44736

Annual Report on Working
of Madras Co-operative Societies
1937-38

DIGITIZED

R 1
XM.211 N37
N39
44736

ANNUAL REPORT

ON THE

WORKING OF THE MADRAS CO-OPERATIVE SOCIETIES ACT VI OF 1932

FOR THE YEAR

1937-38

Dev. 209
23-1-39

J 14

MADRAS
PRINTED BY THE SUPERINTENDENT, GOVERNMENT PRESS

1939

R
XM.211 M39
M39
41736

செப்பனிடுபவர் பெயர்

செப்பனிடுவதற்காக எடுத்துக்
கொள்ளப்பட்ட நாள் oct

செப்பனிட்டு முடித்த நாள் Nov

13/4/91

சரிபார்க்கும்
மு.பா.எ.
கையொப்பம்.

ஆராய்ச்சி
உதவியாளர்
கையொப்பம்

[Number of pages fixed as the maximum limit—66]

44736

ANNUAL REPORT ON THE WORKING OF THE MADRAS CO-OPERATIVE SOCIETIES ACT 1937-38.

TABLE OF CONTENTS.

R
XM·211 (N37
N39

APPENDICES.

IMPERIAL STATEMENTS.

Office of the
Registrar of Co-operative Societies,
Madras,
Dated 8th November 1938.

Sri Rao Bahadur M. GIRIJAPPA, B.A.,
Registrar of Co-operative Societies,
Madras,

To

The SECRETARY to GOVERNMENT,
Development Department,
Fort St. George, Madras.

Sir,

[Annual Report on the working of the Madras Co-operative Societies Act VI of 1932 for the year 1937-38 (1st July 1937 to 30th June 1938).]

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 1938.

Part I—General.

1. *Registrar.*—T. Austin, Esq., I.C.S., continued to be in charge of the department throughout the year except for a short interval from 3rd January 1938 to 19th January 1938, when I held the post of Registrar.

2. *Joint Registrar.*—Throughout the year, I continued to do duty as Joint Registrar.

Mr. T. L. R. Chandran, I.C.S., the Additional Joint Registrar who was under training, was relieved from this department on 25th November 1937, on his appointment as Special Development Officer, Salem. No other officer was deputed for training in his place during the year.

3. *Deputy Registrars.*—The 19 permanent posts and the three temporary posts of Deputy Registrars for Land Mortgage Banks continued throughout the year. The supernumerary post of Deputy Registrar to provide for the training of the direct recruit also continued till 30th June 1938. One temporary post of Deputy Registrar sanctioned in G.O. No. 1409, Development, dated 19th August 1936, for the conduct of the non-credit training classes in the Central Co-operative Institute, was utilized from August to October 1937.

One Deputy Registrar, Sri K. Narayanaswami Mudaliyar, retired from service during the year while another Deputy Registrar, Mr. J. C. Ryan, was appointed Special Development Officer in Salem where Prohibition was introducted during the year.

A fresh promotion was made to the category of D
trars during the year and the promotee acted in short v

4. *Subordinate staff.*—There were at the beginning o
64 posts of Co-operative Sub-Registrars of which 25 were
nent and 39 temporary. Government in their Order No.
Development, dated 6th April 1938, sanctioned four posts o
operative Sub-Registrars for Land Mortgage Banks. The tem
rary posts of 26 Co-operative Sub-Registrars for Land Mortgag
Banks and one post of Co-operative Sub-Registrar for audit o
departmental revenues were also continued. Besides the fou
Co-operative Sub-Registrars sanctioned for Land Mortgage Banks
Government sanctioned five more posts of Co-operative Sub
Registrars for a period of three months for the disposal of th
pending applications for loans in Land Mortgage Banks. In G.O
No. 2601, Development, dated 23rd November 1937, a super
numerary post of Co-operative Sub-Registrar was also created fo
training a direct recruit. Two batches of six Co-operative Sub
Registrars were sanctioned for a period of three months in place o
those deputed for training in land acquisition and survey. In
pursuance of G.O. No. 1409, Development, dated 19th Augus
1936, ten Co-operative Sub-Registrars were trained in the fun
tions of Secretaries and Managers of Urban and Central Banks fo
a period of three months. At the end of the year there were
77 posts of Co-operative Sub-Registrars and Assistant Registrars,
of which 25 were permanent and 52 were temporary. During the
year 9 Senior Inspectors were promoted as Co-operative Sub-
Registrars in acting and temporary vacancies. Government
sanctioned the post of a Co-operative Sub-Registrar for a period of
one month from the date of employment in connexion with the
study of handloom weaving industry. The post was not filled up
during the year.

The following additional staff was sanctioned during the
year :—

(1) Two Senior Inspectors for the Coimbatore Audit Union
and five Senior Inspectors as substitutes for those deputed
for non-credit training in the Central Co-operative Insti-
tute.

(2) Twenty-seven Junior Inspectors, one for the Registrar's
Office, eight for the audit of registered societies, ten for
supervision and management of bigger loan and sale socie-
ties, one for Rasipuram Sale Society, one for Coimbatore
Audit Union, one for Madura Audit Union, one for the
Srivaikuntam-Tiruchendur Audit Union and four for organi-
zation of societies for sweet toddy tappers in Salem district.

(3) Eight peons for employment under the Co-operative Sub-
Registrars newly sanctioned for Land Mortgage Banks.

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

Statement showing the distribution of staff as on 30th June 1938.

District.	Deputy Registrars.	Co-operative Sub-Registrars and Assistant Registrars.		Senior Inspectors.				Junior Inspectors.									Clerical staff.		Peons.	Remarks.
		General duty.	Execution.	Credit.	Non-credit.	Concurrent audit.	Special staff.	Audit.	Administration.	Liquidation.	Loan and sale.	Concurrent audit.	Execution.	Scheduled classes societies.	Non-credit.	Special staff.	Junior Inspectors.	Routine clerks.		
Vizagapatam	1	1	1	1	1	..	1	11	4	1	..	1	6	..	1	..	4	6	14	
East Godavari ..	1	1	1	1	1	1	..	11	3	2	4	1	..	9	1	1	4	6	11	
West do. ..	..	1	..	1	1	..	..	7	3	1	..	..	2	2	..	..	2	3	6	
Bezwada	1	1	..	1	1	1	1	9	3	2	..	2	5	4	..	..	4	5	14	
Guntur	1	1	..	1	1	1	..	10	3	3	..	..	5	10	..	1	4	5	14	
Nellore	1	1	..	1	1	..	..	8	3	2	..	..	2	3	..	..	3	4	7	
Chittoor	..	1	..	1	..	..	..	5	3	2	..	1	3	1	1	..	2	2	7	
Anantapur ..	1	1	..	1	1	..	..	8	4	3	3	1	..	2	..	..	3	4	9	
Bellary	..	1	..	1	1	..	..	5	4	2	1	..	2	2	1	1	2	2	6	
Cuddapah ..	1	1	..	1	1	..	..	6	2	2	1	..	2	4	..	..	3	5	8	
Kurnool	..	1	..	1	1	..	..	5	3	2	..	..	2	2	..	..	2	3	5	
Madras	1	1	..	1	1	5	..	3	1	1	..	8	1	2	..	..	3	3	5	
Chingleput ..	..	1	1	1	1	1	..	17	8	5	..	1	5	6	..	..	2	3	9	
Vellore	1	1	..	1	1	..	..	14	4	4	..	1	4	4	..	1	4	4	12	
Cuddalore ..	1	1	..	1	1	1	1	13	3	5	1	..	7	7	..	..	4	6	18	
Tanjore	1	1	..	1	1	1	..	18	3	3	1	2	5	18	..	..	5	[illegible]	14	
Trichinopoly ..	1	1	..	1	1	1	..	10	3	2	..	4	3	4	..	..	4	[illegible]	10	
Madura	1	1	1	1	1	..	..	10	3	2	..	1	4	1	2	12	4	[illegible]	13	
Ramnad	..	1	..	1	..	..	..	7	1	2	..	..	4	1	..	..	..	[illegible]	8	
Tinnevelly ..	1	1	..	1	1	..	..	11	3	3	3	..	3	4	..	1	4	[illegible]	10	
Coimbatore ..	1	1	..	1	1	1	2	10	3	2	1	..	2	3	2	1	4	4	9	
Nilgiris	..	..	..	1	1	..	..	2	1	..	1	..	..	..	..	..	..	..	4	
Mangalore ..	1	1	..	1	1	..	..	8	3	2	..	..	2	2	..	4	3	4	8	
Salem	1	1	..	1	1	..	1	9	2	4	3	..	3	3	1	3	4	4	10	
Calicut	1	1	1	1	1	..	..	11	4	4	..	..	5	4	2	..	4	5	15	
Land Mortgage Banks North ..	1	11	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	12	
Land Mortgage Banks South ..	1	10	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	12	
Land Mortgage Banks Central.	1	9	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2	11	
Registrar's Office.	1	2	..	7	..	..		..	..	..	..	..	..	..	..	..	16	7*	16	
Central Co-operative Institute ..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	2†	2	
Madras Provincial Marketing Society ..	..	1	..	1	..	..	..	..	..	..	..	..	..	..	..	..	..	2	2	
Total ..	22	57	5	33	23	13	6	227	72	62	19	23	77	98	11	25	94	120	299	

* Includes 1 Head Accountant and 1 Typist. † Also 1 Principal and 2 Lecturers.

On 30th of June 1938, there were 51 officers of the department on foreign service, including 16 Co-operative Sub-Registrars, 7 Senior Inspectors and 28 Junior Inspectors. They were employed by 15 Central Banks, 18 Urban Banks, 1 audit union and 7 miscellaneous types of institutions.

6. *Cost of working.*—The total expenditure incurred on the department amounted to Rs. 13·38 lakhs as against 12·10 lakhs in the previous year as shown below :—

	RS. IN LAKHS.		RS. IN LAKHS.
Pay of Registrar	0·36	Grants-in-aid	0·19
Pay of Additional Joint Registrar.	0·14	Grants for Co-operative training and education.	0·51
Pay of officers	1·12		
Pay of establishment ..	7·75		
Allowances	2·52		13·38
Contingencies	0·79		

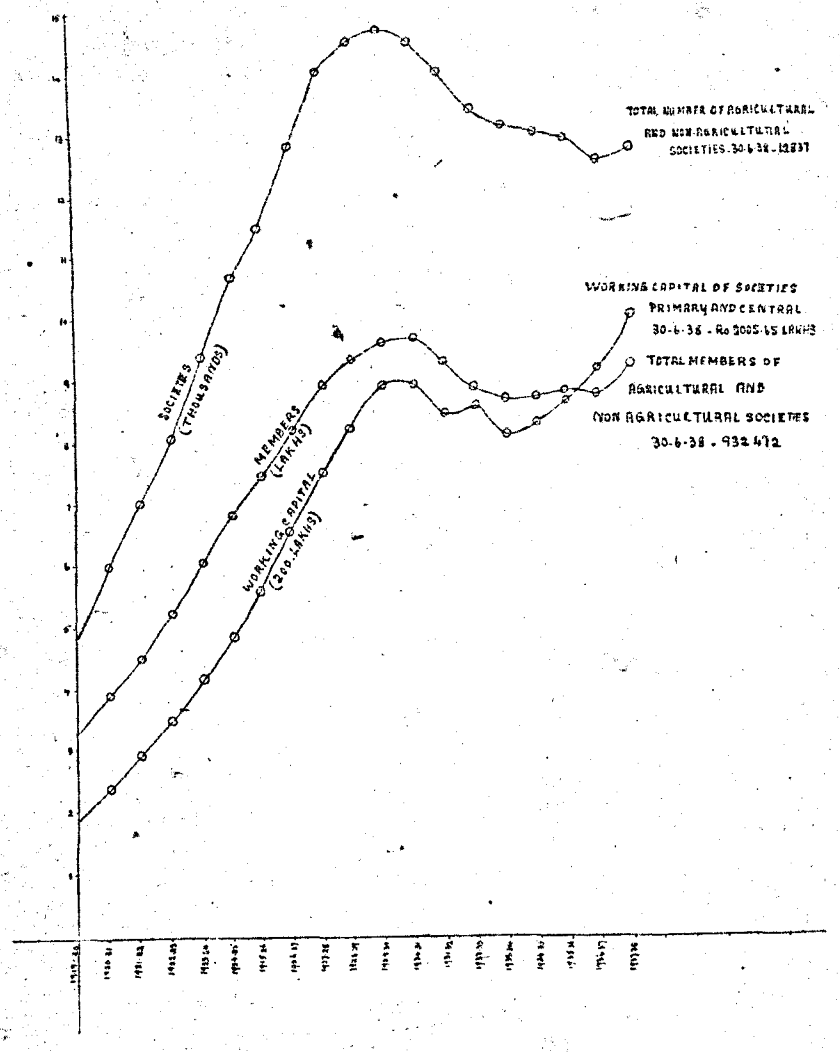
Receipts during the year amounted to Rs. 3·96 lakhs as agains Rs. 3·54 lakhs in the previous year. The net expenditure o Rs. 9·42 lakhs represents 0·47 per cent of the total working capita of all societies as compared with 0·46 per cent in the precedin year.

7. *General summary.*—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 unde principal and interest as compared with the corresponding figures for the previous year is exhibited in Appendix I. A graph showing the progress from the year 1919–20 in the number and in the membership of agricultural and non-agricultural societies and in the working capital of all societies, including central banks is appended. The figures for 1936–37 and 1937–38 exclude those relating to the societies transferred to the Orissa Province.

Season.—The south-west monsoon was defective in all districts except in Chingleput, Chittoor, Trichinopoly, Madura, Ramnad and South Kanara. The north-east monsoon was bordering on o above normal only in Cuddapah, the Carnatic, the Central districts, Tanjore and the West Coast and defective in the Circars, the Deccan (Cuddapah excepted) and the South (Tanjore excepted).

While there was a very slight rise in the price of paddy, there was considerable fall in the prices of commercial crops. There was therefore no marked improvement, on the whole in the economic condition of the ryots. Accordingly, at my instance, all the concessions given by co-operative societies last year for affording relief to their members were continued during the year.

8. *Societies.*—Including 241 applications pending disposal at the end of the previous year, there were during the year 1,36 applications for the registration of societies. Of these, 446 wer complied with by registration as against 326 in 1936–37 and 48 were rejected. In the organization of 284 societies, departmenta officers took the initiative, while the remaining 162 were registere at the instance of non-officials. Of the societies registered, 6 were in the Salem district alone, where several societies wer organized for the benefit of the toddy tappers who were throw out of employment consequent on the introduction of Prohibitio in that district. Thirty such societies were registered during th year for the manufacture of jaggery out of cocoanut and palmyr juice. The passing of the Madras Agriculturists Relief Act, 1938 also contributed to the increased demand for the organization o new societies. This Act is bound to result in the expansion of the movement as the ryots would be looking in a larger measure than heretofore to the credit societies for necessary finance. Accordingly Deputy Registrars were instructed to take up the work of expansion of the movement in their districts. Four hundred and forty-six societies, both credit and non-credit, were registered during the year and I expect more will be registered during the current year. But they have, however, been told that they should register societies only after satisfying themselves that there was every prospect of the societies working successfully. That a cautious



policy was followed during the year 1937–38 is evident from the fact that out of 934 applications for societies disposed of, only 446 were complied with by registration. The number of societies registered was less than ten in the districts of Anantapur, East Godavari, Kurnool, the Nilgiris and Ramnad. The classification of the several societies registered during the year was as follows:—

Land mortgage banks	**8**
Agricultural credit societies other than and mortgage banks.	**201**
Non-agricultural credit societies	**32**
Purchase and sale societies	**95**
Production and sale societies	**33**
Other types	**77**
Total ..	**446**

It may be observed that of the societies registered 205 were for non-credit purposes. This number included 18 better living societies, 15 thrift societies for women, 5 societies for the consolidation of holdings, three each for cattle breeding and for the production or sale of Khaddar and two for colonisation.

The registration of 235 societies was cancelled during the year as against 195 and 334 in 1936–37 and 1935–36 respectively. Cancellation was ordered only when all attempts to revive the society proved futile. Of the societies dissolved during the year 39 were in Malabar, 22 in Trichinopoly, 19 in North Arcot, 16 each in Tanjore and Guntur, 14 in South Arcot and 13 each in Chingleput, Madras and Salem. The number was not more than ten in any of the remaining districts. No society was dissolved in Bellary and South Kanara.

There was at the close of the year 13,138 societies as against 2,927 in the preceding year. Of these, the committees of 26 ocieties were under supersession under section 43 of the Act and ,236 societies were under the management of agents appointed nder by-law 62 of village credit societies, as against 36 and 1,340 ocieties respectively at the end of the previous year.

9. *Loans.*—The loans given by Central Banks to societies and dividuals amounted to Rs. 142·25 lakhs and Rs. 13·39 lakhs as gainst Rs. 105·88 lakhs and Rs. 10·96 lakhs respectively in the evious year. The overdraft transactions with societies increased ring the year from Rs. 74·64 lakhs to Rs. 110·70 lakhs while ose with individuals fell from Rs. 4·62 lakhs to Rs. 4·38 lakhs. he remarkable progress during the year in the development of an and sale societies has in a large measure contributed to the arked increase in the loan transactions of Central Banks. As ted in the last year's report, the Madras Provincial Co-operative nk and the Central Banks are continuing to pay special atten- n to the development of these societies by advancing them

loans at reduced rates of interest and by affording them other facilities for carrying on their business such as grant of subsidy to meet the cost of the staff, etc. The area under the controlled credit scheme has been extended and the loans issued under this scheme also have increased. With the extension of the scheme to several districts, I expect further expansion of business during the current year.

10. *Demand, collection and balance*—

	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 1937.	117·97	177·61	64-46
Demand for 1937–38	110·26	128·30	245·82
Total Demand ..	228·23	305·91	310·28
Extension	5·50	3·03	5·71
Collections	108·15	133·26	239·83
Total of extension and Collection.	113·65	136·29	245·54
Balance ..	114·58	169·62	64·74
Percentage of balance to demand under principal.	50·20	55·45	20·86
Percentage of balance to demand under arrear interest.	59·00	75·33	59·06
Percentage of balance to demand under current interest-	9·27	38·27	18·78
Percentage of balance to demand under principal (on 30th June 1937).	51·15	58·76	21·90
Percentage of balance to demand under arrear interest on 30th June 1937.	37·82	72·48	60·92
Percentage of balance to demand under current interest on 30th June 1937.	9·40	43·49	19·40

Except under arrear interest, there was a fall in the overdues both in Central Banks and in agricultural and non-agricultural societies. Though the fall was not remarkable, it is a matter for satisfaction that some reduction was effected. The sustained efforts of both the non-officials and the officials of the department are in no small measure responsible for this result.

The rise in the arrear interest is due partly to the fact that in the case of bad societies Central Banks have been crediting the collections towards principal first instead of interest as advised by me and partly also to the fact that the arrears are due from societies which are on the verge of liquidation. As was done last year, the progress of collection in each district was reviewed in the closing months of the year.

11. *Soundness of investments in societies and the Registrar's scheme of rectification.*—The Central Banks pursued the scheme of rectification started in previous years and the progress was reviewed by me every quarter as before. The Central Banks at Trichinopoly, Calicut, Coimbatore, Hospet and Mangalore, completed the examination of loans in a further number of indebted societies. One or two banks also re-examined the loans during the year. The results of the examination up to the end of the year are indicated below :—

(1) Number of societies in which examination was conducted	7,105
	RS. (IN LAKHS.)
(2) Total amount of loans including interest involved in them	303·01
(3) Of the above sum, the amount which stands on adequate security	211·30
(4) The amount which stands on inadequate security.	91·71
(5) Of this, the amount for which additional securities have been obtained and the amount collected ..	20·01
(6) Balance still ill-secured	71·70
(7) Estimated bad debts in these societies	39·86
(8) Of this, the amount that will affect the Central Banks	9·42
(9) Amount of loans collected during rectification work,	59·61
(10) Reserve fund of Central Banks	33·49
(11) Bad Debt Reserve of Central Banks	19·69

The Central Banks are taking steps to collect or secure the loans on inadequate security but this is proceeding at a rather slow pace. They have been exhorted to make systematic and sustained efforts to push through this stage in the rectification work. The special concessions suggested for D class societies were continued during the year and they are being extended during the current year to the members of all classes of societies under certain conditions. It is hoped that Central Banks will avail themselves of the opportunity and realize a good portion of the ill-secured debts. It is no doubt inevitable that the Central Banks will have to write off a portion of their dues as bad and irrecoverable; but this will not affect their financial equilibrium as they hold strong reserves.

Reserve funds.—The following statement shows the position of reserve funds of agricultural and non-agricultural societies as on 30th June 1938 :—

	Agricultural societies.	Non-agricultural societies.	Total.
	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)
Total amount that should have been separately invested.	79·75	42·07	121·82
Of this, the amount that has been separately invested.	63·66	39·41	103·07
Balance yet to be invested	16·09	2·66	18·75

The percentage of the invested portion to the total works out to 85 as against 83 in 1936–37 and 80 in 1935–36. The steady progress in the investment of reserve fund was largely due to the adoption by Central Banks of the policy to appropriate towards the uninvested reserved fund, a percentage of the collections from societies. The need for every society to have a strong reserve fund which is separately invested requires no emphasis and it is hoped that societies and central banks will take adequate measures to achieve this object.

12. *Classification of societies.*—The classification of societies audited up to the 10th October 1938 is given in Appendix No. 4, Section II. The classification of credit societies according to their general working during 1935–36 and 1936–37 is given below :—

	Year.	
	1935–36.	1936–37.
A. Thoroughly good societies	282	286
B. Societies with some defaulters and some mistakes in accounts.	1,499	1,531
C. All other societies that do not come under class D.	8,268	8,236
D. Bad societies which probably have to be liquidated should they fail to come under class C within two years.	1,545	1,564
	11,594	11,617

Though it is satisfactory that there was some increase in the number of societies both under A class and B class it is disappointing to note that there was an increase in D class societies also. During the year Central Banks and Deputy Registrars were requested to see that special measures of relief were given to members of D class societies by way of scaling down the debts so that after clearing their frozen debts they might obtain fresh loans for their current agricultural requirements. The need for rehabilitating these societies has now become greater with the coming into force of the Madras Agriculturists' Relief Act. Co-operative societies are therefore expected to play a more important and active part in the financing of agricultural operations than in the past. Before they take up this responsibility, societies should be revived and reconstituted to play their part well. The progress in tackling D class societies was reviewed by me every quarter. It is hoped that before long the number of these societies will be reduced substantially.

13. *Resources.*—The statement given below shows the resources of the various classes of societies on 30th June 1938.

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 Funds.	Other funds.	Total.
	RS. (IN LAKHS.)							
1 Madras Provincial Co-operative Bank.	204·88	3·20	54·30	30·22	..	8·06	4·22	100·00
2 Madras Central Land Mortgage Bank.	152·47	4·39	93·38	0·70	..	0·89	0·64	100·00
3 District Central Banks.	523·54	9·51	46·14	32·11	..	6·40	5·84	100·00
4 Agricultural societies.	671·32	10·17	5·64	68·09	0·80	11·88	3·42	100·00
5 Non-agricultural societies.	453·44	22·94	51·80	5·72	3·90	9·28	6·36	100·00
Total ..	2,005·65	50·21				36·51		300·50

The working capital of all societies rose from Rs. 1,851·93 lakhs to Rs. 2,005·65 lakhs. The total working capital employed in the movement exclusive of the investments of one society in another amounted to Rs. 1,199·48 lakhs, as against Rs. 1,114·91 lakhs in the previous year; and it is made up of as follows :—

	RS. (IN LAKHS.)
Paid up share capital	235·35
Deposits of individuals and institutions	767·94
Reserve funds	173·17
Loans from Government	23·02
Total ..	1,199·48

The owned capital in the movement is Rs. 408·52 lakhs (i.e., 34·06 per cent of the net working capital).

14. *Common Good Fund.*—Every year co-operative societies, including Central Banks spend a portion of their net profits on objects of general public utility such as relief of the poor, education and medical relief. During 1937–38 the amounts so spent by societies and Central Banks including the Madras Provincial Co-operative Bank were Rs. 21,489 and Rs. 19,647, respectively. Out of these, Rs. 23,982 were spent on education and co-opertive propaganda, Rs. 6,562 on the maintenance of libraries and reading rooms, Rs. 6,892 on sanitation and medical relief, Rs. 1,593 for the purchase of stud bulls and Rs. 2,107 for providing village amenities like lighting the streets and repair of roads and wells. Though the amounts spent are not large, it is pleasing to note that in spite of low profits, central banks and societies found it

possible to encourage philanthropic and civic activities alongside of their business.

15. *Disputes, Civil Suits and Decrees.*—The statement given below shows the progress in the disposal of arbitration references and civil suits :—

	Arbitration references.	Civil suits.
1 Number pending disposal at the beginning of the year	5,959	596
2 Number filed during the year ..	16,859	691
3 Number in which claims were satisfied before decree	1,575	42
4 Number decreed during the year ..	17,276	781
5 Number pending disposal at the end of the year	3,967	464
6 Amount involved	Rs. 7,89,193	Rs. 81,459

Including the decrees obtained during the year, the total number to be executed was 90,795. Of these, 3,139 were satisfied before execution and 11,225 after taking execution proceedings. Of the decrees executed, 259 were through village courts. The number of decrees pending execution was 76,431. A sum of Rs. 79·7 lakhs was involved in the decrees. Of these, the decrees relating to civil courts and the amount due on them were 5,140 and Rs. 3·98 lakhs, respectively.

Including the cases pending disposal at the beginning of the year, the total number of applications for execution by the department was 43,527 involving Rs. 70·56 lakhs. Of these, 2,548 cases were satisfied before attachment and 8,353 after attachment. The total amount realized in the course of execution of decrees through the department was Rs. 16·40 lakhs. There were 32,626 applications pending disposal at the end of the year. The amount due in them was Rs. 54·16 lakhs.

A total sum of Rs. 5,596 was realized towards arbitration fees during the year. There was no change in the scale of fees levied in the previous year, viz., Re. 1 on each reference touching monetary disputes for amounts exceeding Rs. 150 and Rs. 50 for non-monetary disputes and for each revision petition thereon. The appeals to the Registrar under section 51 (5) during the year numbered 62. In 18 out of these, the awards of the arbitrators were confirmed and in 25 cases, they were remanded for retrial.

Section 51 of the Act was amended during the year, introducing a specific provision for references being made under that section in respect of disputes between a society or its committee and any past committee, past officer, past servant, etc. In view of the representations made by several bodies regarding the possible abuse of this provision by the indiscriminate launching of suits against past office-bearers, Government directed that the Presidency Registrar should himself take on file and decide all references under clause (*c*) of sub-section (1) of section 51 of the Act. The total number of cases taken on file during 1937–38 was 47. Of these, nine cases were disposed of and the remaining cases were pending disposal at the end of the year. In view of the large number of cases pending, Government have permitted since the close of the year the Joint Registrar of Co-operative Societies also to dispose of such references.

The five Co-operative Sub-Registrars appointed last year to push through execution work in districts where they were heavy, were continued during the year. In spite of an increase of 896 applications during the year, there was better progress in their disposal. The number disposed of during the year was 10,901 as against 9,405 cases in the previous year. I am taking every step to ensure quicker disposal of the applications.

As in the previous years, societies and liquidators had to purchase properties of defaulters in certain cases during the course of execution proceedings. On 30th June 1938 the properties held by societies and liquidators were of the value of Rs. 15·64 lakhs and Rs. 2·69 lakhs respectively. The income derived from them and the expenses incurred on their maintenance were Rs. 0·49 lakh and Rs. 0·28 lakh respectively. The properties in most cases are unremunerative to the societies and are a source of embarrassment to them. The ownership of lands involves certain duties and responsibilities which neither the societies nor the Central Banks are fitted to discharge. This state of affairs is not desirable from the point of view of the members themselves. The question of disposal of lands in the possession of societies and liquidators has been under consideration for some time past. A scheme was drawn up whereby the Provincial Bank was to take over the lands and entrust their management to the respective Central Banks for a period of five years. The properties were to be sold at the end of the period after a rise in their price or earlier if there was a reasonable offer for them. The Provincial Bank after long consideration agreed to assist the scheme and resolved that it might be tried in the areas of the Conjeeveram and Salem Central Banks in the south and Rajahmundry and Sri Konaseema Central Banks in the north. Nothing tangible was, however, done in this direction. Another scheme whereby the lands will be reconveyed to the original owners is on what is called the "Rent Purchase System." The idea is to try it as an experiment in one or two districts where the problem is acute. Under this scheme the lands will be given back to the original owners the value of the land being debited as loans against them provided they have the repaying capacity to discharge the loan amounts within a maximum period of 20 years. The society will give the lands on lease to the defaulters on payment of rent which would be equal to the instalment fixed. If the defaulter pays the instalments regularly, he would get back the land at the end of the period on payment of a nominal amount and if he fails, he will have no claim to the land which was only leased out to him. If, for any reason, the original defaulter is not able to take back the lands on the terms, it may be offered to his next-of-kin where possible. Central Banks would require long term money for the purpose and the question of the suitable agency to finance the scheme is under consideration. After this is decided, I shall submit definite proposals for the consideration and orders of Government.

The above scheme is intended to be applied to lands in possession of living societies only. I cannot advocate any scheme of long term finance for debts due to liquidated societies because liquidation proceedings cannot be prolonged indefinitely. But I realize that it will be hard to dispossess the members of liquidated societies of their lands. I am therefore instructing the Deputy Registrars to give back to the defaulters their lands provided they agree to pay in cash in a lump sum within a specified time the debt due by them as scaled down by the liquidator, in consultation with the Central Bank.

16. *Liquidation.*—Two hundred and thirty-five societies were dissolved in the year. Of these, one was a District Federation, 2 audit unions, 8 supervising unions, 186 agricultural societies and 38 non-agricultural societies. This excludes 54 societies actually dissolved in the year under report whose liquidation work could not be taken up as the statutory period of appeal was not over by 30th of June 1938. There were in all 1,601 societies under liquidation. Of these, 225 societies were finally closed as against 270 in the previous year. Thus there were 1,376 societies under liquidation on the last day of the year. Of the 1,376 societies, 112 have been under liquidation for over three years, 167 for over four years and 582 for over five years. The total collections in all the liquidated societies amounted to Rs. 13·42 lakhs of which Rs. 6·83 lakhs represented assets written off. The collections in the previous year amounted to Rs. 13·3 lakhs including Rs. 6·9 lakhs written off. The assets to be collected in the societies under liquidation at the end of the year amounted to Rs. 69 lakhs while the liabilities to be discharged at the end of the year amounted to Rs. 48·35 lakhs. The liquidators held Rs. 1·76 lakhs in cash on hand on 30th June 1938.

In 531 societies loans due from members to the extent of Rs. 6·54 lakhs were written off. By this the creditors suffered to the extent of Rs. 0·98 lakh. Amongst the creditors were the Madras Christian Co-operative Central Bank, Ltd., and the Central Banks at Anantapur, Vellore, Cuddalore, Chittoor, Coimbatore, Cuddapah, Mangalore, Tenali, Kurnool, Calicut, Tanjore and Trichinopoly. To enforce unlimited liability contribution orders were passed against 1,921 persons for Rs. 2·07 lakhs. Only Rs. 0·51 lakh, however, was actually collected. Liquidators purchased properties to the value of Rs. 2·69 lakhs against Rs. 6·09 lakhs to be collected. Properties to the value of Rs. 0·33 lakh were sold during the year. Steps are taken where possible to secure outside bidders at departmental sales to avoid taking vast extents of land by the liquidators. The system of reviewing every month the progress of collections in liquidated societies is being continued and quarterly reviews on the progress of liquidation work are submitted to Government.

During the year appeals were preferred to Government under section 44 (2) of the Act against orders of cancellation of registration of societies in 14 cases of which 9 were rejected and 5 were pending disposal with the Government on the 30th June 1938.

Supersession of societies.—At the beginning of the year there were 36 societies, the committees of which were under supersession under section 43 of the Act. The committees of 12 societies were superseded during the year. While normal constitution was restored in respect of 14 societies, including the Central Banks at Tenali and Vizianagram, eight societies were dissolved as they were found to be beyond revival. Thus, there were 26 societies under supersession on the last day of the year. Of these societies, two were in charge of non-official committees, five in charge of non-officials and the rest in charge of departmental officers. The total assets to be collected in these societies as on the dates of their supersession were Rs. 6·25 lakhs under principal and Rs. 1·13 lakhs under interest. Before the close of the year, Rs. 4·70 lakhs under principal and Rs. 0·89 lakh under interest were collected.

There is a feeling in certain quarters that the power of supersession was too frequently exercised and in some cases without full justification and it is therefore suggested that section 43 of the Act should be deleted altogether. The provision for supersession of committees was made in the Act about six years back and so far the committees of only 74 societies were superseded and there were only 26 societies under supersession on 30th June 1938. I take no delight in superseding committees, for I realize full well that supersession involves heavy responsibilities and throws additional work on my staff. Supersession is forced by the bad turn of events in societies. I may assure Government that the powers of supersession have been exercised by me only sparingly in very necessary cases and after careful examination, and in cases where supersession is ordered, supersession is not continued a moment longer than is absolutely necessary. Excepting liquidation, supersession of committee is the only remedy for mismanagement in societies. Liquidation can be resorted to only as a last measure. The experience during the past few years shows that societies under supersession have improved matters considerably and that a timely application of section 43 was an effective remedy for factions and deadlocks in societies and in many cases saved the societies from ultimate ruin and liquidation.

It has been suggested that instead of superseding the entire committee, the Registrar should be empowered to remove individual recalcitrant directors from the committees of societies as in most cases the management of a society suffers due to the presence of one or two undesirable members in the management. If this provision is introduced in the Act, the need for superseding entire committees will be less. The question is now pending with Government.

Appointment of agents under by-law 62.—There were 1,236 societies under the management of agents appointed under by-law 62 as against 1,340 societies at the end of the previous year. The assets to be collected in these societies as on the date of replacing the panchayat amounted to Rs. 60·93 lakhs under principal and Rs. 12·82 lakhs under interest. Before the close of the year the agents collected Rs. 21·17 lakhs under principal and Rs. 9·48 lakhs under interest.

The existence of a large number of societies under the management of agents is not altogether a satisfactory feature of the movement. It is true that agents are appointed only in cases where the alternative is the cancellation of registration and instances are not wanting where owing to their efforts societies have been saved from liquidation. The system has worked well in certain districts and has helped the Central Banks to realize their longstanding dues but in certain other districts it was not attended with much success. In Malabar where on 30th June 1938 there were 120 societies managed by agents, there has not been improvement in their working and steps are being taken therefore to hand back the management to elected panchayats and to appoint managers for groups of such societies. It has to be remembered that the managers appointed under by-law 62 are mere collection agents with no powers either to lend or borrow on behalf of the societies except with the special sanction of the general body on each occasion. It is therefore desirable that in cases where the agents have either reduced the overdues substantially or pulled up the condition of the societies, that the normal constitution of the societies should be restored as early as possible. The period of such management should be restricted to the minimum necessary in each case.

17. *Audit of* 1936–37.—Four societies in Madras City were audited by certified auditors authorized by the Registrar and 117 by the staff of Audit Unions. The remaining societies were audited by the departmental staff. Out of the 117 societies affiliated to the Audit Unions 80 were audited by Inspectors of the department employed by the Audit Unions and the audit of the remaining 37 societies was done by private auditors employed by the Audit Unions and specially authorized by the Registrar. Three hundred and fifty-one societies were levied audit fees of Rs. 90,600 for the audit of the accounts of the year 1936–37. Out of this, remissions were granted to the extent of Rs. 2,161. The fees due from the societies with the exception of a few loan and sale societies were collected before the close of the year. The collection of fees due by the few loan and sale societies was kept in abeyance, pending the question of granting further remissions to some of them. Government passed orders on the Registrar's proposals in October 1938 and the fees due by the societies less the remissions proposed to be granted will be realized shortly. Three Senior Inspectors and five Junior Inspectors were employed for the audit schemes in Madras and Salem. The cost of this staff was collected from the 41 societies included in the schemes.

In the last year's report reference was made to the proposals pending before Government in regard to the revision of the scale of audit fees. Government have not yet passed orders on these proposals. During the year the question of entrusting to private auditors the audit of central and big urban Banks was revived. On an examination of this question it was found that most of the banks which favoured private audit did so because they thought it cheaper than Government audit. Audit by efficient auditors of some standing must be costly. However, I believe that the agitation in favour of private audit will cease if Government agree to effect a substantial reduction in the existing scale of audit fees. The orders of Government on the question are awaited.

Audit for 1936–37 was completed before the close of the year in respect of all societies except one, the books of which were not available. Steps have been taken since the close of the year to liquidate the society and the accounts of the society for 1936–37 will be audited after the liquidator takes charge of the books. Audit certificates were issued before the close of the year in all cases, except one. Special summaries of defects were issued to societies in all cases where defects were noticed.

Twelve thousand four hundred and seventy-three societies were marked for interim audit. Of these 12,079 societies were audited before the close of the year. Summaries of defects were issued in respect of 11,968 societies so audited.

Of the eight Audit Unions at the beginning of the year two were liquidated during the year. Of the remaining six, the registration of two more unions was cancelled but the cancellation orders did not take effect before the close of the year.

The figures furnished in the Administration Report are audited figures for 2,840 societies out of 13,040 societies for audit on 30th June 1938. The figures relating to the Provincial and Central Banks excepting the Madras Christian Co-operative Central Bank, are audited figures.

18. *The Act, the Rules and Manuals.*—No amendments were made to the Madras Co-operative Societies Act, but several of them were proposed during the year. They consisted of the suggestions made by the Board of Management of the Madras Provincial Co-operative Bank at the instance of the Central Banks' conference held in April 1937, the suggestions of the Hon'ble Minister for Revenue and those suggested by me. These amendments were under the consideration of Government at the close of the year.

During the year amendments were made to the definitions under the Rules and also to Rules Nos. XV, XXII and XXVII. The amendments to Rule XV were intended to prescribe the period of limitation for filing disputes before the Registrar and for the execution of decrees, awards or orders passed under the Act. The amendments to Rule XXII were to remove certain practical difficulties in the execution of decrees by the department. The amendment to Rule XXVII was to remove the restrictions in regard to the appointment of the employee of a society to the committee of another society.

Volume II of the Madras Co-operative Manual is under print.

19. *Criminal prosecutions.*—Twenty-eight cases were pending disposal at the beginning of the year. Twenty-two prosecutions

were launched during the year of which two were at the instance of societies. Of the 50 cases, 25 were disposed of during the year, 11 resulting in conviction, 10 in acquittal, one in discharge, two in dismissal and one in withdrawal. There were thus 25 cases pending disposal at the end of the year. The accused in respect of 14 of these cases are reported to be absconding. Sixty-six persons were or are involved in the 50 cases referred to above. Of these, 34 are office-bearers of societies and nine are employees of societies.

20. *Miscellaneous.*—The Twenty-second Madras Provincial Co-operative Conference was held at Madras on the 23rd and 24th October 1937 under the presidentship of Dr. P. J. Thomas, M.A., B.LITT., D.PHIL., Professor of Economics, University of Madras. The Seventeenth Central Banks' Conference was held on the 23rd April 1938. A conference of the representatives of Land Mortgage Banks was held in November 1937 and was presided over by Sri T. A. Ramalinga Chettiyar, B.A., B.L., M.L.C. The Eighth Andhra Provincial Co-operative Conference was held at Vizianagram in April 1938 and it was opened by the Hon'ble Sri V. V. Giri, Minister for Industries and Labour. District conferences were held at Anantapur, Srivilliputtur (Ramnad), Amalapuram (Godavari East), Virur (Nellore) and Achanta (Godavari West) and were presided over by Dr. Pattabi Sitaramayya, Sri Diwan Bahadur K. Deivasikhamani Mudaliyar, M.L.C., Dr. P. Gurumurthi, late Sri T. Audinarayana Chettiyar and Sri T. N. Ramakrishna Reddi, B.A., B.L., M.L.C., respectively. The Hon'ble Sri V. V. Giri, Minister for Industries and Labour, opened the conference held at Anantapur and the conference at Virur was opened by me.

During the year, Capt. J. M. Wingate, Superintendent of Agriculture in Gold Coast (South Africa) and Messrs. Whang Tse Shing and Tseo Fing, students of economics, China, visited this province to study the working of the co-operative societies. Sri P. Parameswaram Pillai, B.A., B.L., Registrar of Co-operative Societies, Travancore, who attended the Madras Provincial Co-operative Conference also visited a few of the typical non-credit societies and studied the execution work in this presidency.

PART II—DETAILED WORKING OF SOCIETIES.

21. *The Madras Provincial Co-operative Bank.*—The Madras Provincial Co-operative Bank continued to make steady and satisfactory progress during the year. The transactions of the bank during the past two years are exhibited in the Imperial Statement A.

During the year, the bank redeemed the shares held by societies other than Central Banks and this accounts for the decrease in the number of society share-holders and the paid up share capital. There was a slight fall in the deposits held by individuals from Rs. 57·06 lakhs to Rs. 56·39 lakhs. The deposits of societies also fell from Rs. 78·76 lakhs to Rs. 61·91 lakhs. The deposits from joint stock and other institutions, local boards and municipalities and Government contractors, however, rose from Rs. 34·36 lakhs to Rs. 46·76 lakhs with the result that there was an increase of about Rs. 3 lakhs in the total borrowings of the bank. The investments of the bank in Government Premissory notes amounted to Rs. 126·47 lakhs as against Rs. 142·30 lakhs in the previous year.

Loans.—The bank issued loans to Central Banks to the extent of Rs. 32·79 lakhs during the year as against Rs. 9·23 lakhs in the previous year. The loans issued to Central Banks during the year went up to the figures which prevailed prior to 1931–32. The progress is in a large measure due to the encouragement of produce loans through sale societies. The loans outstanding against Central Banks at the end of the year amounted to Rs. 28·78 lakhs of which Rs. 25·86 lakhs were under short term. The Aska Central Bank in the Orissa Province was the only central bank that was in default to the Provincial Bank, the oerdues amounting to Rs. 36,935.

Under loans to individuals there was a further fall during the year. The bank issued Rs. 5·77 lakhs only as against Rs. 7·80 lakhs in the previous year. A sum of Rs. 3·12 lakhs was outstanding at the end of the year.

The bank continued to finance the Vuyyuru Co-operative Industrial and Credit Society. The loan outstanding against this society at the end of the year amounted to Rs. 13·51 lakhs of which Rs. 3·44 lakhs were overdue.

Overdraft and fluid resource.—The bank continued to have the overdraft accommodation of Rs. 37 lakhs from the Imperial Bank of India on the security of Government Promissory notes. The drawn amount at the end of the year was Rs. 8·10 lakhs. The bank maintained the necessary standard of fluid resource throughout the year.

During the year, the bank granted subsidies to Central Banks to the extent of Rs. 18,450 for development of sale societies as against Rs. 15,600 in the previous year. It is gratifying to note that the Provincial Bank is taking keen interest in the development of sale societies. The bank also made a contribution of Rs. 10,000 to the Provincial Co-operative Union for co-operative education and propaganda.

Net profits.—The bank earned a net profit of Rs. 2·93 lakhs as against Rs. 1·98 lakhs in the previous year.

After the close of the year, the Madras Provincial Co-operative Bank has amended its by-laws providing for the election of representatives of individual share-holders on the Board of management of the bank by the full general body of the bank.

22. *The Madras Co-operative Central Land Mortgage Bank.*—The Madras Co-operative Central Land Mortgage Bank completed one more year of steady and satisfactory progress. The following comparative statement shows the growth of the bank for the past three years:—

	1935–36.	1936–37.	1937–38.
1 Number of members—			
Individuals	198	457	478
Primary land mortgage banks	79	90	94

	1935-36.	1936-37.	1937-38.
	RS.	RS.	RS.
2 Share capital	3,58,900	5,34,300	6,69,300
3 Borrowings—			
Debentures	79,44,400	1,11,84,400	1,31,85,700
Deposits	4,80,112	2,50,754	6,37,277
Overdraft	..	5,115	4,21,296
Loans	..	..	1,00,000
4 Loans outstanding against primary land mortgage banks.	78,60,231	1,12,85,968	1,40,79,859
5 Investments in Government promissory notes, etc.	6,35,045	6,92,428	11,68,636
6 Overdues from members ..	..	..	..
7 Net profits	46,765	64,422	92,962*
8 Reserve fund after audit ..	1,12,376	1,28,821	1,58,358
9 Other reserves—			
Bad debt reserve	10,000	20,000	40,000
Depreciation reserve ..	..	..	20,000
Debenture redemption reserve.	..	20,000	20,000
10 Dividend declared	6	5	4

The net profits of Rs. 92,962 is exclusive of Rs. 20,000 set apart for doubtful debts and Rs. 20,000 for depreciation reserve.

The money market continued to be easy throughout the year and the bank was able to float debentures at a low rate of interest. The debentures for Rs. 25,87,100 floated during the year bear 3 per cent interest per annum. During the year, debentures to the extent of Rs. 5,71,800 were redeemed. In June 1938 debentures to the value of Rs. 4,16,600 were drawn for redemption and they have been redeemed since the close of the year.

Till the beginning of the year the bank exercised its option once in every six months to draw lots to the extent of principal collections in each series and retired debentures from circulation. In order to remove the inconvenience caused to the debenture holders by frequent drawal of lots, the bank sent round a circular to its debenture holders with a view to ascertain from them whether they would like to have their debentures redeemed by taking new debentures, which are irredeemable for a period of ten years from the date of their issue and which carry interest at 3 per cent per annum. Many have given their consent and accordingly new debentures of Rs. 7,52,400 were issued to debenture holders during the year and completed since the close of the year. On account of this arrangement, the chances of compulsory redemption of debentures have been reduced. This together with the fact that debentures of the XXIV and subsequent series are irredeemable for a period of ten years must make the debentures more attractive and popular with the investing public. The bank made a beginning during the year to purchase its debentures in the open market and debentures for Rs. 14,000 were purchased during the year through brokers.

In the last year's report, I referred to the suggestion of the Reserve Bank of India that the Central Land Mortgage Bank might maintain a sinking fund for the repayment of debentures on maturity. This question, which had been engaging the attention of the Government, Central Land Mortgage Bank and myself was disposed of during the year. Government passed orders accepting the suggestion of the President of the Central Land Mortgage that the bank will throughout the period of currency of each series of debentures make an annual equated payment to a debenture redemption fund at such a rate that the contribution accumulating at compound interest at the same rate of interest as that borne by the debentures will provide sufficient funds to pay off the debentures at maturity and that, if the amount to the credit of the Debenture Redemption fund is invested and the net return in any year falls short of the rate of interest borne by the debentures, the short fall will be made good from the revenues of the bank in the same year. They also directed that a margin of at least 2½ per cent should be maintained between the rate of interest charged to ultimate borrowers and the rate of interest on debentures and that the rate of dividend paid by the bank to its share-holders should not exceed 1 per cent above its rate of interest on debentures. At a meeting of the Board of Directors of the Madras Co-operative Central Land Mortgage Bank held on 8th April 1938, it was resolved to accept the first two conditions laid down by Government and to recommend the question of limiting the rate of dividend to 1 per cent above the debenture rate to the general body. Accordingly the rates of interest on loans issued by the Central Land Mortgage Bank and by primary land mortgage banks to their members have been enhanced from 4 to 4½ and 5 to 5½ per cent respectively. Loans are now issued to ultimate borrowers at 5½ per cent.

The question of obtaining all the funds required by the Central Land Mortgage Bank by the issue of debentures once or twice a year instead of floating them all through the year has been settled after the close of the year. Government have agreed to give temporary accommodation to the Central Land Mortgage Bank on certain conditions and the bank has accordingly availed itself of temporary accommodation from Government in the months of August, September, and October 1938.

The Central Land Mortgage Bank approached Government during the year twice for an enhancement of their guarantee of the debentures of the bank as the transaction of the bank developed considerably. In their Order No. 987, Development, dated 9th April 1938, Government enhanced their guarantee from Rs. 125 lakhs to 150 lakhs. Again in G.O. No. 2247, Development, dated 9th September 1938, Government enhanced their guarantee by Rs. 50 lakhs more, the total guarantee under section 6 thus extending to Rs. 200 lakhs, exclusive of the debentures redeemed from time to time. During the year, Government permitted local bodies to invest their provident fund and railway-cess funds in the 20-year debentures of the bank up to one-half and one-third, respectively, of the amount to the credit of the fund without reference to Government.

The term of the appointment of the Deputy Collector-Secretary expired on 28th May 1938, and he reverted to the regular line in the Revenue Department. The Board of the Central Land Mortgage Bank had no objection to the trustee having a representative

---

* Proposed to be declared.

of his to look after the issue and redemption of debentures and th management of the Debenture Redemption Fund. Since the clos of the year, Government have sanctioned the appointment of a separate Deputy Registrar for Chingleput district and have ordere that the Deputy Registrar, Madras, shall be in charge of the debenture section of the Central Land Mortgage Bank and assist th Registrar in the performance of his duties as the trustee of th bank. Accordingly, the Deputy Registrar, Madras, has been i charge of the debenture section from October 1938.

23. *Central Banks.*—The number of Central Banks remained the same as in the previous year, viz., 31. The number of individual shareholders of the banks fell from 4,248 to 4,176 while the number of society shareholders rose from 11,244 to 11,288. Of the 11,288 societies affiliated to the banks, 199 were Central Societies, 9,811 were Agricultural Credit Societies, 946 were Non-agricultural Credit Societies and the remaining 332 societies belonged to other types. At the beginning of the year the committees of the Guntur and the Vizianagram Central Banks were under supersession under section 43 of the Co-operative Societies Act. Normal constitution was restored in both the banks during the course of the year. The working of the Madras Christian Co-operative Central Bank had not been satisfactory for some time past and the question of either mending or ending it has been under the consideration of Government for some time. Since the close of the year, however, a defalcation of the funds of the bank by its ex-manager came to light with the result that the financial position became worse. With a view to arrest the further deterioration in the bank and to safeguard the interests of the depositors and members, it was felt necessary to supersede the committee and to take over the management of the bank immediately. I accordingly superseded the committee of the bank for six months from 28th September 1938 and have entrusted the management to a Co-operative Sub-Registrar. Government in their Order No. 2647, Development, dated 24th October 1938, have since appointed a committee with Sri T. A. Ramalingam Chettiyar as its Chairman to examine the condition of the bank and to report regarding its future working.

Working capital.—The following comparative statement shows the progress of the banks during the last three years :—

	1935–36. RS. (IN LAKHS.)	1936–37. RS. (IN LAKHS.)	1937–38. RS. (IN LAKHS.)
1 Paid-up share capital ..	53·55	50·41	49·79
2 Deposits and other borrowings including overdrafts	389·08	387·56	409·68
3 Working capital	501·43	499·79	523·54
4 Net divisible profits ..	5·43	4·40	3·15

There was a further fall in the paid up share capital due mainly to the refund of share capital of liquidated societies and to the withdrawal of excess share capital by living societies in certain cases. On the other hand, there was an appreciable increase in the total deposits and borrowings and also in the working capital. The increase is justified by a corresponding increase in the loan transactions of the banks. The total owned capital of the banks (share capital and reserve fund) amounted to 15·9 per cent of the total working capital on 30th June 1938 as against 16·6 per cent on 30th June 1937.

The restrictions imposed on the acceptance of fixed deposits of local bodies continued during the year and Central Banks could take these deposits only up to the extent of their paid-up share capital. In their Order Ms. No. 975, Development, dated 9th April 1938, Government, however, empowered the Registrar (1) to raise the limit for individual banks to any amount not exceeding twice the paid-up share capital either for a temporary period or indefinitely and (2) to relax the limit in the case of individual deposits subject to certain conditions. The limit was raised temporarily for nine banks towards the close of the year and two others subsequently. In certain cases, individual deposits were also permitted by relaxation of the limits fixed for the banks concerned. The total fixed deposits of local bodies held by all banks at the close of the year amounted to Rs. 34·36 lakhs as against Rs. 35·03 lakhs at the beginning of the year. Though there has not been any increase in the amount of deposits, the delay and inconvenience formerly caused both to Central Banks and to local bodies have been greatly minimized as a result of these orders.

Borrowings from the Provincial Bank.—The Central Banks availed themselves of the finances of the Provincial Bank to a larger extent this year than in the last few years. The total amount borrowed was Rs. 32·79 lakhs as against Rs. 9·23 lakhs in the previous year. The amount outstanding at the end of the year was Rs. 28·41 lakhs. No bank had overdues to the Provincial Bank on the last day of the year.

Financial position.—The following is a rough balance-sheet of the Central Banks as a whole as on the last day of the year :—

Assets.	RS. (IN LAKHS.)	Liabilities.	RS. (IN LAKHS.)
1 Cash on hand and in banks.	20·49	1 Loans and deposits from—	
2 Investments	131·84	(a) Members and non-members—	
3 Loans due from—		Long term	117·24
(a) Individuals :		Short term	124·23
Long term	1·48	(b) Provincial and Central Banks—	
Short term	5·00	Long term	2·64
(b) Societies :		Short term	32·82
Long term	220·80	(c) Societies—	
Short term	139·43	Long term	109·87
4 Interest due	13·63	Short term	22·80
5 Other items	12·62	2 Share capital paid-up ..	49·79
		3 Interest due..	5·24
		4 Cost of management due ..	0 17
		5 Other items..	5·67
		6 Reserve fund	33·49
		7 Other funds	30·58
		8 Difference between assets and liabilities.	10.65
Total ..	545·29	Total ..	545·29

Exclusive of the paid-up share capital, the Reserve Fund and other funds owned by the banks, their outside liabilities amounted to Rs. 420·78 lakhs against which the banks held assets to the extent of Rs. 545·29 lakhs. The large margin between the assets and the outside liabilities must assure depositors that the financial position of the banks as a whole continues to be sound. The total short-term liabilities of the banks amounted to Rs. 179·95 lakhs and against these, the banks held short-term assets to the tune of Rs. 144·43 lakhs besides the cash on hand and in bank amounting to Rs. 20·49 lakhs and the investments of Rs. 131·84 lakhs.

Net profits.—All the Central Banks except the Vizianagram and the Christian Central Banks worked at a profit. The Vizianagram Central Bank worked at a net loss of Rs. 22,972 while the loss in the Christian Central Bank including that of previous years amounted to Rs. 37,314. The Madras District Bank recouped the loss of Rs. 1,806 of the previous year and earned a net profit of Rs. 1,560. The total divisible profits of all banks amounted to Rs. 3·15 lakhs as against Rs. 4·40 lakhs in the previous year. The majority of the banks have contributed to the fall in the profits. This fall in the profits in spite of an increase in the loan transaction is mainly due to a further reduction in the lending rates of Central Banks. The policy of making provision for bad and doubtful debts by retrenchment of profits was generally continued and a sum of Rs. 1·01 lakhs was added to this fund. The Bad Debt Reserve at the close of the year amounted to Rs. 19·69 lakhs as against Rs. 18·98 lakhs at the end of the previous year. It is gratifying to note that Central Banks have realized the importance of building up this reserve and have generally restricted their dividends. Last year, as many as 23 banks declared a dividend of not more than 5 per cent to their shareholders. In view of the fall in the profits of Central Banks and in consideration of the easy conditions of the money market, proposals have been submitted to Government for amendment of the rules to reduce the maximum rate of dividend payable by Central Banks to 5 per cent and they are under the consideration of Government.

The cost of management of all the banks amounted to Rs. 5·28 lakhs and this was slightly above 1 per cent of their total working capital. The ratio exceeded the Presidency average in 16 banks. It was above 1·5 per cent in the Central Banks at Conjeeveram, Chittoor and Cocanada and in the Christian Central Bank, Madras. In view of the gradual fall in the income it is needless to reiterate that the expenditure on management should be kept down as far as possible. But the principle of having a well paid and contented staff with proper security of tenure and prospects should not, however, be lost sight of in the anxiety to effect economies.

Loans.—Loans to the extent of Rs. 13·39 lakhs were disbursed to individuals as against Rs. 10·96 lakhs in the previous year. The recoveries amounted to Rs. 13·34 lakhs and the amount outstanding at the end of the year was Rs. 6·06 lakhs.

The loans disbursed to societies during the year amounted to Rs. 142·25 lakhs as against 105·88 lakhs in the previous year. The development of produce loans through sale societies accounts to a large extent for the increase in the loan transactions. The increase is also indicative of the fact that the credit facilities afforded by co-operative societies are being availed of by agriculturists to a greater extent than before. The repayments by societies during the year amounted to Rs. 113·91 lakhs. The amount of loans outstanding at the end of the year was Rs. 304·56 lakhs.

As has been referred to in the annual report for the previous year the need for developing more short-term credit was impressed upon Central Banks during the year. With a view to encourage more short-term business, it was suggested (1) that Central Banks might fix a limit up to which intermediate loans might be advanced during the year and (2) that they might get the borrowing power of societies apportioned between short-term and intermediate term loans. A suggestion was also made that at least 75 per cent of the borrowing power of societies might be set apart for short-term loans. While the Central Banks generally agreed to the need for developing more short-term business the proportion suggested was not acceptable in all cases. Conditions vary from district to district and in some there is no great demand for cultivation loans. I am, however, happy to record that Central Banks have generally taken the advice as will be evident from the fact that out of Rs. 142·25 lakhs lent to societies during the year, a sum of Rs. 96·67 lakhs represented short-term loans. The ratio of short-term to long-term loans issued was 1 : 0·47 as against 1 : 0·82 in the previous year. Twenty-two Central Banks as against 15 in the previous year issued more short-term than long-term loans. The ratio of short-term to long-term loans outstanding at the end of the year was 1 : 1·67 as against 1 : 2·4 in the previous year.

During the year, the Central Banks were exhorted to implement the provisions of the Agriculturists' Relief Act and thereby justify the exemption given to co-operative societies from the operation of the Act. With this end in view, the following suggestions were made for their consideration :—

(1) Reduction of the lending rate on new loans to societies to 5 per cent and in any case not to exceed 5½ per cent, and

(2) reduction of the lending rate on outstanding loans so as not to exceed 6 per cent.

The response from the Central Banks was generally satisfactory. Before the close of the year, as many as eleven Central Banks brought down the lending rate on new loans to 5 per cent and seven others to 5½ per cent. Five other banks reduced the lending rate to 5 per cent subject to certain conditions. On outstanding loans fourteen Central Banks reduced the rate to not more than 6 per cent. I hope that the other banks will also fall in line with the principle of the Act and bring down their lending rates before long. On loans to sale societies almost all banks charged a lower rate than to other societies. In nine banks, the rate was 3½ per cent or less.

The loans outstanding against liquidated societies at the end of the year amounted to Rs. 30·40 lakhs as against Rs. 29·33 lakhs at the end of last year.

Arrears.—Appendix 3, Section II, shows the percentage of balance to demand under principal, arrear interest and current interest due to Central Banks. The Presidency average of overdues under principal was Rs. 61·19 per cent under long-term and 32·70 per cent under short-term as against 58·91 per cent and 34·30 per cent, respectively, in the previous year. The Presidency average was 42·76 under arrear interest and 13·18 under current interest as against 37·60 per cent and 10·13 per cent under arrear and current interest respectively, in the previous year. Except under short-term principal, the percentages have slightly gone up.

The percentage of arrears exceeded the Presidency average in 17 Central Banks under long-term and in 15 Central Banks under short-term principal. In the Central Banks at Anantapur, Vellore, Cuddalore, Hospet, Chittoor, Cuddapah, Ellore, Kurnool, Srivilliputtur and Chicacole the percentage was above the Presidency average both under short-term and under long-term principal. Compared with last year, there was a decrease in the percentage both under long-term and short-term in the Rajahmundry, Guntur, Malabar, Srivilliputtur, Salem, Kumbakonam, Trichinopoly and Chicacole Central Banks while there was an increase in the case of the Central Banks at Anantapur, Vellore, Hospet, Coimbatore, Ramachandrapuram, Bezwada and Vizianagram.

Under interest, the percentage was above the Presidency average in 17 Central Banks in respect of arrear interest and in 12 Central Banks in respect of current interest. The Central Banks at Hospet, Conjeeveram, Chittoor, Cuddapah, Cocanada, Nellore, Srivilliputtur, Tanjore, Vizianagram and Chicacole and the Madras Christian Central Bank stood above the Presidency average both under arrear and current interest. Under both these items, there was improvement over last year in the Rajahmundry, West Godavari, Salem and Kumbakonam Central Banks while in the Central Banks at Hospet, Conjeeveram, Cocanada, Masulipatam, Madras, Srivilliputtur, Tanjore, Vizianagram and Chicacole and in the Christian Central Bank there was an increase in the percentage.

Fluid resource.—Thirteen Central Banks maintained the required standard of fluid resource throughout the year. Eighteen as against eleven banks in the previous year defaulted on certain days during the year. There was default in the case of six banks only in the first half-year. Of the eighteen banks, ten had deficits in both statements A and B while the other eight banks had deficits either in A or in B. There was deficit on one day only in the Anantapur and Cocanada Central Banks while in the Sri Konaseema Central Bank, there was deficit only on two days. In a majority of the banks, there was deficit only for a short period. The Central Banks at Ramachandrapuram, Bezwada, Cuddalore and Hospet, however, had deficits for a fairly long period. In most cases the deficit was explained as being due to repayment of large amounts under fixed and current deposits and to the disbursement of loans to meet the increased demands of sale societies. I have made it clear to Central Banks that while it is necessary to disburse loans promptly, it should not be done at the risk of default in the maintenance of fluid resource according to the standard prescribed and that they should so regulate their funds as to avoid deficits in future.

Overdrafts.—All the Central Banks except the Cuddapah District Bank and the Madras Christian Co-operative Central Bank continued to have overdraft accommodation with the Madras Provincial Co-operative Bank. The total amount of such accommodation sanctioned was Rs. 27·76 lakhs. Of the overdrafts sanctioned, Rs. 2·81 lakhs were on the security of Government Promissory notes, Rs. 7·35 lakhs on fixed deposits, Rs. 4·04 lakhs on the security of the debentures of the Madras Central Land Mortgage Bank and Rs. 13·56 lakhs on the security of the pro-notes of co-operative societies. The amount drawn at the end of the year was Rs. 4·74 lakhs. The Central Banks had also overdraft accommodation from the Imperial Bank of India to the extent of Rs. 27·56 lakhs and the bulk of it was against the security of Government Promissory notes. The drawn amount on the last day of the year was Rs. 2·32 lakhs.

General.—In the report for the previous year, special emphasis was laid on the revival and rehabilitation of dormant societies as a part of the programme of work of Central Banks. Statistics gathered have disclosed that there are about 1,800 societies in the Presidency in which the realizable assets are insufficient to discharge the outside liabilities. Some of these are probably incapable of improvement and may have to be liquidated at no distant date. Where the deficit is not large it must be possible to restore the society to a normal condition by the admission of new members, reconstitution of the panchayat, grant of liberal concessions in collecting existing loans and the disbursement of fresh short-term loans strictly within the repaying capacity of the borrowers. Statistics have also revealed that there are about 1,200 societies in which the realizable assets far exceed the outside liabilities. They include societies which are in a working condition and which have built up strong reserve funds and societies which have almost no outside liabilities and are dormant. In either case, there is considerable scope for development. It is the duty of the supervising and financing agencies to look into the affairs of these societies, find out the causes for their dormant condition and to revive them.

Side by side with this process of rectification and consolidation, there is the question of expansion of the movement. After the Agriculturists Relief Act, 1938, has come into force, there are already indications that agriculturists are availing themselves of the credit facilities afforded by co-operative societies to a greater extent than before. There is a growing demand for new societies and this demand has to be met promptly in order to cater to the needs of the ryots. There should therefore be much better progress in the expansion of the movement but at the same time it must be cautious. The task ahead is indeed great but I am confident that Central Banks will devote themselves to it with zeal and energy.

24. *The Madras Provincial Co-operative Union and Language Federations.*—The Madras Provincial Co-operative Union continued to do useful work. It had 426 members at the end of the year, including the honorary members. The union continued to publish the *Madras Journal of Co-operation* in English. It also paid subsidies to the extent of Rs. 500 each to the Tamil Nadu Co-operative Federation and the Andhra Sahakara Sammelanam for the publication of the Tamil and Telugu journals respectively. The library and reading room maintained by the union continued to be popular. Books to the value of Rs. 213 were added to the library and during the year under report 15,230 visitors made use of the reading room. The average attendance per day was about 50. The president and other Executive committee members of the union inspected societies and did propaganda work in the Madras City and the districts during their tours. During the year 52 magic lanterns and seven sets of slides prepared by the union were sold. It also conducted the peripatetic training classes at Coimbatore, Anantapur, Bezwada and Vellore. The union was in charge of the training classes for panchayatdars and members of societies under the scheme of co-operative education sanctioned by the Government.

The Tamil Nadu Federation at Coimbatore continued its main activity of editing the Tamil journal *Kootturavu.*

The Andhra Sahakara Sammelanam at Rajahmundry continued to publish the monthly co-operative journal in Telugu.

25. *District co-operative federations.*—The registration of the one district federation which was in existence at the beginning of the year was cancelled during the year. The functions of the defunct district federations have been taken over by the Central Banks in all the districts.

There is a feeling that Central Banks do not devote sufficient attention to propaganda which was one of the functions of the district federations. Central Banks have therefore been requested to attend to this item of work and avoid the criticism that they are interested solely in collecting their dues.

26. *Supervision.*—For purposes of supervision primary societies were grouped as follows :—

	RS.
Affiliated to local supervising unions	8,078
Affiliated to Central Banks	1,651
Under the Fisheries department	49
Under the Special Police Officer for Kallars	255

There were 262 supervising unions at the beginning of the year. Eight of them were liquidated during the year and at the end of the year the number of unions was 254. The total amount spent on supervision was Rs. 3·41 lakhs while the total income from supervision fund, contributions by Central Banks and other miscellaneous items was Rs. 3·96 lakhs, including the balance available at the beginning of the year. Including the arrears of previous years Rs. 2·27 lakhs had to be collected in all districts from primary societies towards supervision fund. Of this Rs. 1·53 lakhs were collected and Rs. 0·74 lakh was left in arrears at the end of the year. With the dissolution of the District Federations, Central Banks have in almost all districts taken over the supervision of societies. The administrative sections of the Central Banks with the assistance of executive officers co-ordinate the activities of the unions and control their expenditure as also the staff engaged on supervision. The District Supervision Fund consisting of the supervision fees collected from societies and the contribution made by the Central Bank in accordance with its by-laws is in most districts insufficient to meet the expenditure on supervision. The deficit is therefore made up by the Central Banks out of their general funds. The unions now work more or less as the agents of the financing banks than as separate bodies with independent powers. Still they occupy an important place in the scheme of supervision as there is no other agency which can supply the local knowledge and influence so necessary for the proper control of societies. The unions are expected to do the actual supervision under the control and guidance of Central Banks but it cannot be said that the unions have achieved much in this direction. Governing body members with enthusiasm, vision and integrity are required for the work but societies rarely supply the proper type of persons. In the Bombay Presidency the by-laws provide for the Central Bank and the District Board of Supervision (which corresponds to the now defunct District Federation of this Presidency) to nominate a person each to the committee of the supervising union. The question of introducing similar provisions in the by-laws of the supervising unions of this Presidency is engaging attention.

27. *Training institutes and co-operative education.*—The scheme of training and education of the staff and members of co-operative societies as outlined in G.O. No. 1409, Development, dated 19th August 1936, which was put into operation with the Government of India grant during 1936–37 was continued in 1937–38 also. The amount provided in the Budget Estimate for 1937–38 on this account was Rs. 51,600 and the amount actually spent was Rs. 51,330.

The Madras Central Co-operative Institute.—The following courses of training were conducted by the Institute during the year :—

(i) Training in non-credit activities was given to ten departmental inspectors and to nineteen office-bearers and employees of non-credit societies. The training was conducted by a Deputy Registrar for a period of two months from 23rd August 1937.

(ii) Nine Co-operative Sub-Registrars and ten non-officials were given training in the duties of Secretaries and Managers of Central and Urban Banks. The classes were conducted for a period of three months from 1st September 1937. Departmental officers will not, however, be deputed for the classes to be conducted during the current year and the training will therefore be confined to non-officials only. With the amount thus made available Government have permitted four Deputy Registrars—two to visit the Punjab and two to Bombay, to study the working of the co-operative movement in these two places.

(iii) Of the 65 candidates who were selected by the Madras Public Service Commission for appointment as Junior Inspectors 42 had already undergone theoretical training in the Institute prior to July 1937. Of the remaining 23 candidates 17 were given training during the year; the rest failed to join the Institute. Training was given also to the 17 candidates deputed from the Indian States, Coorg and Ceylon.

One special feature in the working of the Central Co-operative Institute during the current year is the institution of the Government Central Co-operative Institute examinations. The Government Technical Examinations till now prescribed for the subordinates of the Co-operative Department have been replaced by the Central Co-operative Institute examinations and a pass in the latter has been prescribed as a requisite qualification for the departmental candidates in the place of the former. For the last examinations conducted in May 1938, there were in all 327 applications for all the four subjects and the results were fairly satisfactory.

The Central Co-operative Institute, Madras, will run on the existing lines only so long as the Government of India grant is available, that is, till 1941. The consensus of opinion is to have a permanent and bigger institution for better and higher co-operative training. There is, therefore, a proposal to enlarge the existing Central Co-operative Institute into a College of Co-operation. The idea is that the college should offer a two years' course of training in co-operation, banking, auditing and book-keeping and rural economics and it is proposed to affiliate the college to the University of Madras which will confer a degree in co-operation to the candidates. The college will be open to the public so that it may supply suitable trained men for employment not only in the department, but also in Central Banks and other non-official institutions. The proposal is now under detailed examination.

Peripatetic training schools.—The classes were held for a period of five months at Anantapur from 19th July 1937, at Coimbatore from 1st August 1937 and at Bezwada and Vellore from 3rd January 1938. The total number of candidates who underwent training was 144. Before they were admitted into the classes these candidates were given preliminary training under Senior Supervisors in their respective districts. At the final examinations conducted by the Provincial Co-operative Union for the candidates who completed their training in December 1937, 40 came out successful out of 74 who appeared. Since the close of the year the Provincial Co-operative Union has made certain proposals with regard to the duration and curriculum of studies at these training classes besides suggesting the classes to be stationary instead of peripatetic. The proposals are under examination and pending final decision on the proposal, the conduct of the classes has been held in abeyance.

Refresher courses.—These courses for departmental Inspectors were conducted for a week in July 1937 and January 1938 in all the districts. Some of the Central Banks also conducted refresher courses for their supervisors and other staff.

Training classes for panchayatdars and members of co-operative societies.—These were commenced by the Provincial Co-operative Union in the latter part of the year. In some districts they were commenced in March 1938 and were closed before the collection season while in other districts they were conducted after June 1938. These classes are still going on in some of the districts.

28. *Agricultural societies progress.*—The total number of all types of agricultural societies at the end of the year was 11,184 as against 11,110 at the end of the previous year. Out of the total number, 101 were land mortgage banks, 10,520 ordinary credit societies, 135 purchase and sale societies, 45 production and sale societies and 383 other types of societies. Seventy-four of these societies had not started work by the close of the year. The membership in all these societies rose from 575,817 to 608,363 including 2,078 society members.

Loans.—These societies advanced loans to their members to the extent of Rs. 211·94 lakhs against Rs. 162·90 lakhs in 1936–37 and Rs. 148·22 lakhs in 1935–36. A classification of the loans with reference to their purpose is given below:—

Agricultural Societies.

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.)	
1928–29	690,681	629·19	156,110	164·69	65·56
1929–30	713,615	677·10	174,229	182·42	69·[illegible]
1930–31	714,820	669·11	118,870	112·97	69·16
....					
1933–34	597,606	519·96	52,927	51·02	55·37
1934–35	584,201	547·01	61,672	72·75	58·32
1935–36	585,401	584·50	73,878	80·90	54·58
1936–37	575,817	608·07	82,404	91·95	56·44
1937–38	608,363	671·32	112,138	148·29	69·27

Agricultural Societies—cont.

Year.	Loans for redemption of prior debts.			Loans for non-productive purposes.			Total.	
	Number.	Amount.	Percentage.	Number.	Amount.	Percentage.	Number.	Amount.
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		RS. (IN LAKHS.)			RS. (IN LAKHS.)			RS. (IN LAKHS.)
1928–29 ..	37,565	82·02	32·66	4,356	4·47	1·78	198,031	251·18
1929–30 ..	26,052	71·77	27·50	5,279	6·61	2· 6	172,944	260·80
1930–31 ..	22,683	48·22	29·49	2,367	2·31	1·41	143,920	163·50
....								
1933–34 ..	14,158	39·39	42·74	1,725	1·75	1·89	68,810	92·16
1934–35 ..	15,648	50·12	40·19	1,597	1·86	1·49	78,917	124·73
1935–36 ..	18,507	65·38	44·11	1,873	1·94	1·31	94,258	148·22
1936–37 ..	17,535	69·13	42·44	1,804	1·82	1·12	101,743	162·90
1937–38 ..	14,504	60·85	28·71	2,404	2·80	1·32	129,046	211·94

The statement affords interesting reading. From the year 1929–30 there was a steady fall in the loan transactions of societies —from Rs. 260·80 lakhs they fell to Rs. 92·16 lakhs in 1933–34. From the year 1934–35 the transactions began to rise again and in 1937–38 they rose to Rs. 211·94 lakhs. The rise during 1937–38 was by Rs. 49·04 lakhs. If this rate of progress is maintained—and I see no reason why it should not—the level of 1929–30 which was the highest during recent years will be reached during the current year. The increase in loan transactions was largely contributed by loan and sale societies which issued loans to the extent of Rs. 62·12 lakhs during the year as against Rs. 26·16 lakhs during 1936–37. With the financial assistance they are receiving from Government, the Madras Provincial Bank and the Central Banks, these societies are making remarkable progress. The bulk of the loans issued by societies continued to be for productive purposes. Though there was a fall from 42·44 to 28·71 in the percentage of loans issued for the discharge of prior debts there was no appreciable reduction in the amount of such loans issued during the year. Excluding Rs. 34·59 lakhs issued by land mortgage banks Rupees 26·26 lakhs were issued for the discharge of prior debts by the remaining societies as against Rs. 30·94 lakhs in 1936–37. The discharge of prior debts excepting those of a sundry nature is primarily the function of land mortgage banks and ordinary credit societies would do well to leave this business entirely to them.

There was a marked improvement in the short-term transactions of societies. Out of the total of Rs. 211·94 lakhs issued during the year Rs. 134·18 lakhs were for short-term and Rs. 77·76 lakhs for long-term the ratio between short-term and long-term being about 13 : 8 as against 13 : 14 in the previous year. If the loans by land mortgage banks are excluded, the ratio will be about 13 :4 as against 13 :8 in the previous year. For this reduction the large short-term business done by loan and sale societies was mainly responsible. The loans due by agricultural societies to the Provincial and Central Banks were Rs. 456·16 lakhs of which Rs. 122·56 lakhs were for short-term and Rs. 333·60 lakhs were for long-term. The long-term loans include Rs. 140·31 lakhs outstanding against land mortgage banks. The loans due by members to societies were Rs. 150·43 lakhs under short-term and Rs. 367·12 lakhs under long-term. The long-term loans were 71 per cent of the total loans outstanding against members on 30th June 1938 as against 76 per cent at the end of the previous year. If the loans outstanding against members in land mortgage banks are excluded the percentage will be 60 as against 68 in the previous year. Though there was some reduction in the percentage of long-term loans it is necessary that further reduction should be made. To achieve this object instructions have been issued to District Officers that when they register new societies the maximum borrowing power should be fixed separately for long-term and short-term loans in the by-laws of the societies.

Kist loans.—There is a slight improvement in the disbursement of kist loans over the previous year. Out of Rs. 20·08 lakhs issued during 1937–38 as loans for the payment of Government kist Rs. 1·31 lakhs were paid by societies direct to village headmen on behalf of the members.

Forecast loans.—One of the principal reasons for the overdues in agricultural credit societies is that the loans do not reach the members in time. They are made available long after the need for the loan has ceased or after the member has borrowed elsewhere with the result that the loan is misapplied for purposes other than those for which it was sanctioned. And this lack of promptitude on the part of societies has contributed not a little to the unpunctuality in repayments and consequent overdues. Unless societies are run on strict business lines they cannot be of real assistance to the ryot and cannot occupy their legitimate place in the scheme of rural finance. If the ryots should derive any lasting benefit from the co-operative credit movement, the credit that is made available to them should be on a definite plan and be controlled. In certain areas credit societies have been linked with sale societies under the controlled credit system and the progress made by these societies is detailed elsewhere in the report. But where credit societies are not linked with sale societies, Central Banks and Deputy Registrars have been requested to see that the societies adopt the system of forecast loans. Under this system the society has to make sufficiently early before the cultivation season an estimate of the total loans that may be required by members for cultivation expenses, with reference to the total area cultivated and the nature of crop that is likely to be raised, and get the loan sanctioned by the Central Banks sufficiently in advance of the cultivation season. As and when the need arises, the society may draw the loan from the Central Bank and disburse it to members in instalments. This system, if worked with care, will considerably enhance the usefulness of co-operative societies to the agriculturists. During 1937–38 the progress in popularising this system was not striking. I expect much better progress during the current year.

29. *Primary land mortgage banks.*—At the beginning of the year, there were 93 primary land mortgage banks. During the

year, eight banks were registered making the total number of banks 101 on 30th June 1938. Three more banks were registered since the close of the year.

Transactions.—The transactions of the banks during the year 1937–38 are furnished in Imperial Statement B.

Sixty-nine banks earned a profit of Rs. 73,873 while 26 banks sustained a loss of Rs. 10,706. The remaining banks worked neither at a profit nor at a loss.

The policy of the centralized issue of debentures by the Madras Co-operative Central Land Mortgage Bank was continued and no primary land mortgage bank floated fresh debentures of its own. Primary banks continued to redeem their own debentures and the value of the redeemed debentures was Rs. 1,000 under A series and Rs. 60,100 under B series. Debentures for Rs. 23,000 under A series and Rs. 3,28,500 under B series were in circulation at the end of the year.

Out of the loans obtained from the Central Land Mortgage Bank, Rs. 140·31 lakhs were outstanding on 30th June 1938. Rupees 5·78 lakhs under principal and Rs. 5·89 lakhs under interest were due towards the instalments of this year and the entire amounts were paid.

Demand, collection and balance.—The percentages of arrears to demand under principal, arrear and current interest are shown in Appendix 4, section 1 (*a*). During the year the demand by land mortgage banks on their members was Rs. 6·45 lakhs under principal and Rs. 7·06 lakhs under interest. Rupees 5·41 lakhs under principal and Rs. 6·89 lakhs under interest were collected leaving a balance of Rs. 1·04 and Rs. 1·17 lakh, respectively. The percentage of arrears under principal and interest at the end of the year were 16·16 and 2·44 as against 14·15 and 3·65 in the previous year. A portion of the arrears has been collected since the close of the year and banks are being urged to collect the balance also at an early date.

General.—Under by-law 18 (*a*) of the by-laws, nominations were made in all banks. Nominations worked well and had the desired effect. But in deference to non-official opinion, I agreed to the suggestion of Government to delete the provision for compulsory nomination if the by-laws of the banks provide for two seats being reserved on the Board of management to non-borrowing members. Government are considering the matter.

Though there was a demand for the organization of new banks in 1937–38, yet my proposals were deferred by Government for consideration as a Part II Scheme for 1938–39. Government, however, permitted the registration of two banks in 1937–38 without any additional staff.

During the financial year 1938–39 Government have permitted the registration of fifteen banks. Of these, six banks in the West Coast—three in Malabar and three in South Kanara—covering the entire districts have been registered. There is no district now which is not served by a land mortgage bank. I have submitted proposals for the organization of a few more as a Part II Scheme for 1939–40.

Twelve thousand eight hundred and sixteen villages are covered by existing land mortgage banks and loans have been issued in 3,440 villages. The total number and amount of loans issued by primary land mortgage banks up to 30th June 1938 were 10,079 and Rs. 175·83 lakhs, respectively. To supplement the work of land mortgage banks, Government were advancing loans till about January 1938 under the Agriculturists Loans Amendment Act, 1935, in ten districts generally in areas not served by land mortgage banks. The scheme was suspended pending the passing of the Madras Agriculturists Relief Bill into law. The amount of co-operative debts scaled down from 1st July 1937 up to the date of suspension of the scheme was Rs. 45,812 under principal and Rs. 6,081 under interest. The total loss incurred by societies on this account was Rs. 8,312. Land mortgage banks were advised to scale down the debts of their members. Reports received show that banks were able to influence creditors to write off loans due to them till the passing of the Agriculturists Relief Act to the extent of Rs. 1·08 lakhs as against Rs. 1·56 lakhs in the previous year. After the passing of the Agriculturists Relief Act, the amount scaled down ar[illegible]ten off was Rs. 0·79 lakhs. In their Order No. 1081, Development, dated 13th May 1937, Government ordered that the Central Land Mortgage Bank and such of the primary land mortgage banks as had been in existence for more than three years from the date of their registration should like other co-operative societies pay half the fees under the Law of Registration. Representations were received from primary land mortgage banks for reconsideration of Government's orders and for the restoration of full exemption. In their Order No. 986, Development, dated 9th April 1938, Government ordered that land mortgage banks and their members shall like other co-operative societies pay half the fees for registration of assignment deeds and mortgage bonds respectively, that no fee shall be charged for encumbrance certificates granted in respect of applications for loans not exceeding Rs. 2,000 and that in other cases half the usual fee be charged as in the case of ordinary co-operative societies: only a single fee being charged for each application in respect of properties situated in one and the same village irrespective of the result of the search as regards the number of owners. In the case of members belonging to scheduled castes, Government have directed that a subsidy equal to the amount of fees payable by them on account of fees for encumbrance certificates and registration of documents shall be paid to them. Government have also agreed to bear for the present the cost of the Sub-Registrars for land mortgage banks and their peons.

During the year, Mr. Austin inspected many banks in his tours and kept himself in close touch with their working. I would like to refer to one or two matters here in connexion with the working of primary land mortgage banks. Firstly, it is said that primary land mortgage banks do not issue small loans. This is not correct. Out of Rs. 35,79,200 disbursed by the Central Land Mortgage Bank in 1937–38, 1,816 loans amounting to Rs. 20,33,295—more than half the total amount disbursed—were for Rs. 2,000 and below. Secondly, there is a feeling that land mortgage banks take too long a time for disbursing loans to members. As regards this, the several stages through which a loan application in a primary land mortgage bank has to pass make the delay to some extent inevitable. However, I have been impressing on directors of land mortgage banks the need to attend to loan applications quickly. Several measures have been taken and some are also under consideration to secure speedier disposal of loan applications and they are the following :—

(i) The banks are required to examine loan applications at the outset, hold a preliminary enquiry and reject such of the loan applications as cannot prima facie stand the tests of the Central Land Mortgage Bank. In doubtful cases, the Co-operative Sub-Registrars for Land Mortgage Banks are consulted.

(ii) With a view to enable the banks to obtain the necessary documents of title, etc., quickly from their members land mortgage banks were advised to make provision in their by-laws for rejection of loan applications on failure to produce documents without satisfactory reasons within three months from the date of intimation and for restoration of such rejected applications only on payment of a penalty.

(iii) Joint inspection by group directors and by the Co-operative Sub-Registrars for Land Mortgage Banks is encouraged and undertaken wherever possible.

(iv) At the request of the Central Land Mortgage Bank, I have, as an experimental measure, authorized about a dozen Co-operative Sub-Registrars to send direct to the Central Land Mortgage Bank the loan applications of Rs. 500 and below scrutinized by them. The results of this arrangement have to be seen and if this arrangement works successfully, the question of extending the limit of the loan applications, which may be sent direct to the Central Land Mortgage Bank will be considered.

The main difficulty that stands in the way of quicker disposal of loan applications is in securing documents of title or statements for discharge of debts from creditors and other persons. There is no provision in the Madras Land Mortgage Banks Act to summon creditors or other persons to give statements or to produce documents in their possession. I shall shortly address Government for an amendment of the Act in regard to this matter.

30. *Credit Societies (excluding primary land mortgage banks).*—The number of agricultural credit societies rose from 10,502 to 10,520. Of these, 50 had not started work before the close of the year. Of the total number of societies 19 were on limited liability, namely twelve grain banks, five agricultural banks, one seed society and one Rural Reconstruction Society.

Membership and transactions.—The total number of members rose from 510,561 to 523,998. The transactions of the banks are exhibited in the Imperial Statement B. During the year the working capital of the societies rose from Rs. 430·24 lakhs to Rs. 437·13 lakhs and the loans issued during the year were Rs. 110·97 lakhs as against Rs. 96·17 lakhs in the previous year.

Profits.—The total divisible profits earned by some societies fell from Rs. 6·37 lakhs to Rs. 4·94 lakhs and the unrecouped loss of the remaining societies rose from Rs. 19·01 lakhs to Rs. 19·26 lakhs. Fifty per cent of the societies accounts for the loss, all the districts contributing.

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

	Principal.			Interest.		
Year.	Demand.	Balance.	Percentage.	Demand.	Balance.	Percentage.
	RS. (IN LAKHS.)	RS. (IN LAKHS.)		RS. (IN LAKHS.)	RS. (IN LAKHS.)	
1933–34	356·24	251·89	70·71	123·30	83·73	67·91
1934–35	324·06	225·84	69·65	120·23	83·72	69·60
1935–36	300·58	205·30	68·30	101·80	68·41	67·20
1936–37	277·70	176·15	63·43	83·36	55·11	66·11
1937–38	257·80	163·42	63·39	71·69	49·09	68·48

Appendix 4, section I (*b*), gives details of overdues by districts and the percentage of balance to demand under principal, arrear interest and current interest. Under long term principal the arrears were below 50 per cent in Coimbatore and South Kanara and they were above 80 per cent in Anantapur, Bellary, Chingleput, Chittoor, Cuddapah, Kurnool and Malabar, the maximum being 93·50 per cent in Bellary. Under short term principal the arrears were below 33 per cent in South Kanara, Madura, Salem, Tinnevelly and Trichinopoly and above 66 per cent in Anantapur, North Arcot, South Arcot, Bellary, Chittoor, Cuddapah, Kurnool and Malabar, the maximum being 83·49 per cent in Kurnool.

General.—In one of the bulletins issued recently by the Agricultural Credit Department of the Reserve Bank of India, the formation of multiple purpose societies has been recommended. The idea is that the co-operative movement must give up dealing with the members piecemeal and that for whatever apparent purpose a society is started it must serve as a point of contact and gradually other purposes must be developed so that in due course it should serve all the needs of the member. The by-laws of the existing rural societies provide for (1) credit for agricultural requirements, (2) joint purchase of agricultural requirements and joint sale of produce, (3) purchase of implements, etc., required for agriculture, (4) encouragement of thrift, and (5) propagation of the knowledge of the latest improvements in agriculture, handicrafts and weaving. It may therefore be observed that if provision is made in the by-laws for better living also, rural credit societies will not be much different from the multi-purpose societies contemplated in the Reserve Bank's Bulletin. But village societies have in the past confined themselves almost exclusively to the provision of credit to their members. While it is recognized that societies should strive for the all-round improvement of the ryots, the fear is whether a multiplicity of activities will not stand in the way of any of the objects being achieved fully. I am not in favour of marketing being done by these societies. It should be done by sale societies located at market centres. Piecemeal marketing would only depress the market. Moreover, marketing requires the services of an efficient and well-paid staff which these societies can ill-afford to employ. Non-official opinion is divided on the advisability of starting multi-purpose societies on any large scale. One society has, however, recently been registered in the East Godavari district at Alamuru and its working is detailed below. Its progress is watched before any more of such societies are registered. In G.O. No. 2633, Development, dated 27th November 1937, Government agreed to the Registrar's suggestion that provision might be made in the by-laws of select credit societies for better farming, better business and better living and have ordered that the Registrar should see that these objects are always kept in view and worked for by societies. Necessary amendments have been made to the by-laws of certain societies which are working well. The progress made by these societies during the year is reported below.

The Alamuru Co-operative Rural Bank, Limited.—The society was registered on 1st February 1938 and started on work on 4th February 1938. It was opened by the Hon'ble Sri T. Prakasam, Revenue Minister, on 27th February 1938. The society is on limited liability basis with ten villages in its area of operations. Its object is to undertake all activities conducive to better-farming, better-business and better-living. During the year the society was engaged in credit activities only. It proposes to undertake non-credit activities also during the current year. Propaganda is carried on in the villages by organizing public lectures to agriculturists. The All-India Spinners' Association has opened a branch in this society to supply khaddar to its members. Cloth to the value of Rs. 200 was supplied to members during the year.

Multi-purpose objects in credit societies.—The Mallasamudram, Valasiyur and Mallur Co-operative Societies in Salem district have taken up such work as the promotion of thrift through hundi boxes, marketing of produce through village godowns, supply of good seed and agricultural implements, improvement of the breed of cattle and the maintenance of village reading rooms. The Mallasamudram society also conducted the annual ryots' conference and the annual ploughing competition while the Valasiyur and Mallur societies maintained a public well and a sports club, respectively. Maintenance of stud bulls, digging of wells and purchasing of radio sets are some of the other activities taken up by societies in Salem district.

The Pannimadai Co-operative Society in Coimbatore district interested itself in introducing improved methods of cultivation in selected fields by demonstrating labour saving and scientific appliances under the advice of the Agricultural Department. The Tirumarangampundi society tried to grow an improved variety of cholam on a demonstration plot of about 3½ acres. The Titte Co-operative Society in Tanjore district undertook joint purchase of the requirements of the members and joint cultivation of lands, and also selected a few families for introducing better living principles. The society obtained a loan of Rs. 755 from the Central Bank for the joint purchase transactions and took 33 acres of land on lease for joint cultivation.

A few societies in West Godavari, Cuddapah and Trichinopoly districts also introduced multi-purpose objects in their by-laws.

31. *Purchase and [illegible] Societies.*—There were 129 societies at the beginning of the year. Fourteen were registered, three were dissolved and five were transferred to other classes. Thus, there were 135 societies at the end of the year. Of these, 118 were loan and sale societies, 5 stores and trading unions, 4 marketing societies, 3 milk supply unions and 5 other types of societies. Two societies did not start work before the close of the year. The value of goods bought or received on pledge by all the societies was Rs. 92·32 lakhs while the value of goods sold by them was Rs. 28·64 lakhs. Some of the societies worked at a profit of Rs. 53,654 while the rest incurred a loss of Rs. 13,560. An account of some of the important types of societies is given below.

Loan and sale societies.—There were 118 societies at the end of the year as against 111 at the beginning of the year. They had a membership of 17,276 individuals and 1,660 societies and their paid-up share capital amounted to Rs. 1·84 lakhs. They advanced loans to members amounting to Rs. 62·12 lakhs as against Rs. 26·16 lakhs in 1936–37, the transactions in the sale societies thus showing a phenomenal increase. A sum of Rs. 40·09 lakhs was outstanding at the end of the year. The total value of stock on hand at the beginning of the year and that received during the year either on pledge or for sale was Rs. 107·59 lakhs, of which stock to the value of Rs. 32·76 lakhs was released without sale and produce to the value of Rs. 24·72 lakhs was sold. Fifty-seven societies worked at a net profit of Rs. 47,267 while the loss in other societies was only Rs. 9,875.

During 1937–38, 13 sale societies were sanctioned Government loans amounting to Rs. 1,32,276 and a free grant of Rs. 43,144 for the construction of godowns. Government have so far sanctioned loans to 20 sale societies for the construction of godowns and the applications of two sale societies are under consideration.

The free grant of 25 per cent of the estimated cost of the godowns put up by sale societies is met out of the Government of India grant for rural reconstruction. Government were pleased to extend the concession to select credit societies which intend putting up godowns-cum-village-hall and reading room. Five credit societies in Chingleput district and eight societies in Salem district have availed themselves of this concession. The free grant sanctioned to these societies amounts to Rs. 7,100. These societies are well established societies and are in a position to meet the balance of 75 per cent of the cost of the godowns from their general funds. The godowns that will be put up in Salem district will serve as auxiliary to those constructed by the sale societies in the taluk headquarters, the idea being to cover the entire district with godowns at important taluk centres with auxiliaries in the villages. The main godowns will be centres for sale while the auxiliaries will provide facilities for storage of produce. The success of the new scheme is watched with interest.

In the last annual report reference was made to the interesting experiment undertaken by the Madura Sale Society for the disposal of nightsoil and rubbish. I regret to report that the society did not secure the contract after 31st March 1938. The municipal council wanted Rs. 35,000 for the contract, while the society offered Rs. 30,000. The contract was put up for auction and an outsider knocked it down for Rs. 35,000 though the society's bid went up to Rs. 34,900. The question of securing the contract for the sale society in future is engaging my attention as well as of Government.

A detailed account of controlled credit system introduced in this Presidency was given in the annual report for 1936–37. On account of the distinct advantages accruing to the ryots as a result of the system, I instructed Deputy Registrars to introduce the system in all districts. Since there is a larger margin of profit in the case of commercial crops, such as groundnut and cotton, these crops may be handled successfully. There is, however, no objection to take up food crops as well. Statistics about the area under groundnut and cotton cultivation were obtained from the Industries Department and furnished to Deputy Registrars. A good deal of propaganda is still necessary for the further extension of the scheme. I am glad to report that the scheme has been introduced in fourteen districts and efforts are being made to introduce it in other districts as well. In most of the districts cultivation of commercial crops has been financed under the scheme. The area brought under cultivation of cotton and groundnut was 15,584 acres, of which 5,850 acres were in Coimbatore, 3,592 acres in Salem, 2,195 acres in Tinnevelly, 1,495 acres in Tanjore, 896 acres in Madura, 640 acres in South Arcot, 497 acres in East Godavari, 191 acres in Vizagapatam, 128 acres in Trichinopoly and 100 acres in Malabar. The loans issued during the year were Rs. 1·96 lakhs. In many districts the scheme was introduced towards the close of the year and its results will be known during the current year.

Experience showed that sale societies required Government staff for their supervision or a subsidy to meet the establishment charges in their initial stages of working. Government have, therefore, sanctioned under certain conditions a sum of Rs. 26,500 for distribution as subsidy to 62 smaller sale societies and a staff of ten junior Inspectors for employment in the larger sale societies in the districts of Cuddapah, Bellary, Tinnevelly, Salem, Madura and Kistna.

I trust that with this liberal help from Government, sale societies will make much headway.

Marketing societies.—The main function of loan and sale societies is marketing the produce of members but the societies have not yet developed this business to any large extent. During the year the value of sales effected through these societies was only Rs. 24·72 lakhs while goods of the value of Rs. 32·76 lakhs were released without sale. These societies are paying more attention to the supply of credit than to marketing. This is not as it should be. What the sale society should do for the ryot is to market his goods to his best advantage. It should keep him informed of the correct prices ruling in the market and should also put him in touch with exporting firms so that local dealers may be eliminated and commission, etc., avoided. This is necessary especially in the case of commercial crops. During the year I impressed on the sale societies the need for their concentration on the more important side of marketing.

With a view to help sale societies to market their goods, the Madras Provincial Marketing Society was started in 1936. In the last year's report mention was made of the financial and other assistance given to the society by Government and the Madras Provincial Co-operative Bank. These concessions, the society continued to enjoy during 1937–38 also. The value of the goods marketed and the net profit earned by the society were Rs. 93,224 and Rs. 2,317 as against Rs. 8,979 and Rs. 196 respectively in the previous year. Fruits and vegetables including potatoes were the chief articles sold—their value being Rs. 55,119. Other important commodities marketed were ghee, butter, hand-pounded and milled rice, tamarind, jaggery, eggs and honey. The goods were sold on consignment basis. During the year the society had three godowns in important marketing centres in Madras. The goods of 42 co-operative societies and of thirteen individuals were marketed. One factor which stands in the way of the greater progress of the Provincial Society is the irregular supply of commodities of uncertain quantity and quality by the mufassal societies. The result is that the Provincial Society is not in a position to guarantee the regular supply of articles to the consumers. By proper education and propaganda it is hoped that in due course societies will realize the ultimate advantages in strengthening the position of the Provincial Society by marketing their goods through it. The progress made by the society during 1937–38 was satisfactory.

Of the remaining three marketing societies, two in Tanjore which were started during the year were engaged in finding out suitable markets for sale of the agricultural produce of the district. Since the close of the year an Inspector deputed to work in one of the societies toured in the paddy consuming centres of Coimbatore, Salem, Trichinopoly and Madura districts to make arrangements for marketing. The Kadayam Lime Marketing Society in Tinnevelly purchased from members fruits of the value of Rs. 1,236 and sold them in markets both inside and outside the district. Owing to heavy cost of management the society sustained a net loss of Rs. 61.

Milk supply unions.—There were four milk supply unions at the end of the year, including one registered ~~as~~ non-agricultural. These were at Madras, Coimbatore, Madura and Nellore.

The Madras Co-operative Milk Supply Union continued to do useful work. It had on its rolls 15 societies and 14 individuals with a total paid-up share capital of Rs. 18,628. It purchased during the year 531,872 measures of milk for Rs. 1,63,941 and sold 316,062 measures to the public and 192,446 measures to to the State hospitals in the city. The unsold milk was converted into milk products and sold for Rs. 14,179. The average daily purchase and sale of milk were 1,457 and 1,393 measures as against 1,594 and 1,502 measures respectively in the previous year. There was a reduction in the percentage of unsold milk to the total milk purchased. The union had 44 depots in the city for the sale of milk. It earned a profit of Rs. 14,492 of which Rs. 10,930 were set apart towards the Pasteurisation and Building Fund and the balance of Rs. 3,562 was declared as net profits. The question of purchasing a pasteurisation plant was under the consideration of the union during the past few years. With the loan obtained from Government and the special fund created for the purpose the plant was purchased during the year. With the installation of this plant it is hoped that the progress in its business will be more rapid and that the usefulness of this institution will increase further as it will be in a position to supply pasteurised milk to the public of Madras.

The Coimbatore Milk Supply Union started during the year had on its rolls four societies and 23 individuals. It purchased 129,461 measures of milk for Rs. 34,175 and sold 62,697 measures to the public and 28,249 measures to the Government hospital. The unsold milk was converted into milk products and sold for Rs. 4,827. In the initial stages the union lost heavily owing to the existence of a large stock of unsold milk. Steps taken later to reduce this surplus were effective and from March 1938, the union has been recouping its initial losses.

The Madura Milk Supply Union was started by the Hon'ble Sri C. Rajagopalachariar, the Premier, on 26th June 1938, and the union at Nellore started work only after the close of the year. Steps have been taken to start unions at Ellore, Vizagapatam and Rajahmundry and it is hoped that before long, such institutions will be started in all big towns in the Presidency.

Others.—Among the remaining societies of this class, the Puthur Division Mahali Prevention Society in South Kanara did good work during the year. As stated in the last year's report, the society was started to help the ryots to eradicate the 'Mahali' pest in the vast areas under arecanut cultivation in the district. During the year, the society distributed 58 sprayers of the value of Rs. 4,081 and chemicals of the value of Rs. 14,325. The net savings to members are estimated at Rs. 26,400.

32. *Production and sale societies.*—There were 45 societies under this class at the end of the year as against 31 at the beginning. Of these, 38 were milk supply societies, three egg production and poultry farming societies, two agricultural and industrial societies, one salt licensees society and one society for bee-keeping. The working of some of these types of societies is detailed below. The transactions of egg production and poultry farming societies are reported in paragraph 39.

Milk supply societies.—Of the 38 societies of this type under agricultural, 24 were in Chingleput, 5 in Coimbatore, 3 each in West Godavari and Madura, 2 in Nellore and 1 in Trichinopoly. Six of the societies in Chingleput and the societies in West Godavari, Madura, Nellore and Trichinopoly were not started or were started late in the year and therefore did no business during the year under report. Eighteen societies in Chingleput with a total membership of 607 and a share capital of Rs. 3,253, supplied milk to the Madras Milk Supply Union of the value of Rs. 41,724. Four societies earned a profit of Rs. 53 and the rest incurred a net loss of Rs. 333.

The Mental Hospital Milk Supply Society in Madras registered as non-agricultural had a membership of 180 with a share capital of Rs. 1,165. It supplied milk to the Madras Milk Supply Union of the value of Rs. 1,15,051 and earned a net profit of Rs. 18.

The five societies in Coimbatore supplied to the Coimbatore Milk Supply Union milk of the value of Rs. 34,175. They worked at a total net loss of Rs. 527.

These primary milk supply societies do not aim at earning large profits: their object is to help the members by way of securing them good prices for their milk and by giving them the advantages of correct measures. In areas where there is difficulty in starting sufficient number of societies for forming a union, I have permitted the primary societies themselves to undertake the distribution of milk produced by their members. It remains to be seen how far this arrangement will prove successful.

Agricultural and industrial societies.—Of the two societies of this type one is the Kallakurichi Agricultural and Industrial Society in South Arcot and the other is the Udipi Agricultural and Industrial Society in South Kanara. The society in South Arcot hulled paddy, etc., and derived a total income of Rs. 11,677. The net profit earned was Rs. 3,140. The society maintained a poultry farm for purposes of demonstration. The society at Udipi undertook the hulling of paddy, extraction of oil and crushing of sugarcane and derived a total income of Rs. 4,800. Including the losses of previous years, the net loss of the society was Rs. 8,019 as against a net loss of Rs. 8,091 in the previous year. The question of giving a subsidy to the society to pull it up is under the consideration of Government.

33. *Other forms.*—At the beginning of the year there were 355 societies; 26 societies were registered during the year, 8 were transferred from other classes and the registration of 6 was cancelled. Thus there were 383 societies at the end of the year.

Of these, 12 were kudimaramat and irrigation societies, 35 agricultural improvements and agricultural demonstration societies, 10 land reclamation societies, 3 cattle breeding societies, 5 societies for consolidation, 15 sugarcane growers' societies and unions, 9 fruit growers societies, 1 colonization society, 1 industrial and credit society, 1 arbitration union, 1 society for cotton growers, 4 better living societies and 286 tenants societies. The working of some of these societies is detailed below. The activities of the better living societies and 286 tenants' societies. The working of actions of tenants' societies are shown with the transactions of other societies for scheduled classes in paragraph 43.

Kudimaramat and irrigation societies.—There were twelve societies of this type at the end of the year as at the beginning, three in each of the districts of South Arcot, Tanjore and Tinnevelly and one each in Guntur, Kistna and Malabar. These societies had a membership of 1,061 and their share capital and working capital at the end of the year were Rs. 4,302 and Rs. 13,271 respectively. Three societies did not do any work during the year. The remaining societies helped to bring under cultivation 4,407 acres of land, the total number of members and non-members benefited being 770 and 217 respectively. The three societies in South Arcot and two of the societies in Tanjore undertook kudimaramat work by the removal of silt and the maintenance of irrigation channels. The societies in South Arcot brought under cultivation 1,573 acres of land with the water supplied by the channels maintained by them. The societies in Tanjore did earth work to the value of Rs. 565 to facilitate the irrigation of 700 acres of wet land. These societies are not able to show better progress owing to the difficulty in collecting the contributions due from non-member pattadars.

Agricultural improvements and agricultural demonstration societies.—Of the 35 societies of this type, excepting three societies in Tanjore and one each in South Kanara, Malabar, Trichinopoly and Vizagapatam, the rest did no work worth mentioning. The Ayyampet, Kumbakonam and Mulangudi societies in Tanjore supplied to their members improved varieties of seeds and manure of the value of Rs. 1,484. The Mulangudi society conducted in 14 cents of land demonstration of improved methods of cultivation of paddy under the guidance of the local Agricultural Demonstrator. The Kotekar Agricultural and Economic Improvements Society in South Kanara distributed to 88 members improved varieties of seedlings of the value of Rs. 72. The society is taking effective steps to see that members adopt better methods of farming. The Vadavanur Agricultural Improvements Society in Malabar distributed improved varieties of seed and manure of the value of Rs. 208 and also issued loans to members to the extent of Rs. 3,000 for cultivation expenses. The Lalgudi Sivagnanam Agricultural Demonstration Society in Trichinopoly purchased 21 acres of land for Rs. 21,250 for demonstration purposes. The society did useful work by distributing good manures to the members. It also granted loans to members to the extent of Rs. 45,000 on the pledge of produce. The Dimili Agricultural Demonstration Society in Vizagapatam took on lease 32 acres of land for the purpose of demonstrating the latest methods in agricultural operations. But no demonstration work was done. It conducted experiments in the manufacture of sugar by the open pan system. The experiment ended in loss to the society.

Land reclamation societies.—Of the eleven societies of this type at the beginning of the year one was liquidated during the year. Four of the remaining societies were in Tanjore and the rest were in Trichinopoly. These societies had on their rolls 607 members with a paid-up share capital of Rs. 18,561. The Government loans outstanding against the societies were Rs. 1,09,547 of which Rs. 2,211 were overdue. No reclamation work was done during the year.

Cattle-breeding societies.—Of the three societies of this type two were in Madura and one in Salem. The Vegavathi Ashramam Livestock Breeding Society in Madura had on the last day of the year 54 members with a paid-up share capital of Rs. 398. From the loan obtained from the Central Bank the society advanced to members Rs. 2,150 for the purchase of 48 cows. These cows are being served by four stud bulls two of which were presented to the society by the Collector of Madura and two by the Madura-Ramnad Central Bank. Service is free to the cows owned by members while a fee of Rs. 2 per service is collected from non-members. A paddock for the breeding bulls and combined store and dairy room have been constructed at a cost of Rs. 800. Sixty-five acres of land have been assigned to the society by the Collector for raising fodder crops. The society has made a good beginning. It applied to Government for a small subsidy to meet the cost of paddock but Government negatived the request. The Kamayagoundanpatti Cattle Breeding Society in Madura did no work as it was started late in the year.

The Anchatti Cattle Breeding Society in Salem had a membership of 222 with a paid-up share capital of Rs. 229. The society maintained 15 stud bulls. They were stalled in villages, in and around Anchatti. The society got from Government Rs. 36 per mensem as premia for the maintenance of these bulls. The bulls were purchased from the grant of Rs. 750 obtained from the Salem District Urban Bank and Rs. 1,050 from the District Board, Dharmapuri.

Societies for consolidation of holdings.—After Mr. Austin's visit to the Punjab, he returned convinced of the need to start consolidation of holdings societies in Madras. Like the Punjab, Madras is a province of peasant proprietors and the evils of fragmentation are likely to become more acute. If consolidation has been a success in the Punjab, I do not see why it cannot be a success here. Due largely to sentiment, the ryots in this province have been putting up with the evils of fragmentation. It was felt therefore that if a beginning in consolidation could be made and it proved a success, the ryots might give up their sentimental attachment to their ancestral holdings and go in for consolidation. Deputy Registrars were instructed to make a beginning by starting one or two societies in each district. Five societies were registered during the year and two more after the close of the year.

To encourage the formation of consolidation of holdings societies, Government have been pleased to give the following facilities and concessions :—

(1) Members of consolidation societies are permitted to inspect and take notes of entries in certain village accounts and documents including field measurement book and register of holdings.

(2) Officers of the Co-operative Department have access to the register of holdings kept in Sub-Registrar's offices.

(3) Revenue subordinates and village officials have been instructed to render all possible help in encouraging the formation of consolidation of holdings societies and in other ways.

(4) The Government of India grant for rural reconstruction has been permitted by Government to be utilized also for the formation and encouragement of co-operative societies for consolidation of holdings. As a result of this concession these societies need not pay the entire half fee now payable by co-operative societies for encumbrance certificates and registration charges. They have to pay only one-third of the half-fee now payable, the remaining two-thirds being found from the Government of India grant.

I trust that with the above concessions and with the help of Revenue officials, societies for consolidation of holdings will develop rapidly.

Of the five societies at the end of the year, two societies Takkolam and Mekkalathur in North Arcot have taken up consolidation work. The details of work done by the societies are given below.

Takkolam.—The village of Pichivakkam was divided into nine blocks for the purpose of consolidation. The work has been completed in block No. 1, covering an extent of 41·46 acres. Eighteen pattadars own lands in the block of whom four own only single fields. The four fields covering one acre and ten cents have been left as they were. The remaining fields were consolidated and re-arranged, according to the extent of holdings of the members concerned, in the block. Every member is now having all his piecemeal and scattered holdings in the block consolidated into one single field. The scheme was so prepared as not to involve many adjustments. Four members had to be given 1 cent each, in excess of their holdings and a fifth member, 2 cents. The cost of a cent is fixed at Rs. 4 and the cost of 6 cents will be collected in cash from the five members. The scheme was approved by the general body; the consolidated holdings were identified to the members and they have commenced agricultural operations on them. Registered documents have to be executed evidencing exchange of lands and thereafter the Revenue authorities will incorporate the changes in the Revenue accounts. Where there were 168 holdings in the area, there are now only eighteen holdings.

Mekkalathur Society.—An extent of 47·85 acres comprising 256 fragmented plots owned by 26 individuals was consolidated into 44 plots and the average extent of holdings has increased from 0·18 acre to 1·09 acres.

I expect considerable progress in this direction in the current year.

Sugarcane growers societies and unions.—There were fifteen Societies and unions at the end of the year.

The scheme for promoting the organization and operation of co-operative societies among sugarcane growers so as to help them in securing fair prices was approved by the Government of India and the scheme was put into operation during the year. The main features of the scheme are—

(1) Employment of Co-operative and Agricultural staff to assist the societies and unions of sugarcane growers in factory areas.

(2) Grant of a cash subsidy to the societies and unions for the purchase of seed, manure, implements, etc. The amount spent over the implements will not be recovered from societies. As regards capital for purchase of seed or manure, societies will supply seed and manure free to members in the first instance and recover the cost after harvest. The amount thus recovered at the end of fourth year is proposed to be spent in giving premia during the fifth year to members who grow the best variety of cane and those whose yield per acre is the greatest.

Government sanctioned a staff of eight Agricultural Demonstrators, four Senior Inspectors, two Junior Inspectors, four clerks and sixteen maistries for working the scheme in the districts of Vizagapatam, East Godavari, Kistna, Bellary, North Arcot, South Arcot, Coimbatore and South Kanara.

After meeting the cost of the staff, the amount available under the subsidy for disbursement to co-operative societies and unions is Rs. 17,495 which will be spent for purchase of seed, manure and implements.

The staff appointed joined duty early in January 1938. In consultation with Deputy Directors of Agriculture and Assistant Directors of Agriculture, the Agricultural demonstrators drew up a programme of work and applications for disbursement of subsidies were received and the following amounts were sanctioned during the year 1937–38 :—

	RS.		RS.
South Kanara	200	Vizagapatam—	
Kistna	1,000	Anakapallo	1,000
East Godavari	1,000	Bobbili	1,500
Bellary	1,534	Coimbatoro	1,000
		South Arcot	1,750

Government ordered that the Registrar, Director of Agriculture and Director of Industries should meet quarterly and if necessary, oftener, and discuss matters connected with the working of the schemes. The first meeting was held on 4th April 1938, the progress made and the difficulties met with were discussed and necessary instructions given to Deputy Registrars. The staff is taking action to promote the objects of the scheme.

Fruit growers' societies.—There were nine societies of this type at the end of the year. The Kodur Fruit Growers' Society in Cuddapah was the most prominent of the societies which did useful work. This society which was started in April 1937 had on its rolls on 30th June 1938, 119 members with a paid-up share capital of Rs. 2,945. During the year it sold 9,637 baskets of oranges, 651 baskets of mangoes, 412 baskets of limes and 957 baskets of melons and sapotas and earned a commission of Rs. 1,405. The bulk of the fruits was sold through the Madras Provincial Marketing Society. The society earned a net profit of Rs. 820 for the year.

The Michaelpalayam society in Madura sold for Rs. 24,634 the fruits supplied by its 102 members and earned a profit of Rs. 1,630.

The Puthur society in Chittoor had a membership of 21 with a share capital of Rs. 69. It supplied the Madras Provincial Marketing Society with fruits of the value of Rs. 207. The North Malabar Fruit Growers' Society (formerly Kottayam Fruit Growers' Society) had a membership of eleven. Pine apples of the value of Rs. 74 were supplied by members. For want of marketing facilities much progress could not be made. The society proposes to undertake the canning of fruits for which there is much scope.

Fruit canning.—Fruits are grown in most of the districts in this Presidency on a large scale. In certain areas enormous quantities of fruits go to waste during some seasons on account of nature's bounty in those areas and due to the difficulty in transporting them over long distances. The only way to avoid this waste is to preserve them by canning. The other advantages of canning are—

(1) Prevention of disposal of fruits at uneconomic prices.
(2) The impetus that fruit growing will receive as an industry.
(3) The possibility of meeting the increasing demands of fruit syrups for beverages.
(4) The encouragement to sugar and glass industries as auxiliary industries.

A proposal was made some time back to start fruit canning in the West Coast on a co-operative basis by starting a few co-operative societies for fruit growers to undertake fruit canning as a cottage industry and to start a central society to market the output. This was not given effect to due to dearth of men with expert knowledge and training in canning. Further, fruit canning will pay in the long run only if it is done on a factory scale. As a first step in the development of the canning industry, Government were requested to start a central laboratory at Coimbatore for purposes of experiment, for imparting education and training and for propaganda in fruit preservation and canning. Government, however, did not sanction the proposal. Unless this is done and unless persons trained in canning are available to the societies, it is not possible to encourage fruit canning as an industry on co-operative lines for which there are great possibilities in the West Coast and other parts of the Presidency.

A company called the "India Canning Industries, Ltd.," has been started in Bezwada and it has applied for State help. Steps have been taken to put the co-operative societies in the West Coast in touch with this factory.

The Kottayam Fruit Growers' Society (in Malabar) represented that due to heavy railway freight it was unable to find a market for its fruits and that it was necessary to get a general reduction in railway freight for the transport of fruits from the West Coast. This request was reasonable and the Chairman, Provincial Marketing Board, was requested to move the railways for reduction in freight. The subject was, also discussed in one of the meetings of the Provincial Marketing Board and the railways were approached. But the railway authorities declined to give concessional railway freight. On personal representation by the Provincial Marketing Officer to the Chief Commercial Superintendent, the latter has agreed to quote special concession rates from Calicut, Tellicherry, etc., to important consuming centres like Madras, Trichinopoly and some other important markets.

Special concessional rates are available for plantains and limes also.

Colonization societies.—There were two societies of this type—one in South Arcot registered as agricultural and another in Chingleput registered as non-agricultural. Both these societies have been started with the idea to encourage the educated unemployed youths in the country to take up agriculture as an occupation. The Sri Nataraja Colonization Society in South Arcot is located at a distance of about a mile from the premises of the Annamalai University. The authorities of the University are taking keen interest in its working. The Vice-Chancellor and the Registrar are the President and Secretary respectively of the society. The society had on 30th June 1938 a membership of 12 with a paid-up share capital of Rs. 95. Two members who signified their willingness to take up agriculture as their occupation were given training in agriculture at the Palur Agricultural farm and to each was assigned 9 acres of land for cultivation. The Agricultural Department has given a maistri to guide the members and the local Agricultural Demonstrator supervises their work.

The Avadi Congress Nagar Colonization Society in Chingleput was started during the year with Dr. A. Lakshmipathi as President. On 30th June 1938 the society had twenty members with a share capital of Rs. 311. The members are themselves to cultivate the lands in the colony, on scientific lines. The society has applied to Government for a grant and a loan to provide training in agriculture to the educated unemployed so that they may take to agriculture and become practical farmers. The question is under the consideration of Government. A building society has been started in the colony and the process of laying out the sites is proceeding.

The progress of the two colonization societies is watched with keen interest.

Industrial and credit societies.—At the beginning of the year there were four societies of this type—two under agricultural and two under non-agricultural. One society was liquidated during the year. Of the remaining three, one was in the Kistna district and the remaining two in the Vizagapatam district. The Vuyyur Industrial and Credit Society in Kistna had on its rolls 516 members with a paid-up share capital of Rs. 1·89 lakhs as against 514 and Rs. 1·62 lakhs in the previous year. The factory worked only for 53 days in the year as against 79 days last year. By limiting the crushing season economy was effected in manufacturing expenses. The quantities of sugarcane crushed and sugar manufactured were 29,128 tons and 2,307 tons respectively as against 30,923 and 2,472 tons respectively last year. During the year there was a slight rise in the price of sugar. The society realized Rs. 6,42,814 by the sale of sugar through the agency of Messrs. Volkart Brothers. The loans due to the Madras Provincial Co-operative Bank were reduced during the year from Rs. 15·97 lakhs to Rs. 13·51 lakhs. By the end of the year the loss of the society was reduced from Rs. 4·11 lakhs to Rs. 4·02 lakhs. An officer of the Agricultural Department continued to be the General Manager and Chief Agricultural Officer of the society. The area under cultivation has been increased and it is expected that during the year the society will obtain a supply of at least 75,000 tons of cane for crushing. It is hoped that before the close of the year a good portion of the loss sustained by the society in previous years will be recouped.

The two societies at Etikoppaka and Thummapala in the Vizagapatam district had a total membership of 194 with a share capital of Rs. 1·41 lakhs, as in the previous year. Their losses increased from Rs. 1·36 lakhs to Rs. 1·53 lakhs. The working of these societies is far from satisfactory. During the year the management of the society at Thummapala was taken over by the Vizianagram Central Bank which in turn appointed the Vizagapatam Sugar Refineries, Ltd., as their agents. There was no improvement even with this change in management. The society at Etikoppaka manufactured sugar of the value of Rs. 68,029. The instalments of loans to the Vizianagram Central Bank were all overdue. The excise duty and the low price of sugar were mainly responsible for the heavy losses in the societies.

34. *Non-agricultural societies—Progress.*—At the end of the year there were 1,653 societies with a membership of 324,109 as against 1,505 societies with a membership of 304,105 at the beginning of the year. Twenty-four of these societies did not start work before the close of the year. During the year the share capital and working capital of the societies rose from Rs. 99·13 lakhs and Rs. 423·70 lakhs to Rs. 104·02 lakhs and Rs. 453·44

lakhs respectively. Loans to the extent of Rs. 284·82 lakhs were advanced during the year for the purposes set forth in Appendix No. 2. Of the total loans issued Rs. 96·51 lakhs were for short term and Rs. 188·31 lakhs were for long term. On the last day of the year the societies were indebted to the Central Banks to the extent of Rs. 24·86 lakhs of which Rs. 10·54 lakhs represented short-term loans.

Appendix No. 1, section II, gives the demand, collection and balance of principal, arrear and current interest due by members to these societies. During the year there was improvement in collections both under principal and interest. Most of these societies kept up their obligations to the depositors and the financing banks. The societies were in arrears to the extent of Rs. 7·16 lakhs against a demand of Rs. 341·02 lakhs under principal which works out to a percentage of 2·10 as against 2·68 in the previous year. The percentage of overdue interest was 4·21 as against 5·24 in the previous year.

The net divisible profit earned by some of these societies was Rs. 9·26 lakhs and the loss incurred by the remaining societies was Rs. 3·12 lakhs.

35. *Credit societies.*—There were 1,070 societies under this class at the end of the year with a membership of 275,424 as against 1,057 with a membership of 264,665 at the beginning of the year. The transactions of these banks are exhibited in the Imperial statement C. During the year the total working capital of the societies rose from Rs. 371·36 lakhs to Rs. 393·14 lakhs. During the year these societies disbursed loans amounting to Rs. 274·82 lakhs of which Rs. 95·46 lakhs were on short term. The arrears under principal and interest due to and due by these credit societies are shown in section 1 (*b*) of Appendices Nos. 4 and 3 respectively. Most of the societies kept their obligations to the depositors and the financing banks, the percentage of overdues in the Presidency being 4·07 under long term and 1·19 under short term as against 5·32 and 1;62 respectively in the previous year. Out of a total demand of Rs. 195·28 lakhs under long term and Rs. 108·16 lakhs under short term loans outstanding against members, there was a balance of Rs. 45·34 lakhs and Rs. 17·44 lakhs under long term and short term respectively, the percentage of arrears working out to 23.22 and 16.13 as against 21.60 and 21.56 in the previous year. The percentage of overdues under arrear and current interest were 59·43 and 18·88 as against 61·52 and 19;62 respectively in the previous year.

The loss sustained by 214 societies was 1·02 lakhs; the remaining societies earned a net divisible profit of Rs. 7·84 lakhs.

The number of societies and banks which had to maintain fluid resource ranged from 168 to 173. Of these, 11 to 18 banks failed to maintain them during the four quarters. The importance of maintaining the required standard of fluid resource was impressed on the societies concerned.

Of the societies under this class, 312 were exclusively for employees of Government, Local Board and other institutions. I must here utter a note of warning. These societies intended primarily to inculcate the habit of thrift among salaried persons have lamentably failed to achieve this object. On the other hand, by affording easy credit, they have kept them in a state of perpetual indebtedness. In many cases it is noticed that the amount of credit to members only increases from year to year but shows no tendency to decrease. It is high time that societies should discourage extravagance and encourage thrift. Where the promotion of thrift on a voluntary basis is not successful, societies may have to use some compulsion. For this purpose, the model by-laws of public servants' co-operative societies were amended during the year providing for a compulsory monthly deposit by every member, at a rate fixed in accordance with his salary, these deposits being non-withdrawable so long as membership continues. Deputy Registrars have been asked to see that all the societies for the staff of this department adopt these amended by-laws. There are heavy overdues in most of the employees' societies in spite of the fact that before loans are granted members are generally required to authorize their pay disbursing officers to deduct from their salaries the loan instalments due to the societies. Instances are not wanting where after receiving the loans the members withdraw the authorization given by them and leave the societies quite helpless in recovering the loans and the paying officers have no powers to effect recoveries without the consent of the employees concerned. The position has become worse with the recent amendment of the Civil Procedure Code raising the non-attachable portion of salaries from Rs. 20 to Rs. 100. Statistics available show that for the bulk of the overdues, the members drawing salaries below Rs. 100 are responsible. The question of devising means whereby societies will be enabled to enforce regular payments from members is under consideration.

36. *Societies for purchase, purchase and sale and production, production and sale.*—At the close of the year there were 336 societies as against 248 at the beginning of the year. The increase in the number of societies was largely contributed by the registration of 53 societies for weavers during the year. Of the total number of 336 societies, 13 did not start work before the end of the year. The total number included 73 stores, 89 school and college societies, 133 societies for weavers, 7 societies for fishermen, 8 for khadder production and sale and spinners, 5 for egg production and sale and poultry farming, 2 industrial and credit societies, 1 milk supply society, 1 milk supply union and 17 miscellaneous types of societies.

These societies had on their rolls 29,690 members (inclusive of 242 society members) with a paid-up share capital of Rs. 4·86 lakhs. The net profits earned by some of the societies was Rs. 0·83 lakh and the loss sustained by the rest was Rs. 1·80 lakhs.

A short account of the important types of societies is given in the next three paragraphs. The progress made by the milk supply union, milk supply society, industrial and credit societies and the fishermen's societies is given in paragraphs 31, 32, 33 and 42, respectively.

29 R. XM·211 N37 N29

37. *Stores.*—The 73 stores societies had a working capital of Rs. 8·23 lakhs. The value of the stock on hand at the beginning of the year and of the goods bought during the year amounted to Rs. 22·80 lakhs. They sold goods of the value of Rs. 21·60 lakhs and made a gross profit of Rs. 1·72 lakhs. The net profit earned by some societies was Rs. 54,958 while the loss incurred by the rest was Rs. 10,951 as against Rs. 48,160 and Rs. 12,531, respectively in the previous year.

The Triplicane Urban Co-operative Society continued to be the premier institution of this type. It had 26 branches with a total membership of 5,818. The paid-up share capital of the members was Rs. 81,312. The society sold articles of the value of Rs. 9·41 lakhs as against Rs. 8·82 lakhs in the previous year and earned a net profit of Rs. 18,630. The profit earned during 1936–37 was Rs. 17,524.

The Aravankadu Cordite Factory Stores, the Madras Government House Stores, the Pykara Power-house Stores, the Ootacamund Public Servants' Stores and the Government Quinine Factory and Cinchona Plantation Stores in the Nilgiris sold goods of the value of Rs. 2·23 lakhs and made a gross profit of Rs. 19,568. Four of the societies earned a net profit of Rs. 10,628 and one society incurred a loss of Rs. 16.

The Kodaikanal Stores, Madura City Stores and the Madura Minakshi Stores in the Madura district sold goods of the value of Rs. 2·98 lakhs and earned a net profit of Rs. 9,908. Some of the remaining stores which did appreciable work during the year were the Pudupalayam and Manjakuppam Stores in South Arcot, the Chingleput Stores, Pappinisseri Stores and the Standard Tile and Clay Works Stores in Malabar, Rameswaram Stores in Ramnad, Salem City Stores and Mettur Project Headworks Stores in Salem and the Mahaganapathi Stores in Tanjore.

I may mention here of a scheme just introduced in Madura district to assist the villagers in the Upper Palnis who have hitherto been the victims of merciless exploitation by a few traders. The Kodaikanal Co-operative Stores has undertaken the supply of provisions to the villages in the Upper Palni and it has purchased a lorry for the purpose. The idea is to link the supply of provisions on credit to the villagers and the marketing of produce raised by them. The Madura-Ramnad Central Bank has given its full support to the scheme. The garlic collected in the villages was sold in Madura through the Madura Sale Society and the members were satisfied with the result of the sale. As the scheme was launched only in the month of June much progress was not made during the year. The progress made since the close of the year is reported to be gratifying.

School and college societies.—There were 89 societies of this type at the end of the year as against 85 at the beginning of the

44736

year. The following figures indicate the progress made by these societies :—

	1936–37.	1937–38.
1 Number of members	3,996	4,300
2 Number of associate members ..	7,822	8,260
	RS.	RS.
3 Paid-up share capital	8,212	11,079
4 Value of articles sold	1,20,553	1,14,807
5 Stock on hand at the close of the year	23,650	27,199
6 Savings effected	7,326	5,853
7 Bonus distributed from the profits of the previous year	2,348	3,297

Most of these societies are doing very good work. The profits earned by some of them were Rs. 9,609 while the losses incurred by the rest were Rs. 849.

In the report for 1936–37 a reference was made to a proposal to start a Central Students' Stores at Madras. The matter is still under consideration.

38. *Weavers' societies.*—There were 133 societies of this type at the close of the year as against 80 at the beginning. The working capital of these societies excluding the Provincial Society was Rs. 2·42 lakhs. The value of raw materials purchased by the societies was Rs. 2·00 lakhs. Finished products of the value of Rs. 4·31 lakhs were sold to the public as against Rs. 1·60 lakhs last year. The net profits earned by some of the societies were Rs. 13,361, while the losses incurred by the rest were Rs. 12,266 as against Rs. 9,596 and Rs. 8,046 in the previous year. The Devanga Weavers' Society in Coimbatore alone contributed to a loss of Rs. 5,874.

With a view to see how the handloom industry in this Presidency should be protected and encouraged, a survey of the industry was conducted during the year. The statistics collected are now under examination.

The number of credit societies in which weavers contributed more than 60 per cent of the membership was 64 at the end of the year. They had a paid-up share capital of Rs. 38,697 and a working capital of Rs. 2·68 lakhs. The profit and loss made by these societies were Rs. 2,890 and Rs. 11,537 as against Rs. 4,735 and Rs. 8,811 respectively, in the previous year.

The Madras Handloom Weavers' Provincial Co-operative Society continued to make steady progress. The share capital of the society increased from Rs. 18,450 at the beginning of the year to Rs. 33,165 at the end of the year. During the year provision was made in the by-laws of the society for 'B' class shares of Rs. 5 each to enable poorer and middle-class persons also to take shares in the Provincial Society. The by-laws were amended for the admission of Central Banks and co-operative societies also as members.

The subvention of the Government of India for the year was Rs. 68,800 of which Rs. 56,119 was disbursed to the Provincial Society. The Provincial Society subsidized 78 societies to the extent of Rs. 17,833 during the year. The system of supplying yarn to primary weavers' societies on the guarantee of the Provincial Society was continued. At the end of the year, the guarantee given by the Provincial Society amounted to Rs. 42,980; societies purchased yarn to the value of Rs. 24,090 out of which Rs. 12,395 were paid by societies and Rs. 7,981 were paid by the Provincial Society leaving a balance of Rs. 3,714 due to the mills on 30th June 1938. The Provincial Society disbursed cash credit loans amounting to Rs. 47,633 during the year. A sum of Rs. 20,550 was due on 30th June 1937; out of the total amount of Rs. 68,183 due from all societies Rs. 5,269 were recovered leaving a balance of Rs. 62,914 due from societies. The Madura depot was closed but new depots were opened at Vellore, Tinnevelly, Coimbatore, the last two being run by the Melappalayam and Coimbatore Devanga Societies; the Provincial Society gives a subsidy not exceeding 50 per cent of the cost of running the depots subject to a maximum of Rs. 50. The value of goods sold in the Madras Emporium and the sales depots amounted to Rs. 71,158. Three more hand-sizing machines were installed during the year, one at Adoni on 24th January 1938, the second at Kavandapadi on 24th February 1938, and the third at Melappalayam in addition to the one already working there. The fifth machine also will be installed shortly. For one reason or other, the installation of the calendering plant has been delayed. The local Government have permitted the construction of a building in the compound of the Textile Institute to house the plant and have ordered that rent should be recovered from the Provincial Society. Soon after the plant is installed, the handloom fabrics will be calendered before sale.

An additional supervisor was appointed to cope with the increasing work on account of increase in the number of societies. Since the close of the year another Senior Inspector has been lent to the society to function as the second executive officer.

39. *Societies for cottage industries.*—Special attention was paid during the year to the development of cottage industries on co-operative lines. Deputy Registrars were asked to establish contact with social workers in their jurisdiction and to avail themselves of their assistance especially to organize co-operative societies for spinners and for other cottage industries. The activities of the societies which did some work during the year are reported below. The working of cottage industries societies specially for women is reported in paragraph 46.

The Vizianagram Khaddar Spinning and Weaving Society had a membership of 501 with a share capital of Rs. 2,618. It sold goods produced by members of the value of Rs. 3,076 and earned a profit of Rs. 137. The Andhra Khadi Central Sale Society in Guntur, sold khaddar of the value of Rs. 19,836 and made a net profit of Rs. 660. The society proposes to organize a net work of khadi spinners and weavers societies in the district.

The Chinaganjam Egg Marketing Society in Guntur had a membership of 134 with a paid-up share capital of Rs. 141. It sold through the Madras Provincial Marketing Society 10,674 eggs and realized Rs. 202. The society worked at a net loss of Rs. 123 during the year. The Nellore Egg Production and Sale Society supplied members with fowls of the value of Rs. 2–4–0. The members supplied eggs of the value of Re. 1–2–0. The society worked at a net profit of Rs. 3–15–0 for the year.

The Tiruppanangadu Button Manufacturers' Society had 69 members with a share capital of Rs. 185. It purchased raw materials for Rs. 313 and sold manufactured goods for Rs. 1,075. The society was *granted* a subsidy of Rs. 108 under the State Aid to Industries Act. The Collector of North Arcot gave a donation of Rs. 75 in appreciation of the good work done by the members. The Central Bank met out of its common good fund the cost of the instructor employed in the society. The Modaiyur Stone Image Workers' Society in North Arcot sold images of the value of Rs. 164 and earned a net profit of Rs. 29. The society received a donation of Rs. 50 from the Central Bank. The Arunthathiyars Leather Works Society in North Arcot purchased raw materials of the value of Rs. 859 and sold finished goods of the value of Rs. 1,473. The Andhra Ayurvedic Pharmacy in East Godavari with a membership of 56 sold medicines of the value of Rs. 1,923 and made a net profit of Rs. 321. The Kondapalli Toy Manufacturers' Society in Kistna sold articles manufactured by members of the value of Rs. 2,333 and earned a gross income of Rs. 477. The society, however, sustained a net loss of Rs. 163.

Since the close of the year Government were pleased to approve my proposal to train for a period of two months five Senior Inspectors and four Junior Inspectors in poultry farming and bee-keeping. The training will be given at the Agricultural Research Stations at Samalkota and Palur. I have every hope that with a well-trained staff of this department considerable progress will be made in the development of cottage industries on co-operative lines.

40. *Insurance societies.*—There were two societies under this class at the end of the year.

The South India Co-operative Insurance Society, Madras.—The year under report is the sixth year of the working of the society. The steady progress made in the previous years has been maintained and the work of the society during the year continued to be satisfactory. At the end of the year there were 6,647 members on the rolls composed of 6,612 individuals and 35 societies. The paid-up share capital of the individuals amounted to Rs. 8,549 and that of the society members to Rs. 37,050. Including nine proposals for Rs. 5,450 pending acceptance at the commencement of the year, 2,866 proposals for Rs. 24,99,175 were received: 2,792 proposals were accepted during the year for Rs. 24,25,125 and the number pending acceptance at the end of the year was eight for Rs. 10,750. The policies issued during the year were 2,276 for Rs. 19·75 lakhs as against 1,477 for Rs. 12·04 lakhs in the previous year. Sixteen claims for Rs. 14,000 were pending payment at the beginning of the year: 28 cliams for Rs. 20,950 were intimated during the year excluding eight claims not admissible. Twenty-one claims for Rs. 15,047 were paid off, leaving at the close of the year 23 claims for Rs. 19,933 pending settlement. The total Life Assurance business in the books of the society as on 30th June 1938 amounted to Rs. 64·41 lakhs in respect of 7,630 policies as against Rs. 44·66 lakhs relating to 5,354 policies at the end of the previous year. The society collected premia to the extent of Rs. 2·26 lakhs as against 1·59 lakhs in the previous year. The Life Assurance Fund which was Rs. 1,83,988 at the beginning of the year rose to Rs. 2,83,955 at the end of the year. The statutory deposit with the Controller of Currency continued to be at about Rs. 2 lakhs. The institution continues to be strong.

The Postal and R.M.S. Benefit Fund, Madras.—There were 2,775 members on rolls with a paid-up share capital of Rs. 28,100 as against 2,455 members with a paid-up share capital of Rs. 29,407 in the previous year. The premia realized in the year amounted to Rs. 1·23 lakhs as against Rs. 1·18 lakhs in the previous year. During the year 514 lives were insured and 194 claims to the value of Rs. 63,869 were paid. The risk covered at the end of the year was Rs. 28·24 lakhs under 2,817 policies. Claims admitted or intimated but not paid at the end of the year amounted to Rs. 23,148. The total Life Insurance Fund at the end of the year was Rs. 5·00 lakhs as against Rs. 4·35 lakhs at the end of the previous year. The investments in Postal cash certificates, Government promissory notes, etc., amounted to Rs. 2·89 lakhs and the loans on mortgage of property were Rs. 1·97 lakhs. The reserve fund of the society amounted to Rs. 26,465.

41. *Other forms (building societies).*—Of the 245 societies of this type 127 were building societies. The progress made by these societies is shown *in the following statement*:—

	1936–37.	1937–38.
Number of members	4,207	4,462
	RS. (IN LAKHS.)	RS. (IN LAKHS.)
Paid-up share capital	9·09	8·47
Net profit or loss	+ 0·69	+ 0·53
	− 0·09	− 0·06
Loans outstanding to Government ..	15·33	17·97
Number of houses (completed)	1,906	2,071
	RS. (IN LAKHS.)	RS. (IN LAKHS.)
Estimated value	66·41	75·34
Number of houses under construction ..	109	138
	RS. (IN LAKHS.)	RS. (IN LAKHS.)
Estimated value	4·34	4·47

Rupees 11,310 under principal and Rs. 886 under interest were overdue in respect of Government loans as against Rs. 4,614 and Rs. 2,274 respectively in the previous year. The societies in

Vizagapatam contributed to the bulk of the overdues. Loans to the extent of Rs. 29·31 lakhs were outstanding against members. Of this Rs. 1·57 lakhs under principal and Rs. 0·58 lakh under interest were overdue at the close of the year as against Rs. 1·99 lakhs and Rs. 0·69 lakh respectively at the end of the previous year. The collections were good in Chingleput, Chittoor, Kurnool, Madura and Trichinopoly, while they were poor in Anantapur, East Godavari, Guntur, South Kanara, Kistna, Nellore, the Nilgiris, Salem, Tanjore and Vizagapatam. Monthly reviews were issued on the progress of collections and Deputy Registrars were asked to pay close attention to bad societies.

Building societies are in general progressing well. With the enhancement of the borrowing power of members, referred to in the last year's report and the low rate of interest at which Government advance loans ($4\frac{1}{4}$ per cent from 1st April 1938) these institutions are becoming more and more popular. There is, however, need for more societies of this type. In the last year's report reference was made to a scheme for providing the mill labourers at Coimbatore with decent dwelling places. For putting the scheme into operation the Coimbatore Co-operative Housing Society with its area of operations extending over the Coimbatore taluk including the Coimbatore municipality was registered during the year and was formally opened in January 1938 by the Hon'ble Sri V. V. Giri, Minister for Labour and Industries. In accordance with the by-laws, the Registrar nominated the first set of directors who are to hold office for three years from the date of starting of the society. Membership in the society is open to the mills, factories and individuals including mill owners and labourers. For raising adequate long-term funds to finance the scheme it was found necessary to permit individual mills and mill-owners to hold shares up to the value of Rs. 5,000. Government were therefore pleased to exempt the society from the provisions of section 6 (*b*) of the Madras Co-operative Societies Act which restricted the maximum value of the shares that may be held by any individual to Rs. 1,000. As the society began its work late in the year and as there were certain differences of opinion between the mill-owners and the labourers, much progress could not be made by the society during the year. It is hoped that during the current year the society will make satisfactory progress.

Societies of the type started in Coimbatore have been registered after the close of the year for the mill labourers at Madura and Ambasamudram. The aim of the societies is to build suitable self-contained dwelling houses and to let them out to the labourers who on payment of a fixed sum, say Rs. 4 every month will ultimately become owners of the houses after a period of ten or twelve years. The question of approving these societies under section 7 of the Payment of Wages Act, 1936, and the conditions under which the mills should be permitted to deduct from the wages of the labourers the instalments due to the societies are under consideration.

42. *Other forms (other than building societies).*—There were 118 societies under this class at the close of the year and they were made up of 18 labour contract and forest coupe societies, 3 printing societies, 22 thrift societies (for women), 21 fishermen's societies, 46 better living societies, 1 colonization society, and 7 other types.

A brief account of the working of some of these societies is given below. The work done by the colonization society is reported in paragraph 33.

Labour contract and forest coupe societies.—There were eighteen societies of this type at the close of the year as against sixteen in the beginning. The total number of members in all the societies was 1,112 of which 117 were helpers and the rest were actual workers. They had a paid-up share capital of Rs. 6,833 and a reserve fund of Rs. 8,496. Of the eighteen societies, only eleven worked during the year. The total value of the work pending execution at the beginning of the year and of that received during the year was Rs. 86,063. Of this, the societies executed work of the value of Rs. 56,194 during the year. Members derived Rs. 13,800 as wages and non-members were paid Rs. 6,877. The net income of the societies was Rs. 2,361. Among the societies of this type the Madras District Labour Society turned out the maximum amount of business. During the year it executed work of the value of Rs. 36,820 as against Rs. 35,433 last year.

Printing societies.—The three printing societies, one each in Madras, Coimbatore and Tanjore continued to work during the year. Their transactions were as shown below :—

	1936-37.	1937-38.
	RS.	RS.
(1) **Paid-up share capital**	**26,342**	**26,925**
(2) **Reserve fund**	**9,344**	**9,987**
(3) **Borrowed capital**	**6,500**	**6,000**
(4) **Value of business done**	**47,363**	**47,571**
(5) **Working expenses**	**12,160**	**9,914**
(6) **Net profit**	**+2,614**	**+3,680**
(7) **Loss**	**−1,372**	..

All the societies worked at a profit during the year. The Madras Central Co-operative Printing Works recouped the losses of previous years and made a net profit of Rs. 1,315. The committee of the society continued to be under supersession and the management was in the hands of a special committee appointed by the Registrar. There was some improvement in the working of the society under the management of the special committee.

Thrift societies.—There were 42 societies of this type (including those registered as credit societies) as against nineteen at the beginning. Of these, twenty-two were exclusively for women. Five of the societies did not start work before the close of the year. The total paid-up share capital of all the societies was

Rs. 7,130 as against Rs. 3,165 in the previous year. The savings of the members invested in the societies were as follows :—

	1936-37.	1937-38.
	RS.	RS.
Recurring deposits	2,153	9,599
Savings deposits	2,102	3,174
Provident deposits	30,885	12,935
Fixed deposits	7,897	17,649
Other deposits	13,428	14,512
	56,465	57,869

These societies gave Rs. 25,271 by way of loans to members. Thrift scieties, especially those for women, should seldom grant loans to members except for urgent domestic expenses and for the purchase of raw materials for cottage industries. Necessary instructions were issued during the year in this regard.

In the Salem district where Prohibition has been introduced a great impetus was given to the thrift movement during the year. The Salem District Urban Bank appointed a special thrift Inspector to promote thrift in the Salem town. One hundred and thirteen urban and rural societies joined the campaign and introduced hundi boxes under the Home-safe deposit by-laws. The total savings effected through these agencies were Rs. 9,859 by the end of the year and Rs. 17,091 by the end of August 1938. As a result of the extensive propaganda for thrift, there was a general increase in the recurring, savings and current deposits in societies. During the year the recurring deposits in societies rose from Rs. 50,707 to Rs. 58,383, savings deposits from Rs. 10,607 to Rs. 11,996 and current deposits from Rs. 2,18,222 to Rupees 2,57,309. Several rural societies celebrate the "thrift day" once in the beginning of every month when bhajanas, dialogues, rural sports, etc., are conducted. The hundi boxes are collected that day and the savings are credited to the members' accounts. It is reported that these monthly celebrations have a profound effect. Salem's example in the encouragement of thrift is worthy of emulation by other districts.

Fishermen's societies.—At the end of the year there were 28 societies—seven classed under "Purchase and Sale" and twenty-one under "Other Forms"—for the benefit of the fishermen community. Three out of the four societies in Kurnool did good work. They sold goods to members of the value of Rs. 2,787 and earned a profit of Rs. 681. Seven societies in Kistna with a total membership of 369 took on lease zadas and gunnams in the Kollair lake in Kaikalur taluk for fishing. The Karuthangudi and Pappakoil Fishermen Societies in Tanjore secured fishing leases for Rs. 6,200 and Rs. 1,300, respectively. The Poonamallee Fishermen Society in Chingleput obtained rights for fishing in the Nenam tank on payment of Rs. 915. Some of the fishermen's societies fail to secure leases for fishing as they do not submit their applications before the

leases are sold in public auction. Deputy Registrars were instructed during the year to see that the societies send their applications well in advance.

Better-living societies.—There were 50 societies of this type at the close of the year as against 32 at the end of the previous year. Of these four were under agricultural and the rest under non-agricultural. Some of these societies did useful work. One society in South Kanara effected retrenchment in expenditure on ceremonies to the extent of 50 per cent and the savings effected by members are estimated at Rs. 750. Another in the same district formed a committee to decide amicably the criminal and civil disputes arising among its members. In a society in Tinnevelly a member who exceeded the limit of expenditure fixed for a marriage was fined Rs. 6 and it was collected. Schools were conducted for the benefit of their members and their children by a society in Trichinopoly and another at Coimbatore. Another at Madura runs a small dispensary for the use of the public. The number of persons receiving first-aid treatment here is on the increase. It has a small library also and books are sent out to neighbouring villages in a library van. The society is also making attempts in the direction of reviving "folk-dancing." One other at Guntur for Devadasis attempted to reform bad customs prevailing among its members. It arranged for eleven marriages of which two were for widows. It controlled its members in the matter of expenditure on ceremonies. It also prevented members from taking part in nautch parties and adopting children of other castes. The Deputy Registrars and Assistant Registrars in charge of districts have been circularized to instruct select credit societies also to adopt better-living by-laws. The progress in this direction is watched with interest.

43. *Scheduled classes societies.*—At the end of the year there were 2,705 societies formed specially for Adi-Dravidas, Adi-Andhras, Fishermen, Kallars and other scheduled classes as against 2,714 last year. The transactions of these societies were as shown below :—

Particulars.	Societies under the Co-operative Department.	Kallars' societies under the Special Police officers.	Societies under the Fisheries Department.
Number of societies ..	2,401	255	49
Number of members ..	100,838	15,217	2,005
	RS.	RS.	RS.
Paid-up share capital ..	7,32,985	90,738	34,02
Deposits from members ..	46,472	225	2,07
Loans from Central Banks.	12,40,082	2,340	8,71
Loans from Government.	2,29,860	77,831	..
Reserve fund	4,98,949	1,25,524	28,23
Other funds	1,36,207	..	..
Working capital ..	28,84,555	2,96,658	73,04
Divisible profits ..	39,720	12,456	1,71
Loss	2,10,335	5,444	9,10

At the end of the year Rs. 75,792 under principal and Rs. 12,431 under interest were overdue to Government from the societies in charge of this department. The societies for Kallars in charge of special police officers were in arrears to Government to the extent of Rs. 2,959 out of Rs. 77,831 outstanding against them. The overdues in respect of loans granted by the Madras Christian Co-operative Central Bank and other Central Banks were Rs. 3,99,025 under principal and Rs. 38,905 under interest. The collection of the heavy overdues in these societies continued to be a difficult matter. Unemployment or irregular employment of the members has been the main reason for the overdues coupled with the fall in the price of agricultural produce. Steps taken to encourage cottage industries as a subsidiary occupation are proving successful in certain areas. In a society in Coimbatore sheep shearing on a co-operative basis has been introduced. Weaving is also taught to the children of the members. In another settlement society in the same district women have been encouraged to take up mat-weaving. In a third society poultry farming has been introduced. The results so far achieved in these societies are encouraging. It is hoped that before long similar industries will be introduced in societies in other districts also.

The question of financing the scheduled classes societies has been presenting difficulty for some time past. The Madras Christian Co-operative Central Bank originally started for financing these societies was in recent years found unfit to do this work properly. Complaints were continually received of the inability of the bank to finance its affiliated societies quickly and sufficiently and it was felt that other arrangements should be made for financing these societies. District Central Banks were, therefore, consulted whether they were willing to affiliate to themselves the societies now affiliated to the Christian Central Bank and to finance them in future. While many of the banks were willing to take over the societies, either unconditionally or subject to conditions in regard to the continuance of departmental supervision and writing off of existing bad debts, several others were against the proposal. When the entire question of the future of the bank and of the finance of the scheduled classes societies was under the consideration of Government, action was precipitated by the discovery of an alleged defalcation of the funds of the bank by its manager. I have reported in paragraph 23 the steps taken to safeguard the interests of all concerned. I trust that a satisfactory arrangement for the future financing of the scheduled classes societies will be decided upon soon.

In regard to the scheduled classes societies transferred from the Labour Department to the Co-operative Department for supervision, reports received show that the general working of the societies in Cuddapah, Guntur, Kurnool and Nellore continued to be satisfactory, after the transfer. In the remaining districts the main work done was the collection of loans already granted to members.

44. *Societies for hill tribes.*—There were 96 societies at the end of the year—72 in the Nilgiris, 15 in Vizagapatam and East

Godavari Agencies, 7 in Salem and 1 each in North Arcot and Kurnool. The 72 societies in the Nilgiris started for the benefit of Badagas and Kotas had on their rolls 4,299 members with a share capital of Rs. 25,569 and a working capital of Rs. 4·85 lakhs. Some of these societies worked at a net profit of Rs. 3,512, while the rest incurred a net loss of Rs. 11,783. The societies in the East Godavari and Vizagapatam Agencies had a total membership of 974 with a paid-up share capital of Rs. 14,223 as against 938 and Rs. 14,111 in the previous year. The society in Kurnool started for the benefit of the Chenchus worked as a thrift society. It had a membership of 59 with a share capital of Rs. 107. The savings of members invested in the society were Rs. 489 and the reserve fund was Rs. 103. The society earned a net profit of Rs. 58.

45. *Societies for joint or individual cultivation of land and purchase of house-sites.*—The total number of societies for the joint or individual cultivation by members and for purchase of house-sites was 842 as against 793 in the previous year. Their membership was 42,296. They obtained during the year 1,499 acres for cultivation in addition to 32,106 acres of land in the enjoyment of members at the beginning of the year. The societies gave up 228 acres during the year and there were 33,377 acres of land in the enjoyment of members at the close of the year. Land revenue collected from members and that paid to Government were Rs. ollected from members and that paid to Government were Rs. 1,48,689 and Rs. 1,48,700 respectively. A sum of Rs. 156 was lease amount. The members of these societies had in their enjoyment on the last day of the year 12,007 house-sites and 10,487 houses constructed on them. The societies advanced loans to members to the extent of Rs. 52,261 during the year and collected Rs. 31,745 as against Rs. 55,605 and Rs. 42,480 respectively in the previous year. A sum of Rs. 5·87 lakhs was outstanding against members at the close of the year.

46. *Women's societies.*—At the end of the year there were 34 societies exclusively for women as against 12 at the end of last year. As most of the societies were started either late in the year or after the close of the year, no substantial work was done by them. Want of close and proper supervision also contributed to their slow progress. Of the seven societies in Malabar, the Quilandy Women's Cottage Industries Society produced hand-pounded rice of the value of Rs. 153 employing its members for the work; the Palghat Women's Stores and the Cannanore Women's Stores sold articles of the value of Rs. 1,839 and Rs. 1,053 respectively. The rest did no work worth mention. Of the five societies in South Kanara, the Mahila Sabha Cottage Industries Society produced articles of the value of Rs. 305 and also made joint purchase of household articles for Rs. 42 for the use of the members; the Mangalore Ladies Thrift and Loan Society collected thrift deposits to the extent of Rs. 327. The Muhammadan Garden Ladies Thrift and Loan Society at Madras and two societies in South Arcot supplied charkas and taught spinning to members. The members of the two societies in South Arcot produced yarn of the

value of Rs. 102 and derived an income of Rs. 55. One society in East Godavari interested itself in the production of laces and another in Salem in the manufacture of silver strings. Attempts were made to market the articles produced by women's societies through the Victoria Technical Institute, Madras. The Tirupathi Ladies Welfare Society in Chittoor, the Udangudi Women's Society in Tinnevelly, the Yellamanchilli Christian Women's Society in Vizagapatam and the Shevapet Women's Thrift Society in Salem sent their articles to the Victoria Technical Institute for sale but only a few articles could be sold there. Recently the Madras Provincial Marketing Society has agreed to undertake the sale of the articles. It is hoped that some progress will be made during the current year in popularizing the articles.

As I stated already, lack of proper supervision is, in a large measure, responsible for the slow progress of these women's societies. In Malabar, South Kanara and in the Madras City women organizers attend to the organization and supervision of societies but the work that honorary organizers are able to do during their spare time will be very little. There are societies where members have ideas and are keen on doing some useful work but for want of proper guidance they are unable to do anything. I fear that some of the societies will have to be wound up unless they are paid prompt attention. The existing non-credit staff has not the time for this work as non-credit work is expanding. I consider a woman is better than a man for the organization and supervision of women's societies. It is my intention to bring more and more women into the co-operative movement as they would form a proper agency not only for the encouragement of thrift among men and women alike, but also for the development of cottage industries.

My request to sanction a woman Co-operative Sub-Registrar to attend to organization and supervision of women societies in the West Coast was not approved by Government. I have reiterated my request and hope Government would accord sanction for the creation of the post at an early date, as otherwise co-operation cannot make much headway among women.

47. *Prohibition and rural uplift.*—Prohibition was introduced in the Salem district during the year and to meet the altered economic condition of the ryots and for the rural reconstruction of the villages, several agencies have been employed. I am glad to report that the ameliorative work done through the agency of co-operative societies has been very satisfactory; the Collector of the district has testified that of all the agencies, co-operative societies played the greatest part. Societies have been organized to provide employment for the toddy tappers thrown out of employment as a result of Prohibition. On 30th of June 1938, there were in all 30 societies for the manufacture of jaggery from the sweet juice tapped from coconut and palmyra trees. After the close of the year six more societies were registered and by the end of August 1938, the value of sales went up to Rs. 10,316. Another line of development was in the direction of thrift. I have reported in paragraph 42, the special measures taken for encouraging thrift and the remarkable success which attended them. The Special Development Officer in consultation with other district officers and non-officials has prepared a scheme for Rural Reconstruction in 50 select villages in the district. The scheme provides for work being undertaken through co-operative societies. Rural uplift schools are being conducted. Though physical education and rural sports are the chief items in the programme in these schools, instruction in co-operation receives considerable attention. Some of the students trained have become active co-operative workers assisting in the distribution of hundi-boxes, in canvassing business for sale societies, etc. As a result of the work done in Salem, it is being more and more recognized that the co-operative movement is the best agency to give permanence to rural uplift work in the villages.

48. *General.*—The Madras Agriculturists' Relief Act came into force during the year. Compulsory scaling down of debts payable by agriculturists at the commencement of the Act and the fixation of the maximum rate of interest which may be charged in future on loans to agriculturists are its chief features. Co-operative societies have, however, been exempt from the operation of this Act. Still, Central Banks and societies have not been slow to give relief to their members keeping in view the spirit of the Relief Act. They have taken steps by reducing the rates of interest on loans and by scaling down of debts. Reports received show that during 1937–38 societies scaled down the debts of members and wrote off Rs. 1·49 lakhs both under principal and interest. In the last year's report it was mentioned that most of the societies had reduced their lending rates to 7½ per cent. During 1937–38 more societies did so and 1,260 societies reduced their rates still further by charging interest at rates ranging from 6 to 7 per cent. Special efforts are being made by Central Banks to see that credit is made available to the ryots as cheap as possible. One Central Bank waived the collection of supervision fund and met the entire cost of supervision from its own funds so as to enable the societies to lend to members at 6 per cent interest. It is hoped that during the current year more Central Banks will take similar steps consistent with their financial strength.

In addition to other measures of relief, Central Banks were requested last year to extend special concessions to members of 'D' class societies. They were requested to adopt one or more of the following principles to determine the extent of relief to be given :—

(1) That no member shall be asked to pay in all more than double the principal originally borrowed by him.

(2) That no member shall be asked to pay more than the principal plus interest calculated at 6¼ per cent from the date of the disbursement of the loan.

(3) Twenty-five per cent of the amount may be remitted.

(4) A further remission of principal at a fixed percentage of the loan may be offered to those who pay their loans either

immediately or within three months. To those who cannot pay within three months a time of one year may be given to avail themselves of the concessions.

I feel that members of all classes of societies deserve as much relief as the members of 'D' class societies. I have therefore advised Central Banks to extend during the current year the concessions to members of all classes of societies. I trust that Central Banks will give effect to these measures of relief as expeditiously as possible.

Government have announced their intention to appoint a committee to examine the working of the co-operative movement in the Madras Presidency and particularly the Central Banking System with reference to the relief of agricultural indebtedness. It is hoped that some of the outstanding problems engaging the attention of the non-officials and Government alike will find satisfactory solution and a great stimulus will be given to the further progress of the movement in the Presidency.

I regret to record the untimely demise in December 1937, of Mr. T. L. R. Chandran, I.C.S., who underwent training as Additional Joint Registrar. Mr. Chandran believed that one of the effective ways of carrying on propaganda for the spread of the movement was through the stage and with that view wrote a play in Tamil entitled "Sadhyama" the theme of the play being *co-operation as a solution for unemployment*. The play was enacted at Madras while he was alive in the Victoria Public Hall under the distinguished patronage of the Hon'ble Sri V. V. Giri, Minister for Co-operation. A party has since been formed consisting mostly of officials of the Co-operative Department and named the "Chandran Co-operators' Party." This party has staged the drama in a few district centres where it was much appreciated.

49. *Conclusion.*—Before I conclude, I wish to make mention of the spirit of optimism prevailing in the movement at the present time. The movement has withstood fairly well the effects of the world-wide economic depression and slowly but steadily is returning to the conditions that prevailed in the pre-depression days. The number of societies is increasing and I hope, before long, all villages will be covered by co-operative societies to cater to the needs of the agriculturists. Land mortgage banks are making steady progress, coupled with the scaling down of debts, in lightening the burden of prior indebtedness on the ryots. On the marketing side, sale societies, assisted by the Madras Provincial Marketing Society, are doing good work. Milk supply societies and unions which would benefit both the producers and consumers of milk alike are being started in and around the bigger towns in the Presidency. The handloom weaving industry is receiving special attention through the weavers' societies and the Madras Handloom Weavers' Society. A beginning has been made in the consolidation of uneconomic holdings and in improving the breed of cattle. In the larger towns, building societies are proving helpful to relieve congestion and to work out extension schemes. Steps are being taken to provide labourers of large factories with decent dwelling houses. The encouragement of thrift and the development of cottage industries are receiving special attention through societies specially formed for the purpose, not only among men but also among women. Attempts are also being made to improve the economic and social condition of persons through better-living societies.

I am glad to note that the importance of co-operative societies among the several agencies for rural uplift is receiving more and more recognition. There is no part of rural life which co-operation cannot tackle and in this sense it has immense possibilities in the future. Salem affords the best illustration of the potentialities of the co-operative movement for rural welfare. But progress in a mass movement like co-operation is, however, largely a question of man power. More than numbers, it is the quality that counts for success. While I acknowledge with gratefulness the services rendered to the movement by the vast body of non-official co-operators, I feel that if societies in the past have not achieved as much success as was anticipated by the pioneers of the movement, it is largely because the movement has not been able to attract a sufficiently large number of persons to work it on right lines in the Presidency. For the success of the movement it is necessary that we should have not merely enthusiasts to carry the message of co-operation forward but persons who have the necessary leisure, honesty of purpose and spirit of service. The movement should be able to pool the resources of the people both material and moral and in proportion as this is achieved, the success of the movement will be ensured and I have every hope that in the years to come this will be possible to be attained in an increasing measure.

I have to express my thanks to the co-operators all over the Presidency for the unfailing courtesy extended to me and my officers. I would particularly thank the leading journals and newspapers for their kind and helpful criticism of the movement and the department. I acknowledge also the loyal services rendered by my subordinates throughout the year.

The Government were pleased to confer the title of "Rao Bahadur" on Sri T. R. Ramachandra Sastri, President of the Kurnool Central Bank, and of "Rao Sahib" on Sri S. K. Deivasikhamani, Secretary of the Trichinopoly Co-operative Building Society, Sri C. S. Srinivasa Mudaliyar, President of the Kumbakonam Co-operative Central Bank, and Sri S. S. Krishna Chettiyar, President of the Co-operative Supervising Union and Land Mortgage Bank, Rasipuram, in recognition of their services to the co-operative movement.

The relations with other departments continued to be cordial.

I have the honour to be,
Sir,
Your most obedient servant,
M. GIRIAPPA,
Registrar.

APPENDICES

APPENDIX No. 1.—*General Summary of Progress of Co-operative Societies in* 1937–38.

SECTION I—WORKING CAPITAL OF SOCIETIES ON 30TH JUNE 1938.

					Agricultural societies.					Non-agricultural societies.					
	The Madras Provincial Co-operative Bank. (1).	The Madras Co-operative Central Land Mortgage Bank (1).	Central Banks (31).	Societies affiliated to unions (268) (*c*).	Land mortgage banks (96) (*d*).	Credit societies (other than land mortgage Banks). (10,470) (*e*).	Purchase and production (168)(*f*).	Others (376) (*g*).	Total of agricultural societies.	Credit (1,066) (*h*).	Purchase and production (823) (*i*).	Others (240) (*j*).	Total of non-agricultural societies	Total, 1937–38.	Total, 1936–37.
(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.	RS.	RS.	RS.
Share capital	6,55,800	6,69,300	49,79,274	..	10,64,239 300	51,45,951	2,73,346	3,44,431	68,27,967	88,49,001	4,86,063	10,67,327	1,04,02,391	2,35,34,732	2,27,89,019
Deposits from members ..	(*a*) 1,11,25,124	..	(*a*) 2,41,56,583	..		8,49,953	30,378	8,57,609	17,38,240	1,03,64,870	1,36,326	82,477	1,05,83,673	4,76,03,620	4,49,78,011
Loans from other societies ..	61,91,976	1,06,806	1,68,10,924	..	1,40,68,201	2,58,47,893	41,41,219	16,51,114	4,57,08,427	19,78,691	4,34,008	1,79,253	25,91,952	7,14,10,175	6,48,13,090
Loans and deposits of— Non-members (individuals).	..	(*b*) 1,42,37,377	..	..	2,90,800	16,62,324	80,935	63,197	20,47,256	1,26,55,104	1,19,538	1,31,328	1,29,05,970	2,91,90,603	2,50,98,921
Loans from Government ..	..	..	..	..	23,000	3,07,440	94,800	1,09,697	5,34,937	31,288	30,108	17,05,481	17,66,877	23,01,814	20,08,838
Reserve fund	16,50,000	1,35,618	33,49,305	..	1,10,473	77,46,121	78,117	40,085	79,74,796	36,91,271	2,55,023	2,61,251	42,07,545	1,73,17,354	1,66,17,866
Other funds	8,64,686	93,204	30,57,254	..	39,013	21,58,281	46,939	67,214	23,00,477	17,43,354	2,35,400	9,07,157	28,85,911	92,06,532	88,88,612
Total working capital on 30th June 1938	2,04,87,586	1,52,47,395	5,23,53,430	4,96,08,336	1,55,96,026	4,87,12,963	46,69,734	31,83,377	6,71,32,100	3,93,18,579	16,96,466	43,34,274	4,53,44,319	20,05,64,830	..
Total working capital on 30th June 1937	1,93,00,955	1,21,45,488	4,99,79,416	4,92,60,937	1,26,05,985	4,30,23,965	21,41,296	30,35,923	6,08,07,169	3,71,35,669	13,01,198	39,33,062	4,23,69,929	..	18,51,92,957
Divisible profits	2,93,184	92,962	3,15,066	..	73,873	4,93,985	57,228	12,445	6,37,531	7,83,763	82,939	55,971	9,25,673	22,64,416	24,09,676
Loss unrecouped	..	..	60,256	..	10,706	19,26,495	22,453	4,29,161	23,68,815	1,01,507	1,70,995	30,688	3,12,190	27,61,291	26,68,190
Reserve fund including additions to be made as per account of 1937–38 ..	17,23,296	1,58,858	34,28,215	..	1,29,154	79,92,241	93,543	43,826	82,58,764	38,91,723	2,75,070	2,49,976	44,16,769	1,79,85,902	1,73,86,265
Value of goods purchased as owner	..	..	..	..	..	..	2,57,581	..	2,57,581	..	24,04,468	..	24,04,465	26,62,040	23,83,485
Value of goods sold as owner.	..	..	..	..	..	..	3,07,261	..	3,07,261	..	23,88,107	..	23,88,107	26,95,368	25,13,655
Value of goods purchased as agent	..	..	..	..	..	..	56,16,767	..	56,16,767	..	5,38,802	..	5,38,802	61,55,569	37,03,479
Value of goods sold as agent.	..	..	..	..	..	..	25,22,282	..	25,22,282	..	5,72,940	..	5,72,940	30,95,222	33,84,717

(*a*) Includes deposits of non-members.
(*b*) Includes debentures.
(*c*) Includes the Madras Provincial Co-operative Union, 2 Language Federations, 5 Training Institutes, 6 Audit unions and 254 Supervising unions.
(*d*) Excludes 5 societies not started.
(*e*) Excludes 50 societies not started.
(*f*) Excludes 12 societies not started.
(*g*) Excludes 7 societies not started.
(*h*) Excludes 4 societies not started.
(*i*) Excludes 13 societies not started.
(*j*) Excludes 7 societies not started.

SECTION II—DEMAND, COLLECTION AND BALANCE OF PRINCIPAL AND INTEREST DUE TO SOCIETIES IN 1937–38.

1937–38.	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 ..	2,62,97,952	3,05,90,866	3,10,28,393	8,79,17,211	(*a*) 1,44,58,511	(*b*) 1,36,29,251	(*c*) 2,45,54,392	5,26,42,154	1,18,39,441	1,69,61,615	64,74,001	3,52,75,057	45·02	55·45	20·86
Interest due in previous years (arrear interest)	3,03,551	50,64,061	12,41,565	66,09,177	1,45,381	12,49,056	5,08,282	19,02,719	1,58,170	38,15,005	7,33,283	47,06,458	52·11	75·33	59·06
Interest due in 1937–38 (current interest)	24,84,603	30,30,622	24,03,569	79,18,794	23,22,407	18,70,946	19,52,116	61,45,469	1,62,196	11,59,676	4,51,453	17,73,325	6·53	38·27	18·78

(*a*) Includes extension for Rs. 5,50,398. (*b*) Includes extension for Rs. 3,03,603, (*c*) Includes extension for Rs. 5,70,627.

SECTION III—DEMAND, COLLECTION AND BALANCE OF PRINCIPAL AND INTEREST DUE TO SOCIETIES IN 1936–37.

1936–37.	Demand.				Collection.			
	Provincial and Central Banks.	Agri-cultural.	Non-agri-cultural.	Total.	Provincial and Central Banks.	Agri-cultural.	Non-agri-cultural.	Total.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Principal including arrears ..	2,70,33,322	3,09,76,472	2,89,99,113	8,70,08,907	(a) 1,47,98,332	(b) 1,27,72,636	(c) 2,26,48,512	5,02,19,48
Interest due in previous years (arrear interest).	3,85,882	57,53,881	13,11,346	74,51,109	2,40,014	15,83,575	5,12,517	23,36,10
Interest due in 1936–37 (current interest) ..	23,59,421	33,19,370	23,78,638	80,57,429	21,53,375	18,75,879	19,17,212	59,46,46

1936–37.	Balance.				Percentage of balance to demand.		
	Provincial and Central Banks	Agri-cultural.	Non-agricultural.	Total.	Porvincial, and Central Banks.	Agri-cultural.	Non-agri-cultural.
	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	RS.	RS.	RS.	RS.			
Principal including arrears ..	1,22,34,990	1,82,03,836	63,50,601	3,67,89,427	45·26	58·76	21·90
Interest due in previous years (arrear interest).	1,45,868	41,70,306	7,98,829	51,15,003	37·80	72·48	60·92
Interest due in 1936–37 (current interest) ..	2,06,046	14,43,491	4,61,426	21,10,963	8·73	43·49	19·40

Includes extension (a) for Rs. 5,73,510, (b) for Rs. 2,00,646 and (c) for Rs. 2,21,220.

APPENDIX No. 2.

Synopsis of Loans in Agricultural and Non-Agricultural Societies (other than Central Banks) in 1937–38 and 1936–37.

APPENDIX No. 2.—*Synopsis of Loans in Agricultural and Non-Agricultural Societies (other than Central Banks) 1937–38 and 1936–37.*

A.—LOANS ISSUED DURING THE YEAR CLASSIFIED ACCORDING TO (1) PURPOSE AND (2) VALUE.

	Agricultural, 1937-38.		Agricultural, 1936-37.		Non-Agricultural, 1937-38.		Non-Agricultural, 1936-37.	
	Amount.	Percentage.	Amount.	Percentage.	Amount.	Percentage.	Amount.	Percentage.
	RS.		RS.		RS.		RS.	
(1) PURPOSE.								
For cultivation expenses.	54,35,081	25·65	28,82,702	17·70	4,74,407	1·67	3,75,065	1·48
For purchase of cattle ..	9,92,402	4·68	8,07,958	4·96	1,52,038	0·53	1,40,602	0·55
For payment of kist ..	20,07,551	9·48	12,25,279	7·52	1,11,494	0·39	76,767	0·30
For improvement of lands	10,56,730	4·99	6,36,032	3·90	2,11,758	0·74	1,50,853	0·60
For purchase of raw-materials	1,45,339	0·69	1,33,921	0·82	2,31,140	0·81	1,96,586	0·78
For trade	22,09,361	10·43	16,19,173	9·94	37,10,531	13·03	33,01,626	13·02
For education	15,584	0·08	14,011	0·09	3,06,230	1·07	3,13,692	1·30
For building, buying and repairing of houses ..	4,99,180	2·32	4,34,875	2·67	24,36,452	8·55	20,10,202	7·93
For manufacture and purchase of country carts	36,209	0·18	30,936	0·19	33,880	0·12	28,619	0·11
For purchase of lands ..	4,19,265	1·98	3,62,222	2·22	3,92,738	1·35	3,21,570	1·27
For purchase of food and necessaries of life ..	20,12,045	9·49	10,47,444	6·43	57,70,468	20·60	54,96,822	21·69
Total, Loans for productive purposes	1,48,28,807	69·97	91,94,553	56·44	1,38,31,136	48·89	1,24,42,404	49·09
For paying prior debts ..	60,85,399	28·71	69,13,083	42·44	99,63,628	34·98	85,28,578	33·64
For marriages	1,21,465	0·58	1,03,315	0·64	32,39,929	11·02	31,61,482	12·47
For other ceremonies ..	21,522	0·10	23,426	0·14	5,25,353	1·84	4,62,065	1·83
For litigation and other non-productive purposes	1,87,278	0·64	55,391	0·34	9,22,228	3·27	7,53,595	2·97
Total, Loans for non-productive purposes ..	2,80,265	1·32	1,82,135	1·12	46,87,510	16·13	43,78,042	17·27
Grand total ..	2,11,94,471	100·60	1,62,89,771	100·00	2,84,82,274	100·00	2,53,49,024	100·00
(2) VALUE.								
Loans not exceeding Rs. 50	20,81,443	9·82	17,39,629	10·68	33,09,900	11·62	32,91,082	12·98
Loans exceeding Rs. 50, but not exceeding Rs. 100	22,20,949	10·48	17,63,546	10·83	38,62,585	13·43	36,74,777	14·50
Loans exceeding Rs. 100 but not exceeding Rs. 250	34,36,483	16·21	28,30,439	17·37	58,19,778	20·57	55,00,316	21·70
Loans exceeding Rs. 250.	1,34,55,596	63·49	99,56,157	61·12	1,54,90,011	54·38	1,28,82,849	50·82
Total ..	2,11,94,471	100·00	1,62,89,771	100·00	2,84,82,274	100·00	2,53,49,024	100·00

B.—LOANS OUTSTANDING AGAINST MEMBERS AT THE END OF THE YEAR CLASSIFIED ACCORDING TO (1) SECURITY AND (2) PERIOD.

	Agricultural, 1937-38.		Agricultural, 1936-37.		Non-Agricultural, 1937-38.		Non-Agricultural, 1936-37.	
	Amount.	Percentage.	Amount.	Percentage.	Amount.	Percentage.	Amount.	Percentage.
(1) SECURITY.	RS.		RS.		RS.		RS.	
1 Loans or security of deposits	47,950	0·09	43,369	0·09	8,42,441	2·39	12,23,196	3·87
2 Loans or pledge of movables	..	..	..	..	..	..	..	..
(a) Jewels	26,828	..	3,266	..	2,01,628	..	1,17,726	..
(b) Standing crops ..	2,85,202	..	74,295	..	260	..	1,350	..
(c) Produce and finished products.	49,86,192	..	20,33,042	..	1,60,348	..	21,837	..
Total, movables (a+b+c)	52,98,220	10·24	21,10,603	4·59	3,62,236	1·05	1,40,913	0·45
3 Loans on mortgage of immovable properties	3,18,69,347	61·56	2,98,20,211	64·78	1,19,44,627	34·76	1,08,55,107	34·32
4 Loans on the joint security of one or more members ..	1,44,03,825	27·83	1,38,39,364	30·06	1,94,33,132	56·61	1,81,94,955	57·53
5 Loans on simple bond of borrowers ..	1,45,128	0·28	2,22,984	0·48	17,84,243	5·19	12,11,851	3·83
Totals (1) to (5) ..	5,17,55,470	100·00	4,60,26,531	100·00	3,43,66,679	100·00	3,16,26,022	100·00
(2) PERIOD.								
Loans not exceeding one year	1,50,42,888	29·07	1,10,20,409	23·94	81,38,287	23·68	55,72,961	17·62
Loans exceeding one year but not exceeding two years	18,10,713	3·50	18,71,322	4·07	67,29,438	19·58	90,17,228	28·51
Loans exceeding two years but not exceeding five years	1,55,54,577	30·05	1,59,71,979	34·69	1,45,14,995	42·23	1,21,29,593	38·36
Loans exceeding five years	1,93,47 292	37·38	1,71,72,821	37·30	49,83,959	14·51	49,06,240	15·51
Total ..	5,17,55,470	100·00	4,60,36,531	100·00	3,43,66,679	100·00	3,16,26,022	100·00

APPENDIX No. 3—SECTION I (*a*).—*Demand, Balance and Percentage of Loans due by Land Mortgage Banks to the Madras Co-operative Central Land Mortgage Bank and others*, 1937–38—*Balance*—Nil.

APPENDIX No. 3—SECTION I (*b*).—*Demand, Balance and Percentage of Loans due by Agricultural and Non-agricultural Credit Societies to Central Banks and others*, 1937–38.

	Principal.						Interest.		
	Long term.			Short term.					
	Demand.	Balance.	Percentage.	Demand.	Balance.	Percentage.	Demand.	Balance.	Percentage.
(1) *Agricultural Societies.*	RS.	RS.		RS.	RS.		RS.	RS.	
Anantapur	8,43,724	7,29,730	86·49	92,158	66,919	72·61	66,277	10,468	15·79
Arcot, North	11,37,491	8,75,998	77·01	1,16,717	79,043	67·72	1,14,668	9,866	8·60
Arcot, South	9,58,072	7,69,052	80·27	94,670	61,798	65·28	1,07,523	20,571	19·13
Bellary	6,82,931	6,22,310	91·12	1,35,976	1,02,006	75·02	64,775	25,882	39·96
Chingleput	14,82,827	12,10,064	81·61	1,29,140	34,424	26·66	1,44,005	46,119	32·03
Chittoor	4,45,493	3,81,564	85·65	10,961	5,368	48·97	86,344	18,166	21·73
Coimbatore	8,06,682	1,51,126	18·73	5,79,493	64,492	11·13	1,77,661	4,333	2·44
Cuddapah	3,92,566	3,63,116	92·50	37,835	25,410	67·32	62,324	39,955	64·11
Godavari, East	3,86,159	1,71,260	44·35	11,78,237	5,60,057	47·53	1,36,198	23,120	16·98
Godavari, West	2,17,876	1,39,566	64·06	8,78,552	3,71,266	42·26	84,602	21,019	24·84
Guntur	2,79,616	1,70,374	60·93	2,40,897	1,19,926	49·49	44,526	4,063	9·13
Kanara, South	95,818	9,601	10·02	5,03,916	42,227	8·38	49,573	5,762	11·62
Kistna	2,24,573	1,40,409	62·34	8,28,849	2,10,646	25·41	70,651	3,116	4·41
Kurnool	4,70,643	4,29,477	91·25	26,496	17,935	67·69	57,814	29,978	51·85
Madras	..	..	..	..	..	..	..	..	..
Madura	4,66,497	2,12,979	45·65	2,05,502	16,069	7·82	76,826	12,967	16·88
Malabar	4,94,234	3,75,069	75·88	67,169	40,184	59·83	64,225	27,162	42·29
Nellore	2,90,421	2,20,683	75·99	4,16,176	1,89,788	45·60	68,366	21,579	31·56
Nilgiris	76,826	31,257	40·69	1,47,651	54,243	36·74	17,438	244	1·40
Ramnad	3,94,973	2,78,196	70·43	1,14,455	39,183	34·23	51,105	13,171	25·99
Salem	8,65,767	3,12,965	36·15	3,71,507	17,145	4·61	1,25,344	..	..
Tanjore	10,59,237	8,01,727	75·69	2,59,836	45,885	17·66	1,65,116	47,168	28·57
Tinnevelly	1,72,915	81,015	46·85	3,36,412	48,208	14·33	42,201	2,423	5·74
Trichinopoly	7,56,452	2,63,601	34·85	4,02,721	5,040	1·25	1,14,951	5,262	4·58
Vizagapatam	2,36,541	1,71,889	72·67	6,53,316	3,84,387	58·84	67,932	11,207	16·54
Total ..	1,32,38,384	89,13,028	67·33	78,28,642	26,01,649	33·23	20,60,445	4,03,601	19·59
(2) *Non-Agricultural Societies.*									
Anantapur	1,42,856	4,663	3·27	10,38,283	96	0·01	33,417	66	0·20
Arcot, North	6,79,332	7,425	1·09	7,48,976	2,752	0·37	32,710	1,027	3·14
Arcot, South	1,80,904	31,244	17·27	7,31,788	4,007	0·55	32,004	3,507	10·96
Bellary	52,424	12,588	24·01	32,583	1,103	3·42	12,024	1,785	14·85
Chingleput	2,74,213	8,287	3·02	5,73,936	4,365	0·76	37,231	181	0·49
Chittoor	12,21,960	6,621	0·54	18,39,892	5,726	0·31	34,702	273	0·79
Coimbatore	2,40,668	9,859	4·10	34,42,307	6,280	0·18	61,034	1,154	1·89
Cuddapah	76,555	18,039	23·56	4,55,812	3,244	0·71	13,813	1,772	12·83
Godavari, East	97,214	23,034	23·69	2,19,678	14,162	6·45	17,808	1,338	7·51
Godavari, West	120	..	..	92,392	7,150	7·74	5,143	564	10·97
Guntur	42,457	7,257	17·09	2,73,804	7,381	2·70	13,649	2,639	19·33
Kanara, South	1,11,451	1,725	1·55	8,17,600	8,901	1·09	39,466	1,348	3·47
Kistna	49,852	1,103	2·21	4,73,294	11,614	2·45	12,523	970	7·75
Kurnool	60,356	11,463	18·99	50,003	7,798	15·60	11,333	891	7·86
Madras	17,29,901	48,496	2·80	31,66,766	6,425	0·21	2,82,673	5,626	1·99
Madura	1,28,311	2,452	1·91	25,12,890	1,84,950	7·36	65,950	5,413	8·21
Malabar	38,528	6,382	16·56	78,141	1,452	1·86	12,480	430	3·45
Nellore	53,194	32,425	60·96	2,72,077	4,337	1·59	18,318	618	3·37
Nilgiris	66,253	..	..	2,31,341	..	..	9,807	250	2·55
Ramnad	1,37,397	6,614	4·81	13,98,938	3,289	0·24	27,555	1,762	6·39
Salem	2,26,477	14,147	6·25	33,55,592	5,648	0·17	71,251	206	0·29
Tanjore	3,19,759	1,304	0·41	10,46,263	1,694	0·16	55,583	856	1·54
Tinnevelly	1,73,591	3,284	1·89	10,29,140	6,688	0·65	32,607	3,979	12·18
Trichinopoly	4,96,597	7,699	1·55	15,16,216	1,423	0·09	82,635	745	0·91
Vizagapatam	1,55,522	8,831	5·68	10,54,160	12,997	1·23	38,070	248	0·65
Total ..	67,54,992	2,74,940	4·07	2,64,51,872	3,13,482	1·19	10,53,856	37,648	3·57

APPENDIX No. 3—SECTION II.—*Percentage of Overdues by Primary Societies to individual Central Banks towards Principal, Arrear Interest and Current Interest for* 1937–38.

Serial number.	Name of the bank.	Percentage of principal overdue 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, Anantapur.	87·18	48·38	78·82	4·06
2	Arcot (North) District Co-operative Central Bank, Vellore.	75·13	48·68	36·07	4·80
3	Arcot (South) District Co-operative Central Bank, Cuddalore.	77·50	51·30	50·46	11·39
4	Bellary district—Hospet Co-operative Central Bank.	85·23	64·15	47·39	18·66
5	Chingleput district—Co-operative Central Bank, Conjeeveram.	80·55	9·99	76·02	13·27
6	Chittoor district—Co-operative Central Bank, Chittoor.	78·98	45·51	68·18	16·03
7	Coimbatore District Urban Bank, Coimbatore.	22·35	17·45	41·27	1·11
8	Cuddapah District Co-operative Central Bank, Cuddapah.	81·80	60·11	77·27	19·36
	Godavari (East) district—				
9	District Co-operative Bank, Cocanada.	55·99	66·03	47·44	20·40
10	Rajahmundry Co-operative Central Bank, Limited, No. 4200, Rajahmundry.	28·98	14·64	4·65	0·37
11	Ramachandrapuram Co-operative central Bank, Ramachandrapuram.	46·67	19·64	10·05	4·98
12	Sree Konaseema Co-operative Central Bank, Amalapuram.	42·92	40·12	..	1·65
13	Godavari West District Co-operative Central Bank, Ellore.	66·42	34·20	17·53	8·89
14	Guntur District Co-operative Central Bank, Tenali.	53·52	31·80	..	0·51
15	Kanara (South) District Central Co-operative Bank, Mangalore.	90·65	13·81	4·52	0·51
	Kistna district—				
16	Krishna Co-operative Bank, Masulipatam.	72·56	14·82	38·61	3·08
17	Viziavada Co-operative Central Bank, Bezwada.	27·18	17·68	..	0·49
18	Kurnool District Co-operative Central Bank.	90·33	33·62	16·32	41·80
	Madras district—				
19	Christian Central Cooperative Bank, Madras.	58·01	50·46	68·76	58·76
20	District Co-operative Central Bank, Madras.	27·24	1·07	53·22	7·97
1	Madura Ramnad Central Co-operative Bank, Madura.	52·20	51·85	58·18	4·33
22	Malabar District Co-operative Central Bank, Calicut.	75·71	24·71	71·17	3·49
23	Nellore District Co-operative Banking Union, Nellore.	74·99	29·14	51·23	13·20

APPENDIX No. 3—SECTION II.—*Percentage of Overdues by Primary Societies to individual Central Banks towards Principal, Arrear Interest and Current Interest for* 1937–38—*cont.*

Serial number.	Name of the bank.	Percentage of principal overdue to demand.		Percentage of overdue arrear interest to demand.	Percentage of overdue current interest to demand.
		Long term.	Short term.		
24	Ramnad district—Srivilliputtur Banking Union, Srivilliputtur.	67·89	51·78	66·96	77·23
25	Salem District Urban Bank, Salem.	38·48	3·76	8·96	0·15
	Tanjore district—				
26	Co-operative Central Bank, Limited, No. 1023, Kumbakonam.	65·46	20·00	31·45	3·43
27	Co-operative Central Bank, Tanjore.	85·63	9·10	86·92	21·58
28	Tinnevelly District Co-operative Banking Union, Tinnevelly.	42·36	15·27	19·41	1·21
29	Trichinopoly District Urban Bank, Trichinopoly.	30·03	1·43	96·51	1·97
30	Vizagapatam district—Co-operative Central Bank, Vizianagram.	42·93	40·68	70·08	21·79
31	Chicacole Co-operative Central Bank, Chicacole.	71·88	73·23	43·12	21·07

APPENDIX No. 4—SECTION I (*a*).—*Demand, Balance and Percentage of Loans due by members to Land Mortgage Banks,* 1937–38.

	Principal.		
	Demand.	Balance.	Percentage of balance to demand.
	RS.	RS.	
Anantapur	2,045	86	4·21
Arcot, North	18,354	1,263	6·89
Arcot, South	20,008	6,543	32·70
Bellary	1,455	72	4·95
Chingleput	28,379	9,856	38·33
Chittoor	1,380	..	..
Coimbatore	80,810	2,454	2·76
Cuddapah	2,262	..	..
Godavari, East	1,18,366	11,355	0·96
Godavari, West	65,839	5,874	8·92
Guntur	17,678	155	0·88
Kistna	87,553	28,594	32·66
Kurnool	1,019	..	..
Madura	21,122	845	3·95
Nellore	15,956	563	3·53
Ramnad	3,487	..	..
Salem	8,541	..	..
Tanjore	80,366	27,552	34·27
Tinnevelly	3,070	128	4·17
Trichinopoly	34,661	8,235	23·79
Vizagapatam	33,028	711	2·15
Total	6,45,379	1,04,286	16·16

	Interest.					
	Arrears.			Current.		
	Demand.	Balance.	Percentage of balance to demand.	Demand.	Balance.	Percentage of balance to demand.
	RS.	RS.		RS.	RS.	
Anantapur	..	..	..	3,196	8	0·25
Arcot, North	522	..	..	29,424	417	1·42
Arcot, South	466	466	100·00	22,949	968	4·22
Bellary	..	..	..	2,621	49	1·87
Chingleput	3,344	1,342	40·13	27,131	1,894	6·98
Chittoor	..	..	..	2,495	..	..
Coimbatore	2,347	..	..	1,24,902	1,247	1·00
Cuddapah	524	..	..	1,647	..	..
Godavari, East	2,816	1	0·04	1,02,869	1,526	1·48
Godavari, West	6,386	..	..	79,543	976	1·23
Guntur	..	..	..	25,175	130	0·57
Kistna	4,527	88	1·94	54,304	2,336	4·32
Kurnool	..	..	..	1,443	..	..
Madura	7,261	..	..	17,727	1,311	7·40
Nellore	28	28	100·00	18,960	143	0·76
Ramnad	..	..	..	3,766	..	..
Salem	..	..	..	11,065	..	..
Tanjore	3,266	..	..	86,458	2,820	3·26
Tinnevelly	..	..	..	5,319	200	3·76
Trichinopoly	294	..	..	25,132	787	3·13
Vizagapatam	8,312	359	4·39	20,014	129	0·64
Total	40,093	2,284	5·70	6,66,140	14,941	0·02

APPENDIX No. 4—SECTION I (*b*).

Demand, Balance and Percentage of Loans due by Members to Agricultural Credit (excluding Land Mortgage Banks) and Non-Agricultural Credit Societies, 1936–1937 *and* 1937–38.

APPENDIX No. 4—SECTION I (b).—*Demand, Balance and Percentage of Loans due by Members to Agricultural Credit (excluding Land Mortgage Banks) and Non-Agricultural Credit Societies, 1936–37 and 1937–38.*

District.	Out of principal.											
	1936–37.						1937–38.					
	Long term.			Short term.			Long term.			Short term.		
	Demand.	Balance.	Percentage of balance to demand.	emand.	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)
(1) Agricultural Societies.	RS.	RS.		RS.	RS.		RS.	RS.		RS.	RS.	
Anantapur	9,75,710	8,09,426	82·96	1,14,599	92,449	80·67	9,25,387	8,01,774	86·64	1,11,333	90,467	81·23
Arcot, North	14,79,452	11,36,841	76·84	3,13,838	2,28,886	72·93	13,04,083	10,35,500	79·37	2,58,157	2,00,760	77·77
Arcot, South	11,13,497	9,63,946	86·57	1,37,790	83,080	60·29	10,06,647	8,00,598	79·53	1,36,384	94,420	69·23
Bellary	7,31,608	6,60,892	90·35	78,448	60,170	76·70	7,08,328	6,62,256	93·50	1,12,897	77,240	68·41
Chingleput	17,72,476	14,62,203	82·49	1,31,867	78,551	59·57	16,23,385	13,92,468	85·78	1,27,640	81,416	63·77
Chittoor	4,83,727	4,07,467	84·23	36,862	32,144	87·20	4,27,740	3,51,659	82·21	28·003	22,815	81·47
Coimbatore	11,64,012	5,14,100	44·17	5,71,216	1,72,566	30·21	12,89,232	5,80,599	45·03	6,37,660	2,10,867	33·07
Cuddapah	3,84,139	3,40,125	88·54	58,459	48,328	82·67	3,61,060	3,24,452	89·84	58,724	45,263	77·09
Godavari, East	5,86.643	3,91,154	66·68	14,73,738	8,37,089	56·80	5,68,331	3,75,414	66·06	13,19,456	7,88,704	59·77
Godavari, West	3,17,970	2,06,929	65·08	11,29,475	5,18,921	45·94	2,70,902	1,85,280	68·39	10,17,558	4,94,432	48·59
Guntur	4,17,669	2,83,825	67·96	4,31,089	2,70,383	62·72	3,34,671	2,11,546	63·69	3,34,228	1,92,570	57·61
Kanara, South	1,80,505	65,031	36·03	6,91,287	2,43,326	35·20	1,74,787	70,277	40·22	7,23,188	2,33,399	32·27
Kistna	3,62,337	2,37,170	65·46	9,50,214	3,77,266	39·70	3,04,787	2,00,099	65·62	10,17,399	3,70,301	36·40
Kurnool	5,07,952	4,34,116	85·46	61,556	51,490	83·65	4,94,281	4,52,867	91·62	52,330	43,688	83·49
Madras	..	..	..	..	..	..	..	..	..	..	..	..
Madura	8,44,158	5,21,854	61·82	2,24,927	75,473	33·55	7,66,473	4,69,199	61·22	2,26,823	70,663	31·15
Malabar	4,11,850	3,49,452	84·85	5,20,184	4,20,166	80·77	3,84,022	3,17,672	82·72	4,40,781	3,52,236	79·91
Nellore	3,22,368	2,44,113	75·72	5,52,915	3,10,231	56·11	3,11,590	2,37,563	76·24	5,05,785	2,80,526	55·46
Nilgiris	1,28,312	65,257	50·66	1,61,258	30,710	19·04	1,24,253	75,617	60·86	1,76,605	73,542	41·64
Ramnad	4,91,556	3,55,683	72·36	1,03,260	62,019	60·06	4,33,321	3,18,291	73·45	1,24,571	68,618	55·08
Salem	12,64,499	7,29,203	57·67	3,04,201	99,302	32·64	12,13,768	6,58,340	54·24	3,25,668	98,797	30·34
Tanjore	14,72,539	11,60,951	78·84	4,15,266	2,13,503	51·41	13,81,063	10,86,801	78·70	3,61,742	1,81,006	50·04
Tinnevelly	2,82,321	1,48,502	52·60	3,36,502	1,03,335	30·71	2,51,780	1,29,551	51·45	3,58,347	1,05,935	29·56
Trichinopoly	13,89,110	7,89,333	56·83	4,79,687	1,32,854	27·69	11,57,560	6,16,665	53·19	4,09,584	1,04,724	25·57
Vizagapatam	3,13,934	2,19,154	69·81	10,92,301	5,75,920	52·73	2,67,582	1,96,201	73·32	8,30,400	5,08,876	61·28
Total ..	1,73,98,744	1,24,96,777	71·83	1,03,70,939	51,13,162	49·35	1,60,84,983	1,15,50,689	71·81	96,95,263	47,91,270	49·42
(2) Non-Agricultural Societies.												
Anantapur	4,34,477	1,77,924	40·95	2,05,592	20,398	9·92	4,16,994	1,83,470	44·00	2,12,958	25,406	11·93
Arcot, North	6,22,846	1,18,841	19·08	2,28,998	6,692	2·99	6,57,038	1,20,485	18·32	2,24,668	11,532	5·13
Arcot, South	4,79,660	2,03,460	42·42	88,329	12,216	13·83	4,53,269	1,79,072	39·51	88,809	12,408	13·97
Bellary	2,70,330	1,14,777	42·46	48,176	8,958	18·59	2,67,896	1,20,413	44·95	41,084	7,851	19·11
Chingleput	7,09,891	2,79,260	39·34	86,566	12,291	14·20	6,75,797	2,71,021	40·24	83,815	12,090	14·42
Chittoor	6,04,890	2,58,145	42·68	1,99,924	32,626	16·32	5,35,450	2,16,827	40·49	2,23,734	32,135	14·36
Coimbatore	8,17,183	2,16,309	26·48	4,04,876	74,282	18·35	8,63,569	2,77,937	32·18	4,40,837	70,521	17·01
Cuddapah	2,63,626	1,10,899	42·07	1,18,102	37,934	32·12	2,39,610	1,09,398	45·66	1,14,998	23,436	20·38
Godavari, East	2,63,388	1,06,917	40·59	2,94,152	1,20,773	41·06	2,60,862	1,10,822	42·48	2,75,328	1,14,576	41·61
Godavari, West	20,993	4,857	23·14	1,19,450	27,524	23·04	32,244	12,829	39·79	1,26,364	43,827	34·68
Guntur	1,33,773	60,401	45·15	1,70,218	58,162	32·45	1,42,016	60,122	42·33	1,86,802	63,697	34·08
Kanara, South	4,53,218	1,05,631	23·28	6,20,267	1,04,873	16·91	4,55,680	1,18,629	26·03	6,01,063	79,436	13·22
Kistna	1,58,098	66,433	42·02	2,72,360	82,531	30·30	1,84,518	83,665	45·34	2,64,570	95,118	35·95
Kurnool	1,84,580	67,664	36·66	33,194	9,430	28·41	2,08,309	89,708	43·11	25,601	9,353	36·53
Madras	76,13,171	7,21,013	9·47	9,25,957	41,492	4·48	87,26,628	8,18,860	9·38	11,11,759	69,077	6·21
Madura	7,58,616	2,46,077	32·44	10,73,081	5,21,633	48·61	7,81,591	2,59,174	33·16	10,63,388	4,55,680	42·85
Malabar	1,99,878	98,015	49·08	1,82,771	56,136	30·71	2,33,879	93,042	39·78	2,48,657	67,493	27·14
Nellore	3,54,261	1,80,274	50·89	1,33,112	21,813	16·39	3,69,611	1,91,005	51·68	1,61,654	17,550	10·86
Nilgiris	2,25,530	48,166	21·36	51,822	8,286	15·99	1,96,336	45,062	22·95	71,011	9,214	12·98
Ramnad	3,94,034	1,74,627	44·32	3,32,892	89,262	26·81	3,77,454	1,85,129	49·05	3,20,070	78,562	24·55
Salem	6,74,032	1,26,087	18·71	9,54,633	1,13,000	11·84	7,45,149	1,38,996	18·65	13,89,215	1,57,058	11·32
Tanjore	9,45,009	3,65,327	38·66	3,74,070	1,06,329	28·43	9,49,573	3,71,077	39·08	3,42,775	83,338	24·31
Tinnevelly	6,13,625	1,45,222	23·67	1,93,279	32,432	16·78	6,50,951	1,56,234	24·00	1,74,828	35,242	20·12
Trichinopoly	23,60,817	1,67,679	7·10	4,18,700	54,062	12·91	5,17,040	1,36,823	26·46	23,66,712	53,519	2·26
Vizagapatam	5,61,437	1,82,176	32·45	7,20,936	1,26,373	17·53	5,66,191	1,74,278	30·78	6,46,347	1,10,209	10·51
Total ..	2,01,17,359	43,46,241	21·60	82,55,463	17,70,538	21·56	1,95,28,255	45,34,068	23·22	1,08,16,167	17,44,324	16·13

APPENDIX No. 4—SECTION I (*b*).—*Demand, balance and percentage of interest due by members to Agricultural credit (excluding land mortgage banks) and Non-Agricultural credit societies, 1936–37 and 1937–38*—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).					
	1936–37.			1937–38.			1936–37.			1937–38.		
	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	3,29,916	2,20,565	66·85	2,81,337	1,90,024	67·54	1,20,195	80,406	78·68	60,420	42,864	70·94
Arcot, North	4,46,241	3,18,251	71·34	3,47,368	2,55,375	73·48	1,43,179	91,101	63·63	1,25,416	81,915	65·31
Arcot, South	3,85,904	3,09,342	80·16	3,42,407	2,64,336	77·20	99,660	82,873	83·16	88,338	65,001	73·58
Bellary	2,90,480	2,26,125	77·85	2,59,524	2,19,847	84·71	74,450	60,714	81·55	51,364	46,027	89·61
Chingleput	5,10,050	3,93,012	77·05	4,48,721	3,61,007	80·45	1,47,412	1,07,815	73·14	1,44,227	1,09,857	76·17
Chittoor	2,03,926	1,57,968	77·46	1,93,379	1,65,481	85·57	52,978	44,544	84·08	44,491	36,256	81·49
Coimbatore	2,00,651	1,36,207	67·88	1,94,360	1,36,709	70·34	2,51,195	63,982	25·47	2,50,071	66,477	26·58
Cuddapah	2,18,710	1,82,375	83·39	2,01,681	1,80,883	89·69	39,732	31,191	78·52	14,107	8,452	59·91
Godavari, East	1,49,608	76,120	50·88	1,52,634	99,348	65·09	1,97,722	78,735	39·82	1,71,558	71,465	41·66
Godavari, West	2,08,578	1,48,748	71·32	1,66,128	1,26,738	76·33	94,633	38,432	40·60	87,870	37,883	43·11
Guntur	1,79,848	1,06,838	59·45	1,25,815	79,451	63·15	62,552	42,047	67·22	43,971	29,505	67·10
Kanara, South	1,37,967	1,09,260	79·19	1,38,350	1,11,569	80·58	84,791	35,933	42·38	77,807	28,525	36·62
Kistna	1,60,933	1,09,548	65·63	1,30,107	89,323	68·65	90,451	45,044	49·80	92,862	40,602	43·72
Kurnool	1,67,283	1,23,009	73·56	1,59,265	1,32,849	83·10	70,594	62,452	88·47	42,847	37,453	87·42
Madras	..	..	..	..	..	..	..	..	..	..	..	..
Madura	2,09,523	1,56,146	74·50	2,01,778	1,55,884	77·26	1,31,264	58,768	44·77	1,15,461	51,850	44·91
Malabar	3,00,540	2,35,090	78·22	2,76,485	2,29,137	82·88	89,374	75,085	84·01	54,783	43,982	80·28
Nellore	1,53,793	1,12,614	73·22	1,27,141	88,306	69·46	67,969	40,851	60·10	64,838	44,952	69·46
Nilgiris	44,381	29,790	67·12	27,244	20,136	73·91	31,032	11,004	35·46	28,149	12,679	45·04
Ramnad	2,08,692	1,65,382	79·25	1,70,559	1,38,465	81·18	63,373	41,016	64·72	48,381	33,009	68·23
Salem	1,86,340	1,14,983	61·70	1,58,641	99,288	65·88	1,82,206	55,039	30·21	1,73,606	40,100	23·88
Tanjore	5,34,216	4,17,430	78·14	4,99,634	4,17,666	83·59	1,88,310	1,21,827	64·70	1,64,867	1,11,277	67·50
Tinnevelly	71,194	44,682	62·76	56,474	38,870	68·78	56,079	18,881	33·67	50,842	15,968	31·40
Trichinopoly	2,83,631	1,87,705	66·18	2,04,737	1,28,749	62·69	1,81,740	50,068	27·55	1,52,149	45,971	30·21
Vizagapatam	1,03,170	60,492	58·63	82,330	58,067	70·53	1,41,339	32,157	22·75	73,598	19,652	26·69
Total ..	56,91,600	41,40,783	72·75	49,46,499	37,78,007	76·38	26,44,250	13,69,065	51·81	22,22,108	11,80,734	50·59
Non-Agricultural Societies.												
Anantapur	33,892	20,070	59·22	32,380	13,519	41·75	46,897	11,494	24·51	55,168	16,550	30·00
Arcot, North	38,161	22,363	58·60	26,442	6,451	24·40	66,481	9,444	14·22	73,847	11,897	16·11
Arcot, South	79,664	58,628	73·60	64,213	45,623	71·05	52,226	6,169	11·81	48,505	17,270	35·61
Bellary	23,370	10,440	44·67	23,790	9,007	37·86	27,429	12,580	45·86	26,783	13,957	52·11
Chingleput	55,216	43,791	79·31	51,130	28,673	56·08	80,833	13,256	16·40	85,216	34,034	39·94
Chittoor	50,490	23,687	46·92	35,983	16,704	46·43	69,175	11,797	17·05	67,921	14,014	20·63
Coimbatore	36,437	23,143	63·45	43,627	10,058	43·68	1,28,288	13,314	10·38	1,31,772	22,080	16·76
Cuddapah	18,608	12,684	68·16	21,213	11,292	53·23	31,180	7,464	23·94	27,406	8,332	30·40
Godavari, East	22,246	8,399	37·59	30,544	10,280	33·66	48,672	17,244	35·43	38,927	18,593	47·76
Godavari, West	11,718	3,195	27·27	8,486	2,178	25·67	7,420	3,185	42·89	10,553	5,412	51·28
Guntur	37,769	25,861	68·47	24,887	15,130	60·79	27,439	12,957	47·22	25,745	8,724	33·89
Kanara, South	74,381	53,550	71·99	78,485	40,729	51·89	76,387	23,745	31·09	68,312	13,329	19·51
Kistna	32,461	17,918	55·20	30,090	19,032	63·25	31,223	12,594	40·34	34,583	15,059	43·54
Kurnool	19,343	10,107	52·25	17,553	8,948	50·98	29,883	6,238	20·87	26,249	10,279	39·16
Madras	1,84,211	1,21,463	65·94	1,79,862	1,25,117	69·56	6,12,590	66,193	10·81	6,53,765	54,185	8·29
Madura	1,38,660	83,480	60·20	1,41,580	1,09,891	78·32	1,22,418	57,052	46·60	1,28,451	30,168	24·23
Malabar	47,436	37,547	79·10	47,512	32,729	60·47	29,853	12,991	43·52	27,578	5,856	21·23
Nellore	40,340	23,013	57·05	43,205	31,851	73·72	36,524	21,992	60·22	39,104	19,557	50·01
Nilgiris	11,962	4,576	38·25	10,125	6,599	65·18	20,397	4,816	23·52	18,161	2,791	15·37
Ramnad	33,282	16,626	49·95	37,703	23,058	61·15	59,431	20,261	34·09	55,635	18,626	33·84
Salem	21,615	11,407	52·77	26,782	9,370	34·99	1,21,794	14,203	11·66	1,18,382	13,137	11·01
Tanjore	70,937	43,874	61·85	79,863	51,273	64·20	1,18,552	34,435	29·05	1,09,375	27,642	25·27
Tinnevelly	28,863	10,093	34·97	24,798	10,184	41·07	70,905	14,717	20·76	74,794	16,191	21·65
Trichinopoly	74,324	56,102	75·48	74,298	43,154	58·08	2,16,219	15,506	7·17	2,11,495	14,901	7·05
Vizagapatam	35,928	9,481	26·39	18,291	7,216	39·12	79,570	8,237	10·35	80,702	9,154	11·34
Total ..	12,21,490	7,51,493	61·52	11,72,347	6,97,066	59·43	22,03,242	4,32,294	19·62	22,38,429	4,22,698	18·88

APPENDIX No. 4—SECTION II.—*Classification of Societies*, 1937–38.

(*Audited up to 10th October* 1938.)

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.
Anantapur	3	7	95	14	119
Arcot, North	8	30	319	36	393
Do. South	2	22	270	5	299
Bellary	5	29	112	22	168
Chingleput	7	49	253	85	394
Chittoor	4	29	188	57	278
Coimbatore	12	62	177	23	274
Cuddapah	2	27	65	41	135
Godavari, East	15	32	172	31	250
Do. West	14	34	118	9	175
Guntur	1	48	188	24	261
Kanara, South	10	51	90	31	182
Kistna	8	72	77	32	189
Kurnool	3	9	105	37	154
Madras	14	9	13	2	38
Madura	10	34	240	14	298
Malabar	2	20	84	35	141
Nellore	8	22	143	25	198
Nilgiris	2	12	21	1	36
Ramnad	9	11	117	32	169
Salem	6	46	220	33	305
Tanjore	14	65	359	54	492
Tinnevelly	12	33	205	22	272
Trichinopoly	5	49	195	49	298
Vizagapatam	14	67	205	14	300
Total ..	190	869	4,031	728	5,818

IMPERIAL STATEMENTS.

STATEMENT A.—*Operations of the Provincial and the Central Banks*, 1937–38.

Banks.	Number of Banks.	Number of members.		Number of affiliated societies holding shares in Central Banks.				Loans made during the year to				Receipts from loans repaid during the year.	
		Individuals.	Societies.	Central credit.	Agricultural credit.	Non-agricultural credit.	Others.	Individuals.		Banks and societies.		Individuals.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		(10)		(11)	
								LONG TERM.	SHORT TERM.	LONG TERM.	SHORT TERM.	LONG TERM.	SHORT TERM.
Provincial Co-operative Bank.	1	184	32	32	..	..	..	5,85,685	..	4,09,225	34,26,418	5,24,854	
Previous year	1	184	57	32	6	11	8	7,79,600	..	15,78,234	13,63,493	7,18,052	..
Total of District Co-operative Central Banks	31	4,178	11,288	199	9,811	946	332	1,45,433	16,33,108	45,58,180	2,07,82,832	1,72,958	16,77,826
Total of previous year ..	31	4,248	11,244	205	9,835	900	304	2,25,051	13,32,078	47,81,674	1,32,69,878	2,43,346	18,70,427

Banks.	Receipts from loans repaid during the year.		Loans due by				Loans and deposits received during the year from					
	Banks and societies.		Individuals.		Banks and societies.		Provincial and Central Banks.		Primary societies.		Individuals and other sources.	
	(12)		(13)		(14)		(15)		(16)		(17)	
	LONG TERM.	SHORT TERM.	LONG TERM.	SHORT TERM.	LONG TERM.	SHORT TERM.	LONG TERM.	SHORT TERM.	LONG TERM.	SHORT TERM.	LONG TERM.	SHORT TERM.
Provincial Co-operative Bank.	2,69,229	15,13,883	3,17,482	39,652	30,35,513	35,96;232	..	..	75,037	24,13,704	97,815	7,79,64,550
Previous year	19,58,030	..	2,82,267	..	29,18,570	10,50,108	..	..	1,36,652	25,16,609	1,27,129	8,63,63,604
Total of District Co-operative Central Banks	51,93,361	1,61,75,060	1,46,406	6,00,220	2,20,79,778	1,39,43,221	1,82,800	1,24,39,024	11,25,067	1,97,92,806	41,77,303	4,99,93,560
Total of previous year ..	58,06,645	1,33,03,320	1,75,931	5,44,935	2,27,12,980	93,99,402	34,625	75,49,077	11,37,791	1,77,10,144	50,97,155	4,98,22,710

STATEMENT A.—*Operations of the Provincial and the Central Banks,* 1937–38—*cont.*

Banks.	Sale of goods to members.	Purchase of members' products.	Cost of management.	Share capital paid-up.	Loans and deposits held at the end of the year from Societies.		Provincial and Central Banks.		Government.		Individuals and other sources.	
	(18)	(19)	(20)	(21)	(22)		(23)		(24)		(25)	
					LONG TERM.	SHORT TERM.	LONG TERM.	SHORT TERM.	LONG TERM.	SHORT TERM.	LONG TERM.	SHORT TERM.
Provincial Co-operative Bank.	..	..	52,018	6,55,800	..	..	32,07,024	29,84,952	..	..	9,72,427	1,01,52,697
Previous year	..	..	66,503	6,63,950	..	..	34,76,187	43,99,479	..	..	10,21,805	81,20,230
Total of District Co-operative Central Banks	..	..	5,27,938	49,79,274	1,09,86,470	22,79,323	2,63,435	32,81,696	..	..	1,17,24,181	1,24,32,402
Total of previous year ..	..	..	5,02,532	50,40,658	1,05,51,481	24,90,632	1,63,252	8,32,[illegible]	..	..	1,19,18,267	1,27,94,196

Banks.	Funds. Reserve fund.	Other funds.	Working Capital.	Profit and loss for the year. Book profit.	Divisible profit.	Loss (excluding overdue interest.)	Most usual rate of dividend paid on shares.	Most usual rate of interest paid On borrowings.	On lendings.	Uncalled and subscribed share capital.
	(26)		(27)	(28)	(29)	(30)	(31)	(32)		(33)
	RS.	RS.	RS.	RS.	RS.	RS.	PER CENT.	PER CENT.	PER CENT.	RS.
Provincial Co-operative Bank.	16,50,000	8,64,686	2,04,87,583	2,93,437	2,93,184	..	0	2	3½	..
Previous year	16,00,000	6,09,304	1,98,90,955	2,52,118	1,97,722	..	9	2	4	150
Total of District Co-operative Central Banks	33,49,395	30,57,254	5,23,53,430	10,64,853	8,15,066	60,286	5	3½	5	12,49,490
Total of previous year ..	32,34,279	29,43,519	4,99,79,416	11,72,845	4,39,934	25,392	5	4	6	12,42,805

STATEMENT B.—*Operations of Agricultural Societies,* 1937–38.

Types of societies.	Number of societies.	Number of members. Societies.	Individuals.	Loans made during the year to. Individuals.		Banks and societies.	Receipts from loans and deposits repaid during the year by Individuals.		Banks and societies.	Loans due by Individuals.		Of which overdue.		Banks and societies.
(1)	(2)	(3)		(4)		(5)	(6)		(7)	(8)		(9)		(10)
Agricultural Societies.		(a)	(b)	SHORT TERM.	LONG TERM.		SHORT TERM.	LONG TERM.		SHORT TERM.	LONG TERM.	SHORT TERM.	LONG TERM.	
				RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Class I (a) Credit—Limited Land Mortgage Banks ..	96	..	36,197	..	34,59,474	..	..	7,92,504	..	..	1,48,40,114	..	1,04,280	..
Class I (a) Credit—Limited Others	19	..	1,383	85,327	26,572	..	78,625	22,143	..	64,401	36,451	3,621	8,130	..
Class I (b) Credit—Unlimited..	10,451	..	522,615	67,28,724	42,55,888	..	52,42,692	48,57,953	60	1,05,69,668	2,15,32,279	47,82,649	1,15,42,650	2,840
Class II (a) Purchase, Purchase and Sale—Limited ..	133	1,876	18,398	62,50,367	..	1,531	37,47,221	..	1,450	40,41,236	..	54,959	..	61
Class IV (a) Production, Production and Sale—Limited..	34	155	1,959	18,175	..	..	17,642	2,700	..	10,182	1,215	3,801	1,215	..
Class IV (b) Production, Production and Sale—Unlimited.	1	..	14	..	..	..	..	..	..	12,538	..	110	..	..
Class VI (a) Others—Limited.	98	47	13,201	3,24,869	32,527	..	1,63,100	1,00,738	..	2,88,380	7,87,864	72,938	3,23,730	200
Class VI (b) Others—Unlimited.	278	..	12,518	9,850	1,167	..	9,103	1,564	..	53,562	14,659	44,537	12,280	..
Total	11,110	2,078	606,285	1,34,17,312	77,75,628	1,531	92,58,383	57,77,097	1,510	1,50,40,267	3,67,12,582	49,67,465	1,19,94,150	2,621
Total, previous year ..	11,068	1,774	576,817	78,80,380	84,06,077	3,814	78,39,085	59,79,160	4,028	1,10,16,939	3,59,12,400	54,10,501	1,27,93,025	7,142

STATEMENT B.—*Operations of Agricultural Societies*, 1937–38—cont.

Types of societies.	Loans and deposits received during the year from							Loans and deposits paid off during the year to						
	Individuals.		Central banks.		Primary societies.	Government.		Individuals.		Central banks.		Primary societies.	Government.	
	Members.	Non-members.						Members.	Non-members.					
	(11)	(12)	(13)		(14)	(15)		(16)	(17)	(18)		(19)	(20)	
			SHORT TERM.	LONG TERM.		SHORT TERM.	LONG TERM.			SHORT TERM.	LONG TERM.		SHORT TERM.	LONG TERM.
Agricultural Societies—cont.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Class I (*a*) Credit—Limited Land Mortgage Banks ..	..	..	..	35,31,320	..	..	..	..	60,100	..	7,39,270	..	..	1,000
Class I (*a*) Credit—Limited Others ..	34,765	83,717	3,232	2,950	..	..	..	35,697	27,042	3,088	414	..	..	..
Class I (*b*) Credit—Unlimited.	5,80,649	10,92,218	58,98,076	37,32,901	23,227	..	35,383	5,32,273	10,45,297	44,83,431	41,98,467	14,162	54	55,617
Class II (*a*) Purchase, Purchase and Sale—Limited ..	1,23,758	50,349	68,75,585	3,000	..	..	84,800	1,26,446	57,685	43,24,383	1,009	2	..	..
Class IV (*a*) Production, Production and Sale—Limited.	1,570	..	6,388	..	12,702	..	..	1,310	..	8,654	1,926	15,028	..	..
Class IV (*b*) Production, Production and Sale—Unlimited.	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Class VI (*a*) Others—Limited..	22,357	1,01,237	6,97,936	14,146	..	..	..	1,00,937	32,093	6,18,719	1,04,518	..	..	10,800
Class VI (*b*) Others—Unlimited.	340	116	4,866	800	..	..	..	386	10	2,801	273	..	..	3
Total ..	7,68,439	12,78,632	1,34,86,083	73,35,117	35,929	..	1,20,183	7,97,049	12,23,327	94,36,026	50,90,882	29,192	54	75,920
Total, previous year ..	7,08,231	12,78,338	80,65,182	83,68,761	43,918	..	28,415	7,02,898	13,45,096	82,88,601	52,12,112	36,610	2,417	99,587

STATEMENT B.—*Operations of Agricultural Societies*, 1937–38—cont.

Types of societies.	Sales of goods to members.	Purchase of member's products.	Cost of management	Share capital.			Loans and deposits held at the end of the year from				
				Received during the year.	Paid off during the year.	Outstanding at the end of the year.	Members.	Non-members.	Societies.	Provincial or Central Banks.		Government.
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)		(31)
										SHORT TERM.	LONG TERM.	LONG TERM.
Agricultural Societies—cont.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Class I (*a*) Credit—Limited Land Mortgage Banks ..	..	..	1,24,603	2,38,701	30,696	10,64,289	300	2,90,800	37,400	..	1,40,30,801	23,000
Class I (*a*) Credit—Limited Others ..	..	..	1,434	4,357	3,413	21,049	39,935	26,620	..	1,873	4,910	..
Class I (*b*) Credit—Unlimited.	288	..	8,91,818	5,02,990	4,83,210	51,24,902	8,10,018	16,33,704	18,771	76,19,594	1,82,02,745	3,07,440
Class II (*a*) Purchase, Purchase and Sale—Limited ..	2,44,360	2,51,653	1,17,183	40,442	9,008	2,18,564	29,118	30,920	48	40,78,274	3,000	94,800
Class IV (*a*) Production, Production and Sale—Limited.	..	72,210	13,782	9,289	8,820	59,354	200	15	6,187	8,283	15,821	..
Class IV (*b*) Production, Production and Sale—Unlimited.	..	..	..	..	..	408	1,000	..	30,156	..	..	..
Class VI (*a*) Others—Limited..	74,642	4,48,171	47,447	57,424	5,110	2,87,917	8,55,337	61,152	..	5,39,277	10,07,267	1,09,546
Class VI (*b*) Others—Unlimited.	..	..	1,101	1,146	2,613	56,514	2,242	2,045	..	8,786	5,784	151
Total ..	3,19,290	7,72,034	6,97,368	8,54,349	5,51,570	68,27,967	17,38,240	20,47,256	92,512	1,22,56,037	3,38,50,828	5,34,937
Total, previous year ..	5,89,148	8,28,810	6,53,760	7,84,755	6,38,814	66,37,159	17,72,390	21,04,550	32,610	81,73,114	3,15,49,589	4,25,068

STATEMENT B.—*Operations of Agricultural Societies*, 1937–38—cont.

Types of societies.	Reserve Fund.	Other Funds.	Working capital.	Interest collected.	Profit and loss for the year. Book profit.	Divisible profit.	Loss (excluding overdue interest from profits—profit and loss statement).	Loss (including overdue interest in profits—Balance sheet.)	Usual rate of dividend paid on shares	Most usual rate of interest. On borrowings.	On lendings.
	(32)	(33)	(34)	(35)	(36)				(37)	(38)	(39)
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	PER CENT.	PER CENT.	PER CENT.
Agricultural Societies—cont.											
Class I (*a*) Credit—Limited Land Mortgage Banks ..	1,10,473	39,013	1,55,96,026	7,08,281	92,263	73,873	10,706	9,917	5	4	5
Class I (*a*) Credit—Limited Others ..	32,977	4,869	1,34,233	6,479	6,682	2,548	264	180	6¼	6	7¼
Class I (*b*) Credit—Unlimited.	77,13,144	21,48,412	4,35,78,730	22,60,117	39,35,751	4,91,487	19,26,231	2,63,801	6¼	6	7¼
Class II (*a*) Purchase, Purchase and Sale—Limited ..	62,334	37,240	45,49,318	81,170	56,912	58,654	13,560	12,737	6¼	5	6¼
Class IV (*a*) Production, Production and Sale—Limited..	13,414	3,699	1,06,453	381	4,613	3,574	8,893	8,838	6¼	5	6¼
Class IV (*b*) Production, Production and Sale—Unlimited.	2,369	..	33,933	..	..	..	..	..	..	..	..
Class VI (*a*) Others—Limited..	19,062	53,527	30,23,115	90,459	22,335	10,325	4,22,844	4,12,195	6	5	6¼
Class VI (*b*) Others—Unlimited.	21,023	13,717	1,10,262	3,466	22,589	2,120	6,317	2,119	6¼	7¼	93/8
Total ..	79,74,796	23,00,477	6,71.32,100	31,50,353	41,41,145	6,37,531	23,88,815	7,09,837	..	..	..
Total, previous year ..	76,90,473	23,52,116	6,08,07,169	34,71,443	48,29,257	7,52,404	23,55,464	5,82,336	..	..	..

STATEMENT C.—*Operations of Non-agricultural Societies*—1937–38.

Types of Societies.	Number of societies.	Number of members. Societies.	Individuals.	Loans made during the year to Individuals.		Banks and societies.	Receipts from loans and deposits repaid during the year by Individuals.		Bank and Societies.	Loans due by Individuals.		Of which overdue.		Banks and societies.
(1)	(2)	(3) (*a*)	(*b*)	(4) SHORT TERM.	LONG TERM.	(5)	(6) SHORT TERM.	LONG TERM.	(7)	(8) SHORT TERM.	LONG TERM.	(9) SHORT TERM.	LONG TERM.	(10)
				RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Non-agricultural Societies.														
Class I (*a*) Credit—Limited	925	4	261,540	94,34,269	1,75,94,075	..	87,48,294	1,60,47,322	..	79,94,633	2,24,24,389	17,09,830	43,16,448	..
Class I (*b*) Credit—Unlimited.	141	..	13,880	1,11,281	3,42,360	..	90,284	2,76,001	..	98,246	6,30,945	34,494	2,17,620	..
Class II (*a*) Purchase, Purchase and Sale—Limited.	273	242	26,630	71,666	1,19,057	..	67,514	82,208	..	16,577	89,595	9,492	9,781	..
Class II (*b*) Purchase, Purchase and Sale-Unlimited.	11	..	440	130	840	..	1,017	3,350	..	6,160	6,326	6,100	3,387	..
Class IV (*a*) Production, Production and Sale—Limited.	39	..	2,378	4,395	..	..	4,639	496	..	737	1,19,007	280	357	..
Class V (*a*) Insurance—Ltd.	2	35	9,387	..	..	..	..	..	..	..	..	..	..	..
Class VI (*a*) Others—Limited.	219	361	8,108	29,290	7,74,911	..	21,280	3,95,273	..	20,664	29,57,524	4,383	1,60,205	..
Class VI (*b*) Others—Unlimited.	19	..	1,104	..	*	..	551	194	..	1,270	606	1,270	354	..
Total ..	1,629	642	3,23,467	96,51,031	1,88,31,243	..	89,34,420	1,68,04,844	..	81,38,287	2,62,28,392	17,65,849	47,08,152	..
Total, Previous year ..	1,487	590	3,03,575	71,52,559	1,81,96,465	..	66,62,135	1,75,60,269	..	55,72,961	2,60,53,081	17,99,242	45,51,359	—
Grand total ..	*12,739	2,720	9,29,752	2,30,68,313	2,66,06,871	1,531	1,81,92.812	2.25,82,541	1,510	2,31,78,554	6,29,40,974	67,33,314	1,67,02,392	2,621
Grand total, Previous year.	12,555	2,304	8,79,392	1,50,32,939	2,66,02,512	3,314	1,45,12,170	2,35,39,529	4,028	1,65,89,950	6,10,65,461	72.10,043	1,73,44,394	7,142

* Excludes societies not started on work on 30th June 1938.

STATEMENT C.—*Operations of Non-agricultural Societies*—1937-38—cont.

Types of societies.	Loans and deposits received during the year from							Loans and deposits paid off during the year to						
	Individuals.		Central Banks.		Primary societies.	Government.		Individuals.		Central Banks.		Primary societies.	Government.	
	Members.	Non-members.						Members.	Non-members.					
	(11)	(12)	(13)		(14)	(15)		(16)	(17)	(18)		(19)	(20)	
			SHORT TERM.	LONG TERM.		SHORT TERM.	LONG TERM.			SHORT TERM.	LONG TERM.		SHORT TERM.	LONG TERM.
Non-agricultural Societies—cont.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Class I (*a*) Credit—Limited.	1,08,55,044	1,65,41,484	55,08,192	9,43,893	1,63,575	..	1,000	1,04,24,232	1,59,59,143	54,56,404	5,43,285	1,01,661	..	487
Class I (*b*) Credit—Unlimited.	55,871	73,772	58,841	1,37,572	..	..	..	53,458	88,357	41,385	96,423	..	..	..
Class II (*a*) Purchase, Purchase and Sale-Limited.	2,41,686	66,410	1,13,425	835	7,863	..	..	2,18,572	63,463	81,283	4,896	6,408	..	..
Class II (*b*) Purchase, Purchase and Sale—Unlimited.	..	..	..	840	..	..	..	..	648	1,628	3,316	..	..	..
Class IV (*a*) Production, Production and Sale—Limited.	2,626	1,340	56,000	8,000	450	..	108	2,894	366	45,375	274	..	..	..
Class V (*a*) Insurance-Ltd.	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Class VI (*a*) Others Limited.	62,893	17,602	43,506	20,761	..	..	5,13,425	69,773	11,470	26,684	69,578	..	..	2,35,810
Class VI (*b*) Others—Unlimited.	..	..	..	..	..	..	..	..	..	1,405	60	..	..	..
Total ..	1,12,18,120	1,67,00,608	57,80,054	11,61,901	1,71,888	..	5,14,533	1,07,68,924	1,61,23,447	56,54,164	7,17,822	1,08,069	..	2,36,297
Total, Previous year ..	1,04,20,827	1,55,47,251	34,01,923	11,92,576	14,654	94,398	3,03,060	1,05,51,675	1,36,48,863	85,90,192	12,34,198	7,181	96,210	3,07,724
Grand total ..	1,19,86,559	1,70,70,240	1,02,66,137	84,97,018	2,07,817	..	6,24,716	1,15,65,973	1,73,46,774	1,50,90,190	58,08,714	1,37,261	54	3,12,217
Grand total, Previous year.	1,11,24,058	1,63,25,589	1,14,67,105	95,61,337	58,572	94,398	3,31,475	1,12,54,573	1,40,93,959	1,18,58,703	64,46,810	43,791	98,627	4,07,291

STATEMENT C.—*Operations of Non-agricultural Societies*—1937-38—cont.

Types of societies.	Sales of goods to members.	Purchase of members' products.	Cost of management.	Share capital.			Loans and deposits held at the end of the year from					
				Received during the year.	Paid off during the year.	Outstanding at the end of the year.	Members.	Non-members.	Societies.	Provincial or Central Banks.		Government.
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)		(31)
										SHORT TERM.	LONG TERM.	
Non-agricultural Societies—cont.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Class I (*a*)—Credit—Limited.	15,450	775	6,30,562	12,11,267	9,20,104	85,86,090	1,03,11,850	1,25,47,507	97,035	8,38,631	7,41,002	31,288
Class I (*b*)—Credit—Unlimited.	10,434	1,313	14,218	28,812	27,805	2,62,911	53,520	1,07,597	26	46,464	2,55,533	..
Class II (*a*)—Purchase, Purchase and Sale—Limited.	21,92,458	10,71,590	1,95,435	81,421	22,722	3,19,195	1,33,061	1,16,711	8,486	61,213	8,921	30,000
Class II (*b*)—Purchase, Purchase and Sale—Unlimited.	1,745	1,016	279	132	743	4,086	..	853	..	5,838	4,517	..
Class IV—(*a*) Production, Production and Sale—Limited.	1,45,051	1,30,115	10,663	13,784	663	1,62,782	3,265	1,074	450	68,739	2,75,844	108
Class V (*a*)—Insurance Ltd.	..	..	..	..	..	73,699	..	..	..	..	..	..
Class VI (*a*)—Others—Limited.	5,078	25	27,680	1,97,944	1,17,829	9,86,860	82,477	1,31,328	157	32,940	1,45,234	17,05,481
Class VI (*b*)—Others—Unlimited.	..	..	64	923	..	6,768	..	..	..	211	711	..
Total ..	23,70,216	12,13,839	8,78,901	15,34,283	10,50,866	1,04,02,891	1,05,83,673	1,20,05,970	1,06,154	10,54,036	14,31,762	17,66,877
Total, previous year ..	24,52,828	9,27,092	7,80,185	12,82,724	10,32,233	99,12,952	93,51,123	1,16,30,977	12,800	10,33,612	20,15,827	15,11,770
Grand total ..	26,89,506	19,35,873	15,76,269	23,88,632	16,41,436	1,72,30,358	1,23,21,913	1,49,53,226	1,98,666	1,33,10,123	3,47,31,590	23,01,814
Grand total, previous year.	30,41,976	17,55,902	14,33,945	20,67,479	16,71,047	1,65,50,111	1,11,28,513	1,37,35,527	45,410	92,06,726	3,35,65,516	20,06,838

STATEMENT C.—*Operations of Non-agricultural Societies*—1937–38—cont.

Types of societies.	Reserve fund.	Other funds.	Working capital.	Interest collected.	Profit and Loss for the year.				Usual rate of dividend paid on shares.	Most usual rate of interest.	
					Book profit.	Divisible profit.	Loss (excluding over-due interest from profits—Profit and Loss statement).	Loss (including over-due interest in profits — Balance sheets).		On borrowings.	On lendings.
	(32)	(33)	(34)	(35)	(36) (a)	(b)	(c)	(d)	(37)	(35)	(39)
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	PER CENT.	PER CENT.	PER CENT.
Non-agricultural Societies —cont.											
Class I (a)—Credit—Limited.	35,28,380	16,51,605	3,83,32,888	22,40,356	17,80,976	7,61,245	90,052	48,700	6¼	4	6¼
Class I (b)—Credit—Unlimited.	1,62,891	91,749	9,80,691	51,892	98,971	22,518	11,455	1,231	6¼	6¼	7¼
Class II (a)—Purchase, Purchase and Sale—Limited.	2,46,682	2,20,453	11,44,722	2,115	79,283	77,695	23,362	21,850	6¼	..	..
Class II (b) Purchase, Purchase and Sale—Unlimited.	2,270	1,715	19,279	1,230	2,518	451	2,052	445	6¼	..	..
Class IV (a)—Production. Production and Sale—Limited.	6,071	13,232	5,32,465	141	5,023	4,793	1,53,961	1,53,944	6¼	..	..
Class V (a)—Insurance Ltd.	26,465	8,01,251	9,01,415	..	..	..	..	..	..	..	..
Class VI (a)—Others—Limited.	2,33,931	1,05,711	34,24,119	1,65,452	1,15,183	53,942	28,400	24,997	6¼	4¼	5¼
Class VI (b)—Others—Unlimited.	855	195	8,740	142	429	29	2,288	2,093	6¼	7¼	9¼
Total ..	42,07,545	28,85,911	4,53,44,319	24,61,320	20,82,390	9,25,673	3,12,199	2,53,260	..	..	..
Total, previous year ..	39,60,899	29,20,469	4,23,69,929	24,30,682	21,67,511	9,62,194	2,87,343	2,28,303	..	..	..
Grand total ..	1,21,82,341	51,88,338	11,24,76,419	50,11,582	62,23,535	15,63,204	27,01,005	9,63,097	..	..	..
Grand total, previous year.	1,16,70,872	52,72,585	10,31,77,098	59,02,125	69,96,768	17,04,598	26,42,807	8,05,639	..	..	..

STATEMENT D.—*Operations of Unions, District Federations, etc.*, 1937–38.

1	Number of unions	268
2	Number of societies affiliated to unions	8,192
3	Total number of individual members in societies affiliated to unions	5,07,332
4	Total working capital of affiliated societies ..	Rs. 4,96,08,336
5	Expenditure in the year	Rs. 4,25,342
6	Percentage of expenditure to working capital	1·14
7	Number of supervising staff maintained by unions ..	454

STATEMENT E.—*Operations of Insurance Societies*—1937–38.

District. (1)	Name of the society. (2)	Number of members. (3)	Amount of risk insured. (4)	Premia Collected. (5)	Supplementary contributions collected. (6)	Number of lives. Insured. (7)	Number of lives. Lost. (8)	Claims paid. (9)	Cost of management. (10)	Funds in hand at the end of the year. (11)	Amount of risk re-insured. (12)	Amount of premia paid for re-insurance. (13)
			RS.	RS.	RS.			RS.	RS.	RS.	RS.	RS.
Madras ..	.. 1. The Postal and R.M.S Co-operative Benefit fund.	2,775	28,24,813 covering 2,317 policies.	1,22,512	26,221	514	104	63,869	17,050	12,566	..	..
Do. ..	.. 2. The South India Co-operative Insurance Society, Madras.	6,647	64,41,450 covering 7,630 policies.	2,25,640	..	2,276	88	15,047	97,906	65,936	2,000	76
	Total ..	9,422	92,66,263 covering 10,447 policies.	3,48,152	26,221	2,790	232	78,916	1,14,956	78,502	2,000	76
	Total, previous year.	7,127	69,86,147 covering 7,846 policies.	2,76,689	27,349	1,715	52	93,474	88,618	63,846	2,500	172

447 36

STATEMENT F.—*Operations of Re-insurance Societies*—1937–38—Nil.

தமிழ்நாடு ஆவணக்காப்பக நூலகம்,
எழும்பூர், சென்னை-600 008.

தவணைத்தாள்.

சே எண் : ப. எண் :

வழங்கிய நாள். (1)	திரும்பிய நாள். (2)	வழங்கிய நாள். (1)	திரும்பிய நாள். (2)
22.11.96	2011		

S.F. 259A-6—1,00,000—30-1-84.