instructions to village officers to help sale officers in the matter.

The societies had in their possession immovable properties worth Rs. 10·76 lakhs against properties worth Rs. 6·23 on 30th June 1933. The income realized from the properties was Rs. 18,232