REPORT ON THE WORKING OF ~~CO-~~ CO-OPERATIVE SOCIETIES IN THE MADRAS PROVINCE FOR THE CO-OPERATIVE YEAR ENDED 30TH JUNE 1946

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PRINTED BY THE SUPERINTENDENT
GOVERNMENT PRESS
MADRAS
1947

Price, 1 rupee 6 annas

Rc. No. 8659/46-A.

OFFICE OF THE
REGISTRAR OF CO-OPERATIVE SOCIETIES,
MADRAS,
Dated the 22nd November 1946.

From

W. R. S. SATTHIANADHAN, ESQ., I.C.S.,
Registrar of Co-operative Societies,
Madras.

To

THE SECRETARY TO GOVERNMENT,
DEVELOPMENT DEPARTMENT,
Madras.

SIR,

I have the honour to submit my report on the working of co-operative societies in the Madras Province for the co-operative year ended the 30th June 1946.

I have the honour to be,
Sir,
Your most obedient servant,
W. R. S. SATTHIANADHAN,
Registrar of Co-operative Societies.

[Number of pages fixed as the maximum limit—60]

TABLE OF CONTENTS

CHAPTER I.

GENERAL PROGRESS AND TRENDS OF THE MOVEMENT.

CHAPTER II.

CREDIT STRUCTURE.

CHAPTER III.

CONSUMERS' CO-OPERATIVE STORES.

CHAPTER IV.

CO-OPERATIVE MARKETING.

Fruit Growers' Co-operative Societies.

CHAPTER V.

AGRICULTURAL CO-OPERATIVES (OTHER THAN CREDIT AND MARKETING SOCIETIES).

CHAPTER VI.

CO-OPERATIVE DAIRYING AND ANIMAL HUSBANDRY.

Milk supply societies and unions.

Working of some important milk supply unions.

Special schemes for Madras City.

CHAPTER VII.

WEAVERS' CO-OPERATIVE SOCIETIES.

CHAPTER VIII.

COTTAGE INDUSTRIES CO-OPERATIVES (OTHER THAN WEAVERS' CO-OPERATIVE SOCIETIES).

CHAPTER IX.

MISCELLANEOUS TYPES OF SOCIETIES.

Co-operative Insurance Societies.

CHAPTER X.

SUPERVISION, EDUCATION AND PROPAGANDA.

CHAPTER XI.

ADMINISTRATION.

Statutory functions.

APPENDICES

IMPERIAL STATEMENTS

ADMINISTRATION REPORT OF THE CO-OPERATIVE DEPARTMENT FOR 1945–46.

CHAPTER I.

General Progress and Trends of the Movement.

General progress.—I am happy to report another year of all-round development. The general progress of the co-operative movement during the years of the war has, after the war, been not only maintained, but accelerated. *On 30th June 1946, there were 16,068 societies with 18·82 lakhs of members on their rolls and with a working capital of Rs. 3,862·43 lakhs, as against 15,724 societies with 17·43 lakhs of members and a working capital of Rs. 3,415·97 lakhs on 30th June 1945.* Both credit and non-credit organizations account for this development. I have stated in my previous report that there has been a remarkable increase, particularly in consumers' co-operation, urban milk-supply, the handloom industry and the marketing of fruits and potatoes. Rapid strides were indeed made by these societies in the year 1945–46. The rise in membership of all societies during the last quinquennium, marking as it does an increase of 57 per cent, is a striking testimony to the appeal which the co-operative method has made to the people and its increasing application to the solution of their diverse economic problems. The Committee on Co-operation in Madras (1939–40) has estimated that about 8·54 per cent of the population of the Province has been touched by the co-operative movement. Assuming that, on an average, a member represents a family of five and allowing for membership in more than one co-operative institution, there can hardly be any doubt that the percentage of population served by co-operative societies of all types has more than doubled. The graphs and diagrams facing page 2 will show the expansion during the last quinquennium in the number, membership and working capital of all types of co-operative societies.

2. *Trends of the movement.*—The table on page 2 gives a bird's-eye view of the position of co-operative credit organizations.

Agricultural credit.—It may be seen that the most striking feature during the year is a marked increase in the loans issued by central banks, land mortgage banks and agricultural credit societies. The loans advanced by the Central Land Mortgage Bank show an increase of 72·6 per cent. The amount lent out by central banks during the year exceed Rs. 311 lakhs over that advanced in the previous year—an increase of 19 per cent. A similar rise is noticeable in the case of loans issued by the primary land mortgage banks and agricultural credit societies, the percentage of such increase being 66 and 40, respectively.

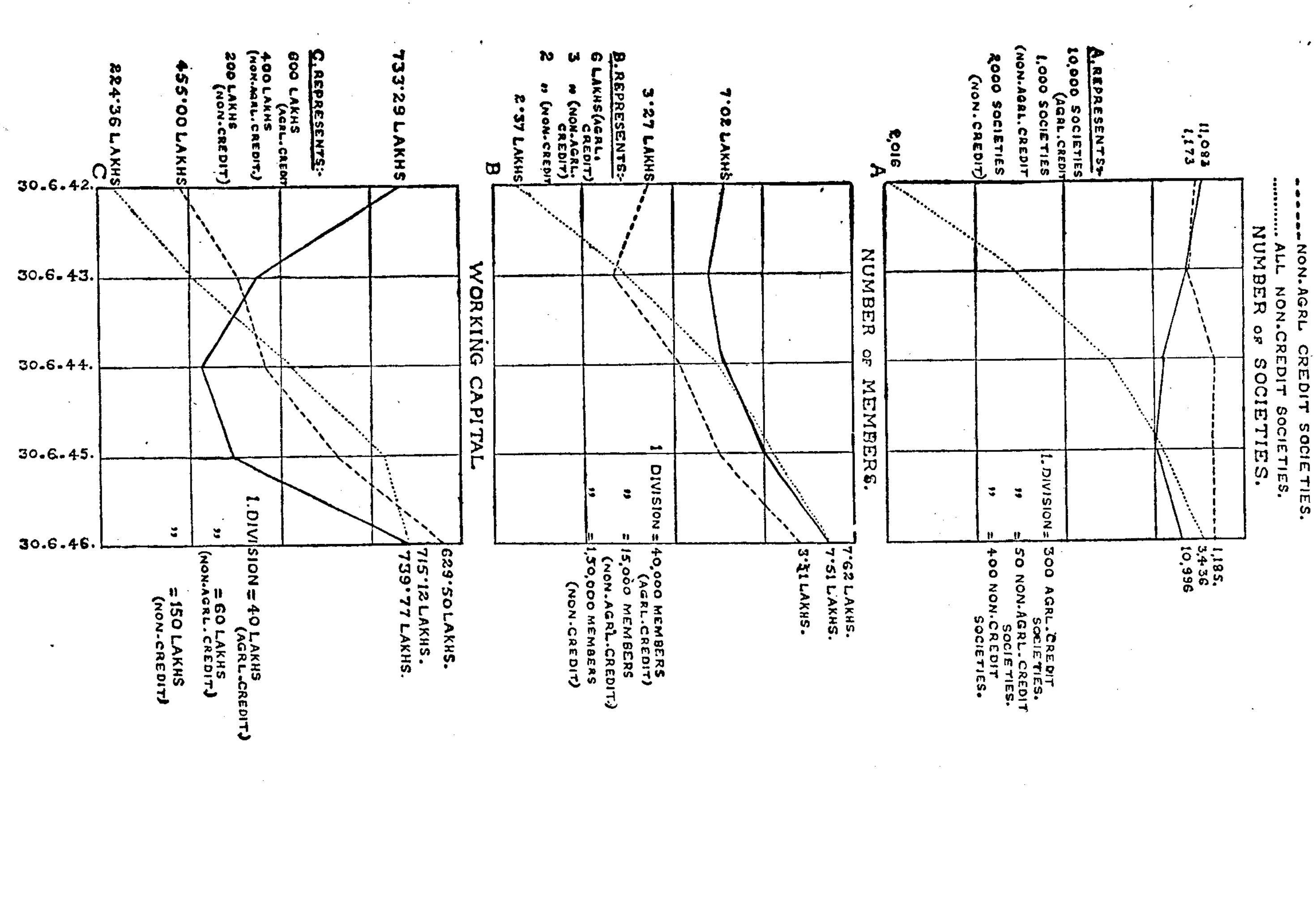
I may recall that the annual *average* amount of loans issued by village credit societies during the six-year war period ending 30th June 1945 was Rs. 165·3 lakhs while the annual repayments during the same period were Rs. 175·07 lakhs. During the year under report, the loans made by the societies amounted to Rs. 265 lakhs—an excess of Rs. 76 lakhs, as compared with the previous year—while the repayments were about Rs. 198 lakhs. The loans outstanding on 30th June 1946 were Rs. 327·65 lakhs as against Rs. 272·58 lakhs at the end of the previous year. The drop in loan business in the previous years was due to the fact that agriculturists had more money of their own, thanks to the high level of agricultural prices. It is hazardous to venture an explanation for the very marked rise in the amount lent out by village credit societies or land mortgage banks during the year. Part of the reason for the rise may be the soaring cost of living, the equally high prices of consumer goods, livestock and agricultural implements and the rapidly rising wage level of agricultural labour. The rise may also be partly the result of the vigorous and bold rehabilitation programmes which the central banks have undertaken at my instance for improving

A bird's-eye view of the position of co-operative credit organizations in the province (1943–44 to 1945–46).

Particulars. (1)		Madras Provincial Co-operative Bank. 1943-44. (2)	1944-45. (3)	1945-46. (4)	Madras Central Land Mortgage Bank. 1943-44. (5)	1944-45. (6)	1945-46. (7)	Co-operative central banks. 1943-44. (8)	1944-45. (9)	1945-46. (10)
Number of societies		1	1	1	1	1	1	30	30	30
Number of members		205	204	199	583	591	622	16,870	17,250	17,588
Paid-up share capital	Rs. (in lakhs)	6·70	6·82	6·82	10·82	11·07	11·29	55·90	62·60	71·50
Deposits from members and non-members	„	154·48	155·54	185·41	286·17	305·15	327·49	342·41	388·65	451·73
Loans and deposits from societies	„	117·80	124·78	165·56	5·73	5·91	6·44	284·55	328·55	400·56
Loans from Government	„	..	..	..	9·00	8·00	15·00	..	..	..
Reserve fund	„	20·50	21·50	22·50	7·41	12·23	13·95	39·07	40·68	42·78
Other funds	„	20·39	22·41	22·82	2·97	2·63	3·26	28·61	29·85	30·95
Working capital	„	319·87	331·04	403·11	322·10	344·99	377·42	750·54	850·33	997·52
Loans issued during the year	„	175·20	172·90	155·83	18·26	24·78	42·79	1,164·77	1,651·86	1,963·40
Loans repaid during the year	„	142·26	158·11	173·25	35·33	26·08	26·68	1,103·13	1,570·23	1,912·88
Loans outstanding at the end of the year	„	65·62	80·42	62·99	227·57	226·27	242·39	472·92	564·34	605·41
Net profit	„	2·15	2·42	2·40	1·06	2·84	3·43	5·04	6·27	6·56

		Primary land mortgage banks. 1943-44. (11)	1944-45. (12)	1945-46. (13)	Agricultural credit societies. 1943-44. (14)	1944-45. (15)	1945-46. (16)	Non-agricultural credit societies. 1943-44. (17)	1944-45. (18)	1945-46. (19)
Number of societies		119	119	119	10·821	10,792	10,877	1,184	1,184	1,185
Number of members		73.391	83,684	84,125	628,023	637,036	666,387	330,972	337,601	350,986
Paid-up share capital	Rs. (in lakhs)	18·66	18·93	20·39	54·11	52·07	59.22	94·91	103·15	110·89
Deposits from members	„	..	..	..	14·02	15·48	17·30	157·35	172·14	198·88
Deposits from non-members	„	0.38	0·21	0·08	25·44	27·61	31·82	174·53	190·43	220·48
Loans and deposits from societies	„	225·92	226·69	242·26	184·28	189·94	235·65	17·84	22·34	26·82
Loans from Government	„	..	..	..	1·50	1·44	2·44	..	..	0·14
Reserve fund	„	4·86	5·44	5·81	86·40	89·90	93·20	46·72	49·24	51·44
Other funds	„	0·88	0·86	0·88	28·28	29·95	30·72	19·52	20·66	20·85
Working capital	„	250·70	252·13	269·42	394·03	406·39	470·35	510·87	557·96	629·50
Loans issued during the year	„	18·31	24·81	41·18	167·16	189·67	265·85	327·28	367·48	435·17
Loans repaid during the year	„	35·80	26·72	26·90	180·30	175·65	197·92	320·90	354·93	404·27
Loans outstanding at the end of the year	„	230·30	228·90	245·24	260·76	272·58	327·65	326·75	337·03	365·43
Net profit	„	1·23	1·12	0·93	5·87	5·95	6·62	6·82	6·77	7·42
Net loss	„	0·23	0·22	0·30	15·65	14·58	12·72	1·39	1·53	1·52

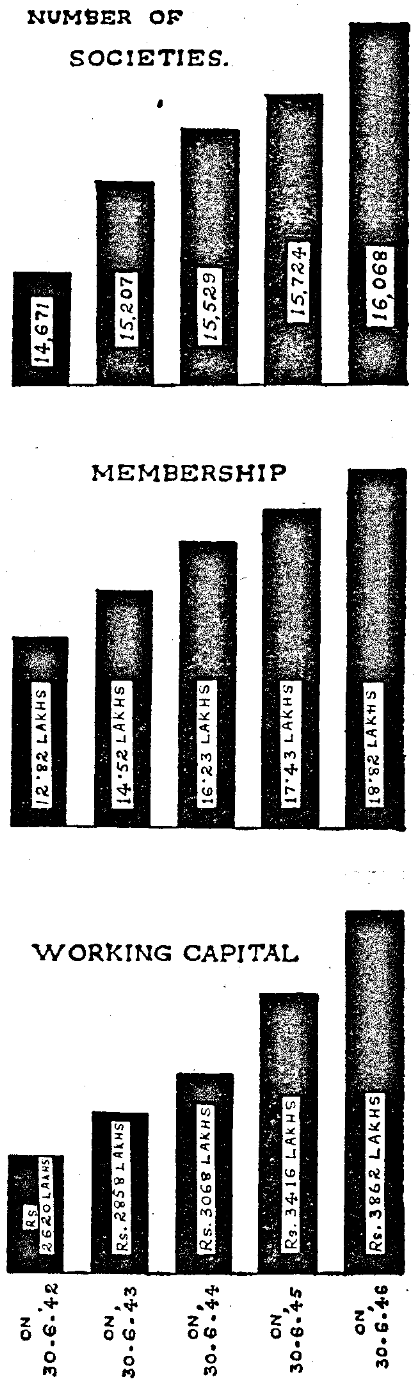
PROGRESS OF THE CO-OPERATIVE MOVEMENT IN THE MADRAS PROVINCE DURING THE QUINQUENNIUM ENDED 30-6-1946.



GENERAL PROGRESS

GROWTH OF MOVEMENT

1941-42 TO 1945-46.



the working of rural credit societies; or again it may in part be due to a general reduction in the lending rates by the financing banks and societies. It is difficult to assess the contribution which each of these factors has made, but there can hardly be any doubt as to their cumulative effect.

3. The same influences, which tended towards an improvement in the loan turnover of rural credit societies, apply with equal force to the land mortgage banks, with the additional fact that the cyclone in the Northern Circars in 1945 and the consequent failure of crops seriously affected the agriculturists in that region. Furthermore, the issue of second loans for all purposes for which first loans are issued, as well as the enhancement of the individual credit limit up to Rs. 15,000 in the banks in the delta areas, have made their own contribution towards a rapid rise in the loan business of these banks.

4. An equally notable feature is the continued fall in the amount and percentage of arrears in central banks, the village credit societies and the primary land mortgage banks. The percentage of balance to demand (principal) in respect of loans due by primary societies to central banks was 6·22 at the end of the year, as against 6·99 at the end of the previous year. The percentage of arrears in village credit societies showed a similar decline, being 29·09 at the end of the year—the lowest on record for the last twenty-five years. I may mention here that the percentage of balance to demand under principal in the pre-war year, 1938–39, was 61. It is at once flattering and pleasing that, while most of my predecessors reported the steady mounting of overdues, I have been privileged to record a continuous and marked decline in arrears, thanks to the high level of agricultural prices, the infectious zeal and determined endeavours of non-official co-operators and the assistance extended by my own officers in the 'collection drive.'

5. As may be seen from the table, there has been an increase in the deposits held by central banks and village credit societies. In spite of a general reduction in the borrowing rates, the inflow of deposits has continued to be heavy, and the central banks have had to find remunerative employment for their surplus funds. The district co-operative wholesale stores, the primary stores, the marketing societies and federations and the weavers' societies have absorbed the bulk of the surplus money. In addition, as has just been indicated, there has been a marked improvement in the loans made to village credit societies. Investment in Government promissory notes, defence loans and National Savings Certificates and Central Land Mortgage Bank debentures have been other outlets which have helped to solve the problem of surpluses. I do not think that central banks will be faced with this problem in the immediate future, as many of them are, and will be, called upon to finance, in a far greater degree than before, schemes of food procurement and distribution, as well as other ameliorative schemes which are likely to be launched very soon.

6. The deposits of members as well as non-members in village credit societies have recorded an increase from Rs. 43·09 lakhs on 30th June 1945 to Rs. 49·12 lakhs on 30th June 1946. The members' deposits at the end of the year exceeded Rs. 17 lakhs. The members' share capital and deposits which constitute, so to say, their savings, amounted to Rs. 76·52 lakhs and compare favourably with the total amount on loan against them; they work out to 23·4 per cent of the loans due by them at the end of the year. This is a heartening feature, and, I believe, is clear evidence of a realization on the part of members that their societies are not only meant for money-lending but should also be instrumental for the promotion of thrift and saving. The experience of the agricultural classes in the period following the last war and the difficulties in which they found themselves owing to a general rise in their unproductive expenditure should provide a warning and I trust that the staff of the financing banks as well as the department will do their best to promote and strengthen this saving habit and ensure in due course the financial independence of the rural co-operator.

7. I must, however, refer to the other side of the picture. The number of agricultural credit co-operatives on 30th June 1946 was 10,877 and this is doubtless impressive. There are, however, certain features of their working, which are rather depressing. In the 10,877 village credit societies with 6·66 lakhs of members, only 2·13 lakhs of members (hardly one-third) made use of the societies for their credit needs. Again, 6,154 of these societies worked at a net profit of Rs. 6·62 lakhs, while 4,723 societies worked at a net loss of Rs. 12·72 lakhs for the year ended 30th June 1946. In other words, the average profit earned by "profit societies" was Rs. 108 per society, while the average loss sustained by "loss societies" was Rs. 269 per society. Furthermore, about 2,100 societies have not borrowed from central banks for over 5 years and about 780 societies have not borrowed for three years and more. Out of 5,001 societies, the accounts of which have been audited (1945–46), 175 have been placed in A class, 1,122 in B class, 3,198 in C class and 506 in D class. The average outstanding loan per society on 30th June 1946 works out to Rs. 3,000 while in some districts it is considerably less.

8. These features point to the lack of vitality and vigour in a big section of the rural co-operative system and the narrow range of its credit services. The Madras Provincial Banking Enquiry Committee has estimated that the debt, which continues from year to year, is about Rs. 70 crores and that this represents in the main the amount borrowed by a vast number of ryots for cultivation expenses, including the wages they have to pay to the labourers or the equivalent in the form of domestic expenses for themselves. But, from what I have stated, it is clear that the percentage of population in the countryside served by credit societies is still very small, and that the *entire* credit needs of their members are not provided by most societies. With poor membership, low share capital and an equally poor turnover, these societies have not proved to be efficient economic credit units. The delay in the disbursement of loans and the inability of many societies to give their members timely or prompt credit have often detracted from their usefulness. It is needless to stress that any credit system intended for the agricultural classes should be so designed as to ensure promptness in the giving of money, the adequacy of the amount for the purposes for which it is required the disbursement in comparatively small sums when needed and a reasonable rate of interest. Judged by these principles, many of the village credit societies are not up to the mark.

9. It is this background that is responsible for an insistent feeling in certain quarters for a re-organization of village credit societies into rural banks on a broad basis. The aim of this school of thought is that societies should operate in a group of villages, and supply short-term and medium-term loans on personal surety, immovable property, produce and gold jewels as well as on cash credits on tangible security. The societies should function as banks, tap local deposits from well-to-do agricultural classes and open current accounts. These rural banks, as they may be styled, will have to be in charge of competent paid secretaries. The objective is, not only to eliminate the weaknesses in the present system and ensure cheap, efficient and prompt credit services to the villagers, but also to promote thrift and the banking habit and utilize rural financial resources for rural progress. Carrying on, as they are expected to do their business with local resources on a large scale under full-time competent managers or secretaries, the rural banks may make credit as cheap as possible and effectively compete with private money-lenders. This proposal may be opposed to orthodox co-operative opinion and practice, but, under present conditions, it does not appear desirable to be ultra-conservative, as progress, even in the co-operative credit system, seems to lie in constant adaptation and adjustment to changing economic conditions and environment.

10. I have already referred to the rapid recovery in the loan business of land mortgage banks. Till the previous year, the Central Land Mortgage Bank was

faced with the problem of advance repayments. Government ordered a survey of its affairs by me and the Examiner of Local Fund Accounts. As a result of our report, Government have since ordered that the bank may utilize, for the issue of twenty-year loans, all advance collections to an extent of Rs. 64·63 lakhs, which is the total of the *advance* repayments during the three years from 1942–43 to 1944–45. There is, however, a slowing down of advance repayments. As against Rs. 25·31 lakhs in 1943–44 and Rs. 14·73 lakhs in 1944–45, these were only Rs. 13·94 lakhs in 1945–46. Government have permitted the bank to borrow funds *temporarily* from other sources than themselves if such advances can be secured at cheaper rates, but they have to be repaid as soon as fresh series of debentures are floated. The Government guarantee in respect of the Central Land Mortgage Bank debentures has been raised from Rs. 3½ to Rs. 4 crores since the close of the year.

Expert opinion is unanimous that agriculture can bear only a rate which the average return on land can reasonably justify. It has been my endeavour to see that the lending rates in co-operative institutions are brought down to a suitable level. I am glad to record that the Madras Provincial Co-operative Bank has reduced its lending rate to central banks from 3½ to 3 per cent and many of the central banks have similarly reduced their lending rates to affiliated societies. The effect of these reductions has been that, in most districts, village credit societies are able to pass on credit to their members at rates not exceeding 6¼ per cent. Only a few central banks such as those in Chicacole, Anantapur Cuddapah, Cocanada, Srikonaseema and Conjeeveram have not yet reduced their lending rate to 4½ per cent. I have, however, been urging them to do so as quickly as possible.

11. The Central Land Mortgage Bank has been making repeated representations to Government that the present margin of 2 per cent between its debenture and lending rates may be brought down to one per cent, in order that the ultimate borrower may get loans at about 5 per cent. Recently, I examined the position with due regard to the financial resources of the Central Land Mortgage Bank and have suggested a reduction in the margin by three-fourths per cent. The last series of debentures (thirty-ninth series) was floated by the Bank at 2¾ per cent and was rapidly oversubscribed, and, if my suggestion is accepted by Government, the ultimate borrower will get his loan at 5 per cent. Orders of Government on the proposal are awaited.

12. *Consumers' co-operation.*—In my last report, I referred to the phenomenal growth of consumers' co-operative stores since the outbreak of the war The year under report has again recorded a striking development in membership, share capital and business turnover. The number of primary or retail co-operative stores, their membership, share capital, purchases and sales have risen from 1,286, Rs. 4·08 lakhs, Rs. 59·74 lakhs, Rs. 1,099,24 lakhs and Rs. 1,176·86 lakhs to 1,346, 4·47 lakhs, Rs. 66·54 lakhs, Rs. 1,266·54 lakhs and Rs. 1,357·55 lakhs, respectively. The district co-operative wholesale stores also have recorded a similar expansion. Their membership, share capital and purchases and sales have gone up from 8,568, Rs. 24;66 lakhs, Rs. 975;18 lakhs and Rs. 963;17 lakhs to 9,427, Rs. 29;18 lakhs, Rs. 1,148;48 lakhs and Rs. 1,266,58 lakhs, respectively. They have played a praiseworthy part in all schemes of procurement and distribution of foodgrains and other controlled commodities. The sales of the wholesales and the primaries together during the year have exceeded Rs. 2,624 lakhs as against Rs. 2,140 lakhs in the previous year. The wholesales and the primaries have made a noteworthy contribution to the food economy of the Province. A number of district wholesale and primary stores have carried out procurement operations with commendable energy. The value of foodgrains procured by them has exceeded Rs. 308 lakhs. The role played by he South Kanara, Malabar, Vizagapatam, Chingleput. North Arcot, South Arcot, Tinnevelly, Salem and Coimbatore district wholesale stores and all the four wholesale stores in the Ceded Districts, has been remarkable.

The war, State patronage and the enthusiasm of the public have fostered the development and growth of consumers' co-operation. Now that the war is over, the process of de-control will sooner or later begin, and with it competitive trade conditions will return. The future of the co-operative stores is therefore a matter for serious concern. It will be vain to pretend that all the 1,300 and odd stores will survive such conditions. Many of them, particularly those in the rural areas, will undoubtedly suffer a set-back and probably disappear altogether. It is difficult to forecast the extent of such mortality; but even so, there will be no reason to regret their disappearance, for they came into existence to serve a real and pressing need, viz., to ensure an equitable distribution of commodities in short supply, to check black-marketing and keep down the level of prices. They have served their purpose exceedingly well. If the people really feel the need for these institutions, it is up to them to capitalise the war-given gains and make the stores a permanent feature of the normal distributive system. It was in view of these considerations, that I convened a business conference of the representatives of wholesale and select primary stores in February 1946, so that they might formulate plans and policies for the post-war stability of consumers' co-operation. This conference suggested a number of measures designed to strengthen the stores societies such as amalgamation of smaller primaries in a contiguous area into larger units, reorganization of the trade of village stores so as to give it a large rural bias, membership-drives so as to convert non-member clientele into regular members, management of weak retail stores by the wholesale stores, close co-ordination between the primaries and the wholesales, an improvement in their business relations and re-orientation in business policies and methods of primary and wholesale stores, etc.

An important decision, which the Business Conference has taken, relates to the formation of a provincial trading agency consisting of all district wholesale stores and a limited number of individuals interested in consumers' co-operation. It has been felt that the wholesale stores, as things now stand, do not have proper facilities for the purchase of articles such as grams, pulses, condiments, or other consumer goods, from outside Province. They are obliged to depend upon private importers or wholesalers. It is uneconomical for each wholesale stores to send its agents to market centres outside the Province for purchases. The Conference has, therefore, suggested the formation of a provincial organization to pool the indents of all wholesale stores and import the goods required from other Provinces or foreign countries. The authorized share capital is fixed at Rs. 10 lakhs. The society will carry on trade, mainly as an *agent* of its affiliated societies and, when necessary, make outright purchases. I have completed the arrangements to form this society. I believe, that, when it begins to function, it may greatly facilitate the working of district wholesale stores, take the place of weak wholesale stores if need arises and generally promote the consumers' co-operative movement in the Province. I see no reason why it should not act as an agent of Government for the import of foodgrains, agricultural requisites, etc., from other Provinces and States and stock and distribute them on behalf of Government.

It is my hope that if non-official co-operators will only shape their methods and policies in accordance with the decisions reached at the Business Conference and implement them, there need hardly be anxiety about the future of many of the co-operative stores. Their future is doubtless a challenge, and I trust that efforts will not be wanting on the part of non-official co-operators to take it up in the spirit of zeal, determination and singleness of purpose, of which they have happily given ample evidence during the war years, in spite of endless difficulties and strong opposition from interested parties.

13. *Handloom weaving.*—The handloom weavers' co-operative societies have had another year of satisfactory progress. Their membership, capital, production and sales have shown great improvement. There were on 30th June 1946, 336 societies with 65,286 members and a paid-up share capital of Rs. 20 lakhs. The number of looms brought into the fold of the societies at the end of the

year was about 40,000. Production and sales during the year were Rs. 347·69 lakhs. and Rs. 373;09 lakhs respectively, as against Rs. 169;54 lakhs and Rs. 174·44 lakhs respectively in the previous year. The progress of the Madras Handloom Weavers' Provincial Society during the year has been equally impressive. Its membership rose from 618 to 1,258 and its sales of yarn and cloth exceeded Rs. 191 lakhs, as against Rs. 121 lakhs during the previous year.

The weavers' societies have faced a keen shortage of yarn, which restricted their business and kept some of their members unemployed for a number of days in the month. The Provincial Textile Commissioner and the mills have been imposing cuts on the Provincial Society's indents for yarn. I have been making repeated representations to Government for regular and adequate yarn supply. Since the close of the year, Government have asked the Provincial Textile Commissioner to supply yarn to the weavers' societies to the extent of 20 per cent over the usual supplies made to ration cardholders and to make a permanent basic allotment of yarn required for about 52,000 looms at present working in co-operative societies. They have also permitted me to register new weavers' societies, provided such consist only of existing ration cardholders. With these additional facilities, it is the desire of Government, as well as mine, to bring the number of looms in societies to 80,000 in the near future.

I have submitted to Government a five-year plan for the development of handloom weaving on a co-operative basis. The plan contemplates an increase in the number of weavers' co-operative societies, as well as in the number of looms, the opening of additional sales emporiums of the Provincial Society, so as to cover all important municipal towns, the starting of 20 weaving factories, 20 dye-houses and 4 screen-printing factories and the provision for training to the weaver-members in the manufacture of improved and up-to-date varieties of handloom fabrics. The cost of the plan is estimated at Rs. 16·72 lakhs.

14. *Milk-supply societies.*—Milk-supply societies and unions have made notable progress during the year. Their number has risen from 210 to 274 at the end of the year, their membership from 14,157 to 21,767, their share capital from Rs. 2·13 lakhs to Rs. 3·78 lakhs and their sales from Rs. 37·24 lakhs to Rs. 69·59 lakhs. In addition to the distribution of milk for civil consumption, the Madras and Coimbatore Milk Supply Unions have continued to make supplies to the Army. The Madras Co-operative Milk Supply Union has been the sole supplier of milk to all the eight State hospitals in the City. It has also supplied 2,000 measures of milk a day to the Madras Corporation for distribution to priority consumers. On an average, about 600 mothers and 9,400 children (up to five years of age) have been getting free supply of milk every day and this has served to improve their health. The Union has been supplying for about three and a half months to the Madras Corporation, 2,000 measures of milk a day for distribution, free of cost, to poor and defective school children reading in the elementary schools of the Corporation. The milk supply unions and societies in the mufassal have also been supplying milk to some of the State hospitals and jails.

After the introduction of the scheme for augmenting and improving the City's milk supply, the quantity of milk handled by the Madras Milk Supply Union has risen from 4,000 measures a day in March 1945 to nearly 9,000 measures in March 1946. The target arrived at is 10,000 measures a day, which I hope will soon be reached.

On the suggestion of the Dairy Development Adviser to the Government of India, Government have recently placed a Dairy Development Officer to work under me to formulate schemes for increased production of milk in urban areas through co-operative and private dairies. I feel, however, that the appointment of this officer alone will not be adequate enough for the problem. I have, therefore, submitted to Government a three-year plan for the formation and strengthening of milk-supply societies. The plan provides for the appointment of a technical and administrative staff for supervision, guidance and management.

The question of the salvage of dry animals has been engaging my attention. The Kambakkam salvage scheme for dry cows has made very satisfactory progress, and there is a rush for more admissions. For reasons referred to in Chapter VI of the report, the society is not able to take in more animals. I have made suggestions for increasing the facilities at the Kancha.

The need for the salvage of dry buffaloes has also been felt and I have submitted to Government, in consultation with the Director of Veterinary Services, a scheme for this purpose. It provides for the salvage of 200 animals drawn from Madras and its suburbs at Vattampedu village near Sulurpet in Nellore district.

A provincial conference of the representatives of milk-supply societies and unions—the first of its kind—was held at Coimbatore in May 1946. It considered matters of concern to them and requested Government to render assistance, by way of provision of Dairy Experts for bigger institutions, for construction of cattle yards and sheds, and for exemption from sales tax, etc.

15. *Marketing societies.*—The sale or marketing societies have suffered a set-back and their business has been affected, as in the previous years, by the system of price controls, movement restrictions, etc. There has been a further drop in the loans advanced by them to their members against produce. The loans issued during the year were Rs. 118·64 lakhs as against Rs. 121·32 lakhs in the previous year. Some of the sale societies have helped agriculturists in other ways, such as supply of improved varieties of seed, manure and implements. They have also undertaken the distribution of compost manufactured by municipalities and panchayat boards. The total sales of agricultural requisites made by them have amounted to Rs. 7·48 lakhs. I may here mention that agricultural improvement and demonstration societies also have undertaken similar distribution. The value of seed, manures and implements sold by them during the year was Rs. 9·25 lakhs. The co-operative marketing federations in Tanjore and West Godavari districts undertook procurement work during the year and the value of foodgrains procured by them was Rs. 7·55 lakhs.

These societies could indeed have rendered far greater service to the ryots, but unfortunately they have been denied the opportunity as distribution has been taken over entirely by the Agricultural department. I have repeatedly brought to the notice of Government the strong feeling of co-operators in the matter. The representatives of sale societies and marketing federations who met at a business conference in my office recently, have requested Government to entrust this work again to co-operative organizations.

I invite in this connection a reference to Chapter V of the report for the contribution which agricultural co-operatives have made to the promotion of agriculture. I have been urging on all concerned that quicker and better results can be achieved, if agricultural co-operatives of all categories can be fully utilized by the Agricultural department and Government. There is hardly any other rural organization, which is so admirably suited for the promotion of improved methods of agricultural production and services. The use of such organizations, constituted as they are, cannot fail to be economical and popular. This method is, I am convinced, the right way of interesting a very large body of small producers in agricultural advancement, and the only method which can bring about a socialization of trade in agricultural requisites. Indeed, this will be a big gain to the State and the agricultural community.

In order to promote the co-operative marketing of agricultural produce, particularly, paddy and groundnut, I have submitted to Government a comprehensive five-year plan. It contemplates a close net-work of marketing societies throughout the Province, the provision of up-to-date godowns for storage, erection of processing plants like rice-mills and groundnut decorticators and the provision for staff for direction, control, supervision and management. Special stress has been laid upon processing and grading of produce before sale. The scheme is

estimated to cost about Rs. 110 lakhs. The cost of construction of godowns is to be met from Government grants and interest-free long-term loans on a fifty-fifty basis. In view of the need for economy, Government have asked me to revise the scheme and to confine it to essential foodgrains.

16. *Cottage industries.*—I have dealt in some detail with the working of cottage industries co-operative societies in Chapter VIII of the report. These societies have been making progress in varying degrees, but their growth has been rather haphazard. There is no doubt that the co-operative method is the most suitable one for the promotion of cottage industries and for helping the small craftsman and artisan in the matter of supply of raw materials, finance and marketing of finished goods. I have, therefore, submitted to Government a five-year plan for the development of select cottage industries on a co-operative basis. The plan aims at the formation of 225 societies for such small-scale or cottage industries as metal work, the coir industry, leather goods, ceramics, etc., and for providing necessary facilities, including technical advice and guidance and marketing arrangements. The cost of the revised scheme is estimated at Rupees 12·08 lakhs. The scheme is under the consideration of Government.

I have also submitted a plan for the development of cottage industries societies for women. The scheme aims at the formation of 250 societies and covers such industries as knitting, needle-work and embroidery, tailoring, etc., and provides for subsidies and employment of staff for supervision and technical assistance.

17. *House-building societies.*—During the years of the war, the construction of dwelling houses was considerably hampered on account of difficulties in securing building materials and labour and their prohibitive cost. This coupled with the migration of people into cities and towns, has complicated the housing problem. Provided facilities are given to them, co-operative building societies can be of great help in relieving congestion in urban areas. I have already approached Government with proposals for giving priority to the societies in the matter of supply of iron and steel and cement. Since the close of the year, Government have placed a Deputy Registrar on special duty to investigate the possibilities of relieving housing scarcity among the middle-class people in the City of Madras. His investigation is proceeding and his report is likely to be a practical and bold scheme well-worthy of immediate attention.

18. *General.*—In the following chapters I have dealt with the detailed working of many types of societies. This is probably the last report which I shall be submitting to Government. It has been my pleasure and my privilege to carry on the administration of the department for the last five momentous years, during which I and the department have striven hard to miss no opportunity to develop this noble movement. The expansion of co-operative trading organizations, such as consumers' co-operatives, handloom weavers' societies, milk-supply societies, etc., has imparted richness and balance to the movement, whose development for many years remained so lopsided. This remarkable expansion would not have been possible but for the wonderful response from the non-official public and the support of Government. I have received uniform courtesy and help from the President of the Madras Provincial Co-operative Bank and other co-operators in the Province and we have become not merely business collaborators but friends working together wholeheartedly and affectionately in a common cause. To this large body of non-official workers I owe a deep debt of gratitude.

In the discharge of my very onerous duties and responsibilities, I have had the unstinted support and co-operation of my Joint Registrars and other officers and subordinate staff. Knowing as I do the volume, variety and nature of the work which these officers have been called upon to perform in recent years, I can realize the great strain which has been imposed on them, but which they have cheerfully borne, in spite of the fact that all of them are heavily overworked. From my long and intimate experience of the department, I am more than ever convinced of the need for strengthening of both the controlling and subordinate staff, not only to prevent a breakdown but also to ensure greater efficiency. I have requested Government for a general increase in staff and trust that they will be pleased to grant this request. I may add here that conditions of service in the department are not very encouraging. As Government are aware, a large portion of the staff remains on a temporary footing, which deprives them of the privileges attached to permanent posts, apart from their low salary scales. I have brought this to the notice of Government on a number of occasions and I am hoping that their case will receive the most sympathetic consideration.

CHAPTER II.

Credit Structure.

Central co-operative financing structure.

19. *The Madras Provincial Co-operative Bank.*—The following table shows the comparative progress in the working of the Madras Provincial Co-operative Bank during the last three years:—

	1945–46. RS. (IN LAKHS.)	1944–45. RS. (IN LAKHS.)	1943–44. RS. (IN LAKHS.)
Paid-up share capital	6·82	6·82	6·70
Total deposits	350·97	280·32	272 28
Reserve fund	22·50	21·50	20·50
Other funds	22·82	22·40	20·39
Working capital	403·11	331·04	319·87
Loans issued to the District Central Banks in the year	142 88	148·04	119·30
Net profit	2·40	2·42	2·15

The total deposits held by the bank rose by over Rs. 70 lakhs during the year—about 40 lakhs from inside the movement and Rs. 30 lakhs from outside it. In common with all other banks in the country, the Provincial Bank also had a large accumulation of deposits during the year. There was, however, no corresponding progress in loan business. The bank invested its surplus funds in Government securities and treasury bills for Rs. 50·04 lakhs and in the debentures of the Madras Co-operative Central Land Mortgage Bank for Rs. 10 lakhs.

The following was the position of cash resources, investments in Government securities and loans and advances in relation to total deposits held by the bank on the last day of the last three co-operative years:—

	Cash on hand and in banks.		Investment in Government paper.		Loans and advances to societies and central banks.	
	Amount Rs. (in lakhs).	Percentage to total deposits.	Amount Rs. (in lakhs).	Percentage to total deposits.	Amount Rs. (in lakhs).	Percentage to total deposits.
On 30th June 1946 ..	35·65	10·16	215·23	61·32	58·48	16·66
On 30th June 1945 ..	25·58	9· 2	170·93	60·98	75·29	26·86
On 30th June 1944 ..	12·35	4·54	169·36	62·20	63·52	23·33

More than 60 per cent of the bank's deposits was invested in gilt-edged securities. The loans issued during the three years are, however, far below the maximum set by the Reserve Bank of India, viz., 50 to 55 per cent of the total deposits.

The loan business of the bank during the past three years is shown in the following statement:—

	1945–46. RS. (IN LAKHS.)	1944–45. RS. (IN LAKHS.)	1943–44. RS. (IN LAKHS.)
Loans issued to societies	0·12	14·21	42·43
Loans issued to central banks	142·88	148·04	119·30
Total ..	143·00	162·25	161·73
Loans outstanding at the end of the year..	62·99	80·42	65·62

The decline is due mainly to the inflow of deposits in most central banks, which were able to finance societies in an increasing measure with their own resources. About a crore of rupees out of the total amount of about Rs. 143 lakhs lent out was issued for financing co-operative stores. With a great increase in the co-operative procurement of foodgrains in the current year, it is possible that district co-operative central banks may borrow heavily from the Provincial Bank. Under its scheme of subsidy and subvention, the Provincial Bank distributed Rs. 22,000 to the central banks for rectification work and Rs. 18,849 for supervision of non-credit societies. It is indeed very generous of the Provincial Co-operative Bank to have raised the grant for the development of cottage industries societies from Rs. 5,000 to Rs. 8,000.

20. *Co-operative central banks.*—The working of the central banks (which numbered 30) was with a very few exception, generally satisfactory and their financial position on the whole sound. The number of affiliated societies which was 11,598 on 30th June 1942, increased to 13,269 on 30th June 1946; of this, 9,887 were agricultural societies. The owned, borrowed and working capital of central banks during the past three years were as follows:—

	1945–46. RS. (IN LAKHS.)	1944–45. RS. (IN LAKHS.)	1943–44. RS. (IN LAKHS.)
Owned capital	145·22	133·13	123·58
Borrowed capital	852·30	717·21	626·96
Working capital	997·52	850·33	750·54

There has been an appreciable increase year after year in the owned capital as well as in all categories of deposits. The deposits from both inside and outside the movement marked a steady increase as indicated below:—

	1945–46. RS. (IN LAKHS.)	1944–45. RS. (IN LAKHS.)	1943–44. RS. (IN LAKHS.)
Loans and deposits from inside the movement	400·56	328·55	284·55
Loans and deposits from outside the movement	451·74	388·65	342·41

In spite of a general reduction in their borrowing rates, the inflow of deposits continued to be heavy and the banks had to find remunerative employment for their surplus funds. District co-operative wholesale stores, primary stores, marketing societies and federations and weavers' societies absorbed a major portion of the surplus funds. In addition, there was a marked improvement in the loans and advances made to village societies. As against Rs. 143 lakhs in 1943–44 and Rs. 164 lakhs in 1944–45 lent out by the central banks to village credit societies, the loans issued to them in 1945–46 exceeded Rs. 224 lakhs. Investments in Government Promissory notes, Defence loans, National Savings Certificates and Central Land Mortgage Bank debentures were other outlets which helped to solve the problem of surpluses. In fact, I expect that not only will their present surpluses be absorbed, but as I have indicated in Chapter I, they may have to raise more funds when they take up the financing of a large number of schemes of food procurement and distribution. To enable the central banks to borrow money in an adequate measure for this purpose, Government have permitted me, as a temporary measure, to raise their maximum credit limit to twenty times their owned capital as against the usual ten times limit. I have since raised the credit limit of the Malabar District Co-operative Central Bank to twenty times, that of the Tinnevelly District Co-operative Central Bank to seventeen times, that of the Madura District Co-operative Central Bank to sixteen times and that of the Rajahmundry and Coimbatore-Nilgiris Co-operative Central Bank to fifteen times.

The following table shows the progressive increase in the loan business of the central banks:—

Loans issued.	1945–46. RS. (IN LAKHS.)	1944–45. RS. (IN LAKHS.)	1943–44. RS. (IN LAKHS.)	1942–43. RS. (IN LAKHS.)
Short term	1,865·39	1,589·99	1,118·72	662·68
Medium term and long term ..	77·22	44·75	32·29	43·03
Total ..	1,942·61	1,634·74	1,151·09	705·71

I have already indicated the factors which helped this marked recovery in business.

The following shows the position of cash resources, investments in Government securities and loans and advances (excluding overdrafts) in relation to total deposits held by the central banks at the end of the year:—

	Amount. RS. (IN LAKHS.)	Percentage to total deposits.	Reserve Bank's standard (per cent).
Cash, cheques in the course of collection and balances with other banks..	168·28	22·16	10
Investment in Government securities.	116·45	15·34	30 to 40
Loans and advances (excluding overdrafts)	431·98	56·89	50 to 55

More than 22 per cent of the deposits is held by the central banks in the form of cash, against a minimum of 10 per cent prescribed by the Reserve Bank of India. The loans approximate to the limits prescribed by the Reserve Bank, i.e., 50 to 55 per cent of the total deposits. The issue of short-term loans and overdrafts to wholesale and primary co-operative stores and other special types of societies tended towards a greater degree of fluidity of the funds of the central banks.

An equally satisfactory feature is the grand reduction in the amount of arrears in respect of both principal and current interest as shown below:—

Percentage of balance to demand.

	Principal.	Interest. Arrear.	Interest. Current.
1945–46	6·22	51·69	0·48
1944–45	6·99	45·82	0·70
1943–44	13·88	61·62	1·53
1942–43	18·48	49·58	4·66
1941–42	26 75	4[illegible]·22	6 85

The percentage of overdues under principal on 30th June 1946 was the lowest on record for over three decades. There were no arrears either under principal or under interest in the Madura, Ramnad, Salem and Tinnevelly District Co-operative Central Banks; while, in the Coimbatore-Nilgiris Co-operative Central Bank, there were no arrears under interest and those under principal were quite negligizle. In eleven other central banks, there were no overdues under interest and, in five others, the arrear interest was negligible.

The reserves position of the central banks was generally strong. At the end of the year, they had bad and doubtful debts reserves of Rs. 16·13 lakhs in addition to their statutory reserves of Rs. 42·78 lakhs. The estimated bad and doubtful debts are as shown in the following table at the end of the past three years:—

	30th June 1946. RS. (IN LAKHS.)	30th June 1945. RS. (IN LAKHS.)	30th June 1944. RS. (IN LAKHS.)
(a) Bad debts	12·79	16·08	19·20
(b) Doubtful debts	7·70	10·05	10·39
Total ..	20·49	26·13	29·59

There is a gradual decrease in the amount of bad and doubtful debts. Central banks have been continuing their efforts to reduce this amount in the course of rehabilitation of societies.

All the central banks worked at a profit, the total for the year being Rs. 6·56 lakhs as against Rs. 6·27 lakhs during the previous year. This has been achieved in spite of a considerable increase in the cost of management from Rs. 11·45 lakhs to Rs. 13·26 lakhs. The cost of management worked out to 1·33 per cent of the working capital which is more or less the same (1·35 per cent) as in the previous year.

In my previous report, I stated that Government were pleased to accept my proposal to form a separate central bank for the Ramnad district. In pursuance of this decision, the Srivilliputtur Co-operative Banking Union was converted during the year into a full-fledged district co-operative central bank with the name of "The Ramnad District Co-operative Central Bank" having jurisdiction over the entire revenue district and with headquarters at Madura. The societies in Ramnad district originally affiliated to the Madura District Co-operative Central Bank and the loans due by them were transferred to the new bank, which commenced work at Madura on 28th November 1945. On account of this arrangement, the Ramnad Central Bank had to pay the Madura District Co-operative Central Bank a sum of Rs. 7 lakhs and the bank was allowed to repay it in three years. But owing to a large inflow of deposits, the Ramnad Bank discharged this liability in about six months, thus setting at rest the doubts entertained in some quarters as to the ability of the new bank to attract deposits. What is still more pleasing is that, contrary to expectations the bank worked at a net profit of Rs. 9,977 for the seven months of the year during which it carried on business.

The normal constitution of the Guntur District Co-operative Central Bank was restored in February 1946 after four years of supersession of its committee. The Co-operative Sub-Registrar who was working as the Special Officer has been allowed to continue as its Executive Officer. I had, with regret, to extend the period of supersession of the committee of the Anantapur District Co-operative Central Bank for one more year. The period will expire in December 1946, and I am taking steps to restore its normal constitution. The management of the Kurnool District Co-operative Central Bank continued to be in the hands of a special committee. The management of the Cuddapah District Co-operative Central Bank, which was vested in a special nominated committee, is now in the hands of a regular board of management. On 30th June 1946, departmental officers were working as secretaries or executive officers in fourteen central banks.

The Committee, appointed by Government under the presidentship of the Hon'ble Sir N. Gopalaswami Ayyangar, C.I.E., to formulate schemes of overhaul and reconstruction of the co-operative movement in Rayalaseema completed its labours and has submitted its report. Government have called for my remarks on the recommendations made by the Committee, and I am examining them.

Primary credit societies.

21. *Agricultural credit societies (excluding primary land mortgage banks).*—The following table shows the financial particulars of agricultural credit societies during the past four years:—

	1945–46. RS. (IN LAKHS.)	1944–45. RS. (IN LAKHS.)	1943–44. RS. (IN LAKHS.)	1942–43. RS. (IN LAKHS).
Paid up share capital ..	59·22	52·07	54·11	53·76
Deposits from members ..	17·30	15·48	14·02	14·46
Deposits from non-members.	31·82	27·61	25·44	22·47
Loans from financing banks and other societies ..	235·65	189·94	184·28	204·58
Loans from Government ..	2·44	1·44	1·50	1·71
Reserve fund	93·20	89·90	86·40	85·31
Other funds	30·72	29·95	28·[illegible]8	24·88
Working capital	470·35	406·39	394·03	407·17
Net profit	6 62	5·95	5·87	6·33
Loss	12·72	14·58	15·65	17·65

The year recorded an increase in membership, share capital, deposits (both from members and non-members) and loans from central banks. This is indeed encouraging and can be attributed to the efforts of the financing banks which at my request have undertaken comprehensive schemes of consolidation and rehabilitation, coupled with a general reduction in lending rates. The need of the agriculturist members for money for cultivation and other productive purposes is reflected in a great increase of about Rs. 60 lakhs borrowed from central banks over that taken as loan during the previous year.

The following table indicates the heartening expansion of loan turnover of agricultural credit societies during the past four years:—

	1945–46. RS. (IN LAKHS.)	1944–45. RS. (IN LAKHS.)	1943–44. RS. (IN LAKHS.)	1942–43. RS. (IN LAKHS.)
Loans issued	265·85	189·67	167·16	167·18
Loans outstanding at the end of the year	327·65	272·58	260·76	278·08

The drop in loan business in the past was evidently due to the fact that the demand for loans by agriculturists during the war period was much less than before on account of high agricultural prices and easy money. I have referred in Chapter I to the factors which have generally contributed to this upward trend in the loan business of village societies.

An amount of Rs. 242·37 lakhs out of the total of Rs. 265·85 lakhs was lent out by societies for productive purposes, viz., cultivation expenses, purchase of cattle, improvement to lands, etc., as against Rs. 174·45 lakhs during 1944–45. Loans for Rs. 20·63 lakhs were given to the members for discharge of prior debts while loans for non-productive purposes aggregated only to Rs. 2·85 lakhs. The following table shows the position in the two years, 1944–45 and 1945–46.

	1945–46.		1944–45.	
	Amount. RS. (IN LAKHS.)	Percentage to total loans issued.	Amount. RS. (IN LAKHS.)	Percentage to total loans issued.
Loans for productive purposes	242·37	91·17	174·45	91·97
Loans for discharge of prior debts	20·63	7·76	12·71	6·70
Loans for non-productive purposes	2·85	1·07	2·51	1·33
Total ..	265·85	100·00	189·67	100·00

The members' share capital and deposits which constitute, so to say, their savings, compared favourably to the total amount on loan against them. The steady increase in the amount of share capital and deposits for the past five years suggests that the members have been making use of rural credit co-operatives not only for satisfying their credit needs, but for investment of their small savings as well.

The following table shows this trend:—

Year.	Amount of members' share capital and deposits. RS. (IN LAKHS.)	Percentage to total loans outstanding.
1945–46	76·52	23·38
1944–45	67·55	24·78
1943–44	68·13	26·27
1942–43	68·22	24·53
1941–42	63·57	19·58

The following statement shows the percentage of balance to demand in respect of principal, arrear and current interest during the past five years:—

	On 30th June 1946.	On 30th June 1945.	On 30th June 1944.	On 30th June 1943.	On 30th June 1942.
Principal	29·09	32·28	35·54	35·34	45·24
Arrear interest	76·94	76·30	74·35	71·45	74·97
Current interest ..	30·61	32·66	35·59	36·86	36·79

The percentage of balance to demand under principal has been steadily and continuously declining and on 30th June 1946, it was the lowest for the last twenty-five years. The bulk of the arrear interest is due from bad and dormant societies which may have to go into liquidation sooner or later.

Out of 10,877 agricultural credit societies, 6,154 societies worked at a net profit of Rs. 6·62 lakhs and the rest worked at a net loss of Rs. 12·72 lakhs. I have in Chapter I of the report indicated the factors which have contributed to this result and the measures which should, in my opinion, be taken, to make rural credit societies sound economic units.

22. *Non-agricultural credit societies.*—Non-agricultural credit societies consist of urban banks maintaining fluid resources, employees' societies and other limited and unlimited liability societies situated in urban areas. There were 1,185 such societies on 30th June 1946 as shown below:—

Urban banks maintaining fluid resources	184
Employees' societies	545
Other limited liability societies	350
Unlimited liability societies	106

The following table shows the comparative financial position of the societies during the last three years:—

	1945–46.	1944–45.	1943–44.
Number of societies	1,185	1,184	1,184
Number of members	350,986	337,601	330,972
	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)
Paid up share capital	110·89	103·15	94·91
Deposits by members	198·88	172·14	157·35
Deposits from non-members	220·48	190·43	174·53
Loans from Central banks and other societies	26·82	22·34	17·84
Loans from Government	0·14	..	..
Reserve fund	51·44	49·24	46·72
Other funds	20·85	20·66	19·52
Total working capital	629·50	557·96	510·87
Divisible profits	7·42	6·77	6·82
Loss	1·52	1·53	1·39

The increase in the paid-up share capital and deposits from members and non-members was phenomenal. The comparative loan business of societies during the past three years is exhibited in the following table:—

	1945–46. RS. (IN LAKHS.)	1944–45. RS. (IN LAKHS.)	1943–44. RS. (IN LAKHS.)
Loans issued	435·17	367·48	327·28
Loans outstanding at the end of the year	363·43	337·03	326·75

The members' share capital and deposits of Rs. 309·77 lakhs which constitute their savings, work out to 85·2 per cent of the total loans outstanding against them on 30th June 1946 as against 65·3 per cent on 30th June 1942. It is evident that the societies have functioned not merely as credit institutions but have also been able to tap members' savings. The vigorous drive initiated especially in employees' societies for collection of compulsory thrift subscriptions from members along with their monthly dues has contributed largely to the present happy position.

Out of the total loans of Rs. 435·17 lakhs issued by non-agricultural credit societies during the year, Rs. 227·66 lakhs were issued by urban banks maintaining fluid resources and Rs. 181·29 lakhs by employees' societies. The repayments by these societies amounted to Rs. 203·30 lakhs and Rs. 178·80 lakhs, respectively, while the loans outstanding against the members at the end of the year amounted to Rs. 173·15 lakhs and Rs. 166·74 lakhs, respectively.

The percentage of balance to demand under principal, arrear and current interest due by members of all non-agricultural credit societies is shown in the following table:—

Percentage of balance to demand.

	1945–46.	1944–45.	1943–44.	1942–43.	1941–42.
Principal	9·95	11·19	14·00	14·94	16·35
Arrear interest	60·20	54·71	61·40	61·01	59·32
Current interest	11·46	13·85	13·75	14·38	15·87

There was appreciable reduction in the percentage of overdues in respect of principal and current interest. The percentage in respect of principal on 30th June 1946 was the lowest during the past twenty-eight years.

Co-operative Land Mortgage Banks.

23. *The Madras Co-operative Central Land Mortgage Bank.*—The most notable feature in the working of the Madras Co-operative Central Land Mortgage Bank during the year was a very rapid recovery in its loan business. The following table illustrates the position:—

	1945–46.	1944–45.	1943–44.	1942–43.
	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)
Loans issued	42·78	24·78	18·26	23·76
Loans repaid	26·66	26·08	35·33	37·85
Amount of loans outstanding at the end of the year ..	242·38	226·27	227·57	244·65
Advance repayments ..	13·94	14·73	25·31	24·44

It may be observed that advance repayments which were a prominent feature and which even exceeded the loans issued in 1942–43 and 1943–44, decreased appreciably during the year. I have referred in Chapter I to the influences which have tended to bring about an increase in the loan business of land mortgage banks.

The number of loans exceeding Rs. 5,000 given in 1945–46 were 197 amounting to Rs. 14·69 lakhs while in the previous year it was 114 amounting to Rs. 8·22 lakhs.

The bank continues to remit all collections including advance collections into the sinking funds, though only a minimum has been prescribed in the Trust Deed in respect of such remittance every year. The contribution to the sinking funds on the equated system continued during the year. The following table will show the position of the sinking funds at the end of each of the last four years:—

	Amount that should have been remitted into the Sinking funds. RS. (IN LAKHS.)	Amount actually remitted. RS. (IN LAKHS.)	Excess. RS. (IN LAKHS.)
As on 30th June 1943	19·01	52·94	33·93
As on 30th June 1944	27·50	78·20	50·70
As on 30th June 1945	36·86	98·28	61·42
As on 30th June 1946	46·60	112·43	65·83

An amount of Rs. 59·99 lakhs was invested in Government securities, Rs. 52·39 lakhs in the bank's own debentures and the balance in current account.

The bank floated a fresh series of debentures for Rs. 32·5 lakhs during the year at 3 per cent and continued to lend at 5 per cent to the primary banks, keeping a margin of two per cent for itself. The bank having borrowed by floating debentures to the full extent of the Government guarantee of Rs. 350 lakhs, it applied for an enhancement of the guarantee to Rs. 500 lakhs. Government have, since the close of the year enhanced the guarantee to Rs. 400 lakhs. The debentures in circulation on 30th June 1946 were Rs. 324·80 lakhs and the bank's total working capital was Rs. 377·43 lakhs.

The bank earned a net profit of Rs. 3·43 lakhs during the year as against Rs. 2·84 lakhs in 1944·45 and Rs. 1·06 lakhs in 1943–44. The increase in profits is due to the improvement in loan business, the interest realized on sinking funds and what may be regarded as a windfall—the premium earned by sale of Government securities.

24. *Primary land mortgage banks.*—The following table exhibits the particulars concerning the primary land mortgage banks:—

	1945–46.	1944–45.	1943–44.	1942–43.	1941–42.
Number of banks	119	119	119	119	119
Number of members ..	84,125	83,684	73,391	69,863	69,158
	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)
Paid-up share capital ..	20·39	18·93	18·66	19·16	18·63
Borrowings—					
Loans from Central Land Mortgage Bank and Debentures	242·34	226·90	226·30	245·42	259·93
Reserve Fund	5·81	5·44	4·86	4·26	3·35
Other Funds	0·88	0·86	0·88	0·99	0·60
Working capital	269·42	252·13	250·70	269·83	282·51

The primary banks recorded an increase in their loan business. The following figures illustrate the position during the past five years:—

	1945–46.	1944–45.	1943–44.	1942–43.	1941–42.
	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)
Loans issued	41·18	24·81	18·31	24·81	40·40
Loans repaid	26·90	26·72	35·80	37·98	23·49
Loans outstanding ..	245·24	228·90	230·30	250·59	263·79
Advance repayments ..	12·15	14·70	22·61	25·39	13·01

Percentage of overdues.

	1945–46.	1944–45.	1943–44.	1942–43.	1941–42.
Principal	2·35	3·06	3·46	5·37	8·81
Arrear interest	2·33	5·66	5·43	17·11	5·59
Current interest	0·89	0·70	0·67	0·63	1·13

There was thus definite increase in the loan business of the banks when compared to the previous two years, and I believe it will soon reach the pre-war level. The percentage of balance to demand under principal on 30th June 1946 was the lowest for the past many years. The overdues are insignificant when compared to the total business and all possible steps are being taken to see that even these overdues do not occur. The enhancement of the individual maximum credit limit and the issue of second loans for all purposes mentioned in the by-laws, are appreciated by the ryots and are being availed of. The enhanced limit has enabled the bigger ryots also to borrow from the primary banks. The pre-war values continue to be adopted in assessing the value of lands offered as security to the land mortgage banks. The banks felt that, though a policy of caution was justified, there was still a need for a slightly more liberal valuation in view of the prevailing very high prices of lands. Government have since approved on my recommendation the proposal of the Central Land Mortgage Bank that the hypotheca be valued at not more than ten per cent above the pre-war values provided it does not exceed the average of the present and prewar values.

The Central Land Mortgage Bank appointed a committee to enquire into the condition of some of the primary mortgage banks working at a loss. According to the recommendation of the committee, the Central Land Mortgage Bank has sanctioned subsidies to the " loss banks " subject to the condition that the work of the supervisors is controlled by it. It is also proposed to provide close attention to these banks and nurse them by placing two banks in charge of one Co-operative Sub-Registrar until such time as they recoup their losses through increased business.

A special committee was appointed by the Central Land Mortgage Bank to examine the possibility of improving the working and loan business of the primary banks in the West Coast, as these banks could not make much progress owing to the peculiar system of land tenures and personal laws prevalent in the area. The committee has made certain recommendations and I am examining them.

CHAPTER III.

Consumers' Co-operative Stores.

25. *Primary co-operative stores (exclusive of school and college stores).*—The primary (or retail) co-operative stores have continued to maintain their remarkable pace of expansion and to render yeoman service to the community. The following table shows the comparative progress of primary stores during the last three years:—

	1945-46.	1944-45.	1943-44.
Number of primary stores	1,346	1,286	1,191
Number of branches and depots opened by them	989	998	692
	(IN LAKHS.)	(IN LAKHS.)	(IN LAKHS.)
Number of members at the end of the year.	4·47	4·08	3·43
	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)
Paid-up share capital at the end of the year.	66·54	59·74	43·67
Reserve fund at the end of the year ..	21·26	13·61	6·93
Borrowings outstanding from central banks at the end of the year	45·09	48·23	29·61
Borrowings outstanding from others at the end of the year	23·93	23·43	26·77
Working capital on the last day of the co-operative year	156·82	145·01	106·98
Purchases during the year	1,266·54	1,099·24	806·96
Sales during the year	1,357·55	1,176·86	8[illegible]2·36
Gross profits	68·42	57·77	40·37
Net profits	22·54	19·[illegible]7	19·31
Trading loss	0·50	0·42	0·32

Membership and share capital.—There has been all-round progress in the working of primary stores. Nearly 40,000 members were admitted during the year, bringing the total membership to about four and a half lakhs. The share capital has touched the peak figure of about two-thirds of a crore of rupees which consists of voluntary contributions from people in all walks of life. The increase in the number and membership of primary stores is an unmistakable indication of the growing faith of the people in the system of co-operative distribution and their recognition of these societies as efficient agencies of equitable distribution of foodgrains and other essential commodities. The demand for the organization of new societies continued to be as insistent as ever; this has to a large extent been met by the opening of branches or depots by the existing stores. New stores societies have been registered only in very unavoidable and really necessary cases. This accounts for the comparatively small number of stores registered during the year, viz., 60.

Working capital.—The owned capital of all primary stores on the last day of the year was nearly 56 per cent of their total working capital as against 44 per cent on the last day of the previous year, which indicates their general financial soundness. They borrowed Rs. 222·09 lakhs from central banks and Rs. 84·68 lakhs from others during 1945–46 and repaid Rs. 230·91 lakhs and Rs. 80·31 lakhs respectively, leaving a balance of Rs. 45·09 lakhs to central banks and Rs. 23·93 lakhs to others—about 35 per cent of the total outstandings as on the last day of the year. Only 552 stores (as against the total of 1,346) borrowed from the central banks. The others depended upon their own resources, viz., paid-up share capital, reserve fund, or local deposits.

Analysis of purchases.—The purchases made by them during the year totalled Rs. 12·67 crores as against Rs. 10·99 crores during the previous year. Some of them have been making bulk purchases from district co-operative wholesale stores, generally on the outright purchase system, paying for the supplies either in cash or through their cash credit accounts in the central banks. Some of them have credit facilities for short periods with the wholesale stores. On account of credit purchases, the primary stores owed Rs. 7·93 lakhs to wholesale stores at the end of the year. Rs. 431·60 lakhs represented purchases from wholesale stores, Rs. 56·55 lakhs from individual producers, Rs. 19·51 lakhs from producers' co-operative societies and the balance of Rs. 758·88 lakhs from private merchants and others. The purchases from district wholesale stores work out to 34 per cent of the total, while those from private merchants and others work out to nearly 58 per cent. That only about a third of the purchases of the primaries should have been made from wholesale stores points to the need for better trade-relationship between them. The district wholesale stores have been organized solely to facilitate purchases by the primaries by functioning as central purchasing and distributing agencies, and all efforts should, as I have been repeatedly urging, be concentrated on the fulfilment of this principal objective. Out of the total purchases, a sum of Rs. 874·97 lakhs represents the value of purchases of controlled articles and the balance of Rs. 391·57 lakhs represents the value of purchases of non-controlled articles. The predominence of controlled commodities in the stock-in-trade of the primaries in the present conditions is only natural. Nevertheless, the need for developing business equally in non-controlled articles, especially in the non-food lines, has been repeatedly urged and I expect that with an improvement in the supply position of consumer goods, the primaries will broadbase their trade.

Analysis of sales.—Out of the total sales of Rs. 1,357·55 lakhs, the value of goods sold to members amounted to Rs. 479·97 lakhs which represents 35 per cent of the total, the balance of Rs. 877·58 lakhs (65 per cent) being sales to non-members. The predominence of sales to non-members is, no doubt, a testimony to the popularity of co-operative stores; it is equally, I consider, a sign of weakness because about two-thirds of their present clients are casual purchasers. Normally, co-operative distribution is confined to members; only as a war-time expedient have Government permitted co-operative stores to sell to non-members as well. When conditions return to normal, co-operative stores will have to depend on their members alone for their trade, and this makes it imperative that they should lose no time in converting as many of their casual purchasers as possible into loyal members. The following statement will show the range of goods dealt in by primary stores and the volume of business in respect of each category:—

Name of article.	Sales during 1945-46. RS. (IN LAKHS.)	Percentage to total sales.
(i) Foodgrains	887·22	65·1
(ii) Groceries and other household requisites ..	312·39	23·0
(iii) Clothing—		
(a) Handloom	24·74	1·8
(b) Mill-made	29·32	2·2
(iv) Fuel	4·15	0·4
(v) Drugs, infant foods, etc.	3·34	0·3
(vi) General consumer goods	16·32	1·2
(vii) Glass, aluminium and brassware	1·19	0·1
(viii) Vegetables	1·01	0·1
(ix) Others	77·87	5·8
Total ..	1,357·55	100·0

The value of controlled commodities sold was Rs. 930·89 lakhs while the balance of Rs. 426·66 lakhs represented the sales of non-controlled articles. The primary stores had a stock worth Rs. 106·59 lakhs at the end of the year of which Rs. 55·33 lakhs represented the value of controlled articles and the balance of Rs. 51·26 lakhs, the value of non-controlled commodities.

Analysis of trading results.—One thousand two hundred and forty-four stores out of a total of 1,346 worked at a gross profit of Rs. 68·42 lakhs and 56 stores sustained a business loss of Rs. 0;50 lakhs; the business of the remaining 46 stores resulted in neither gross profit nor gross loss. The total bill of the primaries on account of their establishment and contingencies, sales-tax, etc., was Rs. 59·23 lakhs. Eight hundred and three primary stores worked at a net profit of Rs. 22·54 lakhs and 502 stores worked at a net loss of Rs. 5·35 lakhs, while the remaining 41 stores had neither profit nor loss. The number of societies working at a loss is heavy, particularly in some districts. The northern districts of Vizagapatam, East Godavari, West Godavari, Kistna, Guntur and Nellore account for 236 stores which in all worked at a loss of Rs. 2·31 lakhs. Forty-nine primary stores in Anantapur, Cuddapah and Kurnool contributed to a loss of Rs. 0·72 lakhs. The share of Tanjore, Trichinopoly and Ramnad was 71 stores which worked at a loss of Rs. 80,000. Malabar and South Kanara contributed 44 primary stores which in all showed a loss of a little over Rs. 36,000. During the last three years there has been a steady rise in the number of primary stores that have worked at a loss. In 1943–44, 362 stores sustained net losses amounting to Rs. 1·97 lakhs and in 1944–45, 462 stores accounted for net losses of Rs. 3·72 lakhs. This is indeed a distressing feature. The surplus districts of East and West Godavari, Guntur, Kistna and Tanjore where retail stores in the countryside function more or less as *ad hoc* bodies for distribution of sugar, kerosene, wheat-flour, etc., have not struck root into the soil and have largely contributed to the losses. I have been reviewing the trading results every year and suggesting methods to arrest or minimise losses. Even so, I am afraid, that one must be prepared for a fairly high degree of mortality among the rural stores in the surplus districts.

26. *Primary stores and rationing.*—The primary co-operative stores are, with the help of the Civil Supplies and Revenue authorities, participating in schemes of statutory rationing of foodgrains in all the 84 municipal towns and the district of Malabar. Out of 524 primary stores situated in urban and semi-urban areas, 242 stores have been allotted 755 ration depots under the statutory rationing scheme. The number of ration cards registered with these stores as on 30th June 1946 was 3·48 lakhs as against 2;97 lakhs at the end of the previous year the percentage of cards registered with primary stores to the total number in the Province working out to 26 per cent as against 22 per cent at the end of 1944–45. The stores distributed rationed articles to the value of Rs. 422·61 lakhs during the year, leaving a stock on hand valued at Rs. 12·39 lakhs at the end of the year.

27. *Primary stores and procurement of foodgrains.*—Select well-established retail stores have undertaken procurement of foodgrains—paddy and millets—on a modest scale. Fifty-seven primary stores undertook procurement of rice and paddy and opened 107 depots for the purpose, while 49 stores undertook procurement of millets and opened 32 depots for the purpose. The following table will show the extent of their procurement work during the year:—

	Value of stock procured during the year.	Value of stock released during the year.	Value of stock on hand at the end of the year.
	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)
Rice and paddy	20·66	13·13	10·46
Millets	7·36	7·02	0·43

These figures are exclusive of those relating to the procurement operations of district co-operative wholesale stores and sale (or marketing) societies, marketing federations and other types of societies entrusted with procurement work.

Thirty-eight of the stores which did procurement work worked at a gross profit of Rs. 3·62 lakhs and a net profit of Rs. 2·40 lakhs. Some of the well-established primary stores also undertook processing.

28. *Classification of primary stores according to the localities served by them.*—The primary or retail stores societies can be conveniently classified as urban, semi-urban and rural. One of the achievements of war-time co-operation in this province is the remarkable headway made by the consumers' societies in the countryside—which constitute two-thirds of the total. Consumers' co-operative societies working in places which are not served by municipal councils, or major panchayat boards, are classed as rural stores. The following table will show the progress made by consumers' co-operatives in urban, semi-urban and rural areas during the year:—

	Urban.	Semi-urban.	Rural.
Number of primary stores	194	3[illegible]0	822
Number of members (in lakhs)	1·46	1·39	[illegible]·62
	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)
Paid-up share capital	18·51	2[illegible]·[illegible]6	[illegible]7·87
Reserve Fund	[illegible]·20	7·09	4·9[illegible]
Borrowings outstanding from central banks ..	8·[illegible]4	1[illegible]·99	1[illegible]·[illegible]
Borrowings outstanding from others	12·24	6·76	4·93
Working capital	48·39	5[illegible]·[illegible]0	57·43
Purchases	545·21	352·53	368·80
Sales	583·60	383·80	39[illegible]·15
Gross profit	28·51	20·35	19·56
Net profit	8·39	7·64	6·51
Gross loss	0·05	0·22	0·23

The sales of rural stores were nearly Rs. 4 crores. Almost all these stores came into existence after the outbreak of the war, and their progress in rural surroundings, considered as normally unsuitable for the successful working of consumers' societies, is mainly due to the conditions created by the war. They have performed splendid social service among rural folk and have made a distinct contribution to their economic well-being. Though their remarkable growth and expansion during the last few years constitute a fascinating chapter in consumers' co-operation, the future of a number of them, especially those situated in the surplus deltaic districts, cannot be considered very bright.

29. *Classification of stores according to their clientele.*—Some of the primary co-operative stores have been formed exclusively for certain sections of the community, such as industrial workers in factories and firms, departmental stores for employees under Government, local boards, municipalities, etc. The working of these stores during the year is exhibited in the table given below:—

	Industrial employees stores.	Departmental stores for Government and local board or municipal employees.	General stores.
Number of primary stores	69	74	1,203
Number of members (in lakhs) ..	0·69	0·37	3·41
	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)
Paid-up share capital	9·01	3·03	54·50
Reserve Fund	5·17	1·20	14·89
Borrowings outstanding from central banks	0·06	0·98	44·05
Borrowings outstanding from others ..	3·26	1·71	18·96
Working capital ..	17·50	6·92	132·40
Purchases	114·33	69·77	1,091·44
Sales	125·17	63·04	1,169·34
Gross profits	6·99	2·98	58·45
Net profits	3·63	1·17	17·74
Trading loss	Nil.	0·03	0·47

The working of the industrial employees stores, popularly called "mills stores", because the majority of them are intended for mill-employees, deserves special mention. They rendered signal service to the industrial workers during the difficult years of the war and continue to perform the same service even now. Much of their success is due to the collaboration between the managements of the mills and the employees and the many concessions and facilities which the stores enjoy from the employers. A brochure on "Co-operation and Industrial Labour Welfare in Madras" with special reference to the working of the industrial employees' stores was drawn up by me and has been published by the Madras Provincial Co-operative Union since the close of the year. It focusses attention on what can be done to ameliorate the socio-economic conditions of industrial labour through co-operative methods.

30. *The Triplicane Urban Co-operative Society.*—The working of the Triplicane Urban Co-operative Society deserves special mention. The society continues to cater to the needs of the people in the city of Madras. All its branches and the emergency depots opened during the war-period under the emergency food supply scheme, 64 in number, were working throughout the year. There were 18 institutions and 12,183 individual members on its rolls with a paid-up share capital of Rs. 1;49 lakhs at the end of the year, as against 17 institutions and 10,796 individual members with a paid-up share capital of Rs. 1·22 lakhs at the beginning of the year. Its annual purchases amounted to Rs. 72·31 lakhs of which Rs. 68·95 lakhs represented the value of foodgrains and other provisions. The value of purchases of piecegoods was Rs. 1·11 lakhs and that of oil Rs. 1·70 lakhs. The annual sales made by the society amounted to Rs. 75·81 lakhs, an increase of over Rs. 5 lakhs over those of the previous year. The society earned a gross profit of Rs. 4·44 lakhs and a net profit of Rs. 1·96 lakhs during the year. It acts as a wholesale dealer for the supply of mill-made cloth to other co-operative institutions and as retail distributor to the public in the City. The Director of Agriculture has entrusted the society with the distribution of groundnut oilcake to milkmen and others.

31. *Medical Co-operative Stores.*—There are two co-operative stores of this type, one at Madras and the other at Guntur. The Madras Provincial Indian Medical Practitioners' Co-operative Pharmacy and Stores has entered the second year of its working. On 30th June 1946, it had a membership of 310, 261 medical practitioners and 49 institutions, as against 190 medical practitioners and 34 institutions at the end of the previous year. Its paid-up share capital rose from Rs. 19,080 to Rs. 28,730. The stores prepared medicines to the value of Rs. 62,831 as against Rs. 20,182 in the previous year and the sales amounted to Rs. 68,131 as against Rs. 5,965 in 1944–45. It worked at a gross profit of Rs. 24,376 and a net profit of Rs. 13,945 for the year. The stores is doing great service to Indian medical practitioners and local bodies which run dispensaries, in the matter of supply of pure drugs and medicines, prepared under hygienic conditions and under expert supervision. I feel that agreeably to the future plans of Government for the development of Indian medicine, this stores can be made to play with State assistance and supervision, a notable role in the research, manufacture and distribution of Indian medicines. It is possible to reorganize the stores to ensure the fulfilment of this task.

The Guntur Medical Co-operative Stores continued to do useful service by the equitable distribution of drugs, medicines, invalids' and infants' foods, etc., both to medical men and to the public. Its annual turnover in respect of purchases and sales amounted to Rs. 65,042 and Rs. 73,070 respectively. The stores worked at a gross profit of Rs. 9,074 for the year.

32. *School and College Stationery Stores.*—There was hardly any scope for the expansion of school and college stationery stores during the past few years on account of war-time scarcity of paper and the difficulties in securing books, etc. There were 252 school and college stationery stores at the end of the year with a membership of 17,555—4,444 teachers and 13,111 students. The associate-membership was 28,250. The paid-up share capital of all these stores amounted to Rs. 40,123. They purchased and sold books and stationery articles to the value of Rs. 10·49 lakhs, of which Rs. 1·98 lakhs represented the value of purchases according to indents given by the members.

33. *Distribution of essential controlled commodities by credit societies.*—In order to supplement the work of consumers' societies in the equitable distribution of the necessaries of life, co-operative credit societies have, as a temporary measure, been permitted to undertake the distribution of foodgrains and other controlled articles by suitably amending their by-laws. These societies have been doing considerable service to the people through equitable distribution in places where it is not possible to organise separate co-operative stores. They are also participating in schemes of informal and statutory rationing. In the year under report 471 rural credit societies, 17 employees' credit societies, 5 urban credit societies and 44 other credit societies distributed controlled articles such as foodgrains, sugar, kerosene, paper, cloth, drugs, etc., the value of their purchases and sales being Rs. 72·69 lakhs and Rs. 78·16 lakhs respectively as against Rs. 60·44 lakhs and Rs. 65·82 lakhs during the previous year. This distributive work yielded a gross profit of Rs. 3·95 lakhs and a net profit of Rs. 2·15 lakhs for the year.

Sixty-one societies participated in statutory rationing of foodgrains as against 38 societies during the previous year and opened 63 depots for the purpose in addition to their main shops. The total number of ration cards registered with them was 12,261 as against 9,423 in the previous year, and the value of rationed articles distributed by them in the year was Rs. 15·41 lakhs.

34. *District Co-operative Wholesale Stores.*—The number of district co-operative wholesale stores continued to remain at 21 as in the previous year. They co-ordinated the purchases of primary or retail stores by making seasonal bulk purchases from sources of supply or centres of production and functioning as central distributing agencies. Their services have, due to the exigencies of the times, been utilized to an increasing extent in the distribution of controlled articles not only to their constituent retail stores but to private retailers. They have also undertaken large scale, and in some cases district-wide procurement, storage and distribution of paddy, rice and millets. In areas where statutory rationing is in force, they function as stockists and wholesale distributors of foodgrains for retail ration shop-keepers. These special activities account for the remarkable expansion of their trade in recent years as shown in the following table :—

	1945–46.	1944–45.	1943–44.
Number of members at the end of the year	9,427	8,568	6,538
	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)
Paid-up share capital at the end of the year	29·18	24·66	16·49
Reserve Fund at the end of the year	8·29	3·74	0·54
Borrowings outstanding from central banks on the last day of the year	190·28	191·62	137·91
Borrowings outstanding from others on the last day of the year	14·86	6·79	1·48
Working capital on the last day of the year	242·61	226·81	156·42
Value of annual purchases	1,148·48	975·18	554·43
Value of annual sales	1,263·58	963·17	518·83
Gross profits	53·73	42·62	23·60
Net profit	17·30	11·42	9·85
Trading loss	Nil	Nil	Rs. 7,176

Composition of membership and share capital.—Of the 9,427 members on the rolls at the end of the year, 1,297 were primary co-operative stores, 1,795 other co-operative societies, 6,042 individual shareholders and 293 institutions and public bodies. The total share capital of Rs. 29·18 lakhs is contributed as follows :—Primary stores, Rs. 11·26 lakhs; other co-operative societies, Rs. 3·63 lakhs; individual shareholders, Rs. 13·57 lakhs and public bodies, Rs. 0·72 lakhs.

The share capital invested by the affiliated primary stores constitutes 38·6 per cent of the total capital of the wholesales. No wholesale stores has a share capital of less than Rs. 50,000, while as many as 14 stores have more than a lakh of rupees each, with the South Kanara District Co-operative Wholesale Stores topping the list.

Composition of working capital.—The borrowings of the wholesales during the year amounted to Rs. 1,039·29 lakhs, their repayments were Rs. 1,028·38 lakhs and the balance outstanding was Rs. 205·14 lakhs at the end of the year. Their borrowings were mainly confined to co-operative central banks. A sum of Rs. 847·72 lakhs was drawn from cash-credit accounts and Rs. 154·49 lakhs by way of short-term loans. Borrowings from sources other than central banks were only Rs. 37·08 lakhs. At the end of the year, the wholesales owed Rs. 14·86 lakhs to depositors and Rs. 190·28 lakhs to central banks. Their total working capital was Rs. 242·61 lakhs as against Rs. 226·81 lakhs on 30th June 1945. The owned capital of the wholesales exceeds 15 per cent of their working capital as against 12·5 per cent at the end of the previous year.

Analysis of purchases.—The purchases of district wholesale stores during the year totalled Rs. 11;49 crores. Purchases of controlled and non-controlled commodities are as follows:—

	Value. RS. (IN LAKHS.)	Percentage.
Controlled commodities	1,079·69	94·01
Non-controlled commodities	68·79	5·99

The following statement shows at a glance the sources of the purchases made by the wholesale stores:—

	Value. RS. (IN LAKHS.)	Percentage.
(i) From centres of production.—		
(a) Within the district	197·57	17·20
(b) Outside the district	54·99	4·79
(ii) From local private wholesalers and commission agents	85·52	7·45
(iii) From civil supplies agencies	714·25	62·19
(iv) From other sources	96 15	8 37

The following table shows the agencies employed for purchases:—

(i) Purchase through the agency of primary co-operative stores in the district ..	5·09	0·44
(ii) Purchases through the agency of sister wholesale and primary stores outside the district	40·33	3·51
(iii) Purchases through the Producers' co-oprative socieites	2·59	0·23
(iv) Purchases through the private merchants	128·49	11·19
(v) Purchases through the official agencies	652·25	56·79
(vi) Purchases through other agencies ..	319·73	27·84

The purchasing departments of many of the district wholesales need to be drastically reorganized if they are to serve their constituent societies effectively. Most of them have yet to establish business contacts with centres of production or sources of supply, arrange for timely market intelligence and make seasonal bulk purchases. I have lost no opportunity to stress that unless this is done, they will find it extremely difficult to supply the requirements of their affiliated primaries at competitive prices, when once official patronage and trade controls are withdrawn and the forces of competitive trade come into full play.

Some of the wholesale stores have undertaken processing or manufacturing activities. The most common enterprises are the conversion of paddy into rice, grain into dhall and flour and gingelly seed into oil. The Godavari Co-operative Central Stores manufactured pith-hats and ink. The quantity and value of articles processed or manufactured by them during the year are shown below:—

Name of article.	Quantity processed or manufactured.	Value RS. (IN LAKHS.)
Rice	38,013 tons.	49·98
Grams	1,048 ,,	1·87
Gingelly oil	16 ,,	0·10
Pith-hats	555 dozens.	0·14
Ink	589 gallons.	0·06
Cigars	3·27 lakhs.	0·12

Almost all the wholesales deal in consignment goods and act as selling agents on a commission basis. The value of goods received by them on this account during the year was Rs. 1·96 lakhs and that of goods sold was Rs. 1·99 lakhs, the balance of goods on hand having been valued at Rs. 0·20 lakh. They earned a commission of Rs. 8,106 on consignment sales.

Analysis of sales.—The following table shows the extent to which distribution was made during the year to co-operative institutions and others:—

	Value. RS. (IN LAKHS.)	Percentage.
(i) Sales to affiliated retail stores	431·60	34·07
(ii) Sales to the public through retail depots ..	8·25	0·65
(iii) Sales to private merchants	544·78	43·01
(iv) Sales to others	281·95	22·27
Total ..	1,266·58	100·00

The wholesale stores, acting as they do as agents of Collectors, have, under his instructions to sell to retail merchants in addition to their own constituent societies. The sales through retail depots are comparatively low. This is due to the fact that wholesales are not generally permitted to undertake retail distribution of foodgrains in rationed areas. Most of the wholesale stores are now too preoccupied with the more immediate tasks undertaken by or entrusted to them by the Civil Supplies authorities such as procurement, rationing, distribution of controlled commodities, etc., to focus attention on their trade with their affiliated primaries, which should form their main-stay in normal times. That their trade with them is only 34 per cent of their total sales is evidence not only of their present weakness but also of the urgent need for sustained endeavour to build up and strengthen their trade with the retail stores. I have no doubt that the wholesale stores are fully alive to their immediate task.

Foodgrains and other domestic provisions dominate the trade of the wholesales. The following table shows the articles dealt in by them and the value of the sales:—

	Value. RS. (IN LAKHS.)	Percentage.
(i) Foodgrains and other house-hold provisions ..	1,099·22	86·79
(ii) Clothing—		
(a) Handloom	0·74	0·06
(b) Mill-made	3·58	0·28
(iii) Fuel	11·77	0·93
(iv) Stationery, toilet articles, drugs, etc.	131·86	10·[illegible]1
(v) Others	19·41	1·53
Total ..	1,266·58	100·00

With the easing of the food position, the trade of the wholesales in foodgrains is bound to diminish This can be made by trade in non-food-lines, especially cloth, consumer goods, drugs, etc. At my instance, Government have, under consideration, a proposal to entrust a reasonable share of the district quota of mill-made cloth to the wholesale stores for distribution through their affiliated primaries. I am working out a scheme of distribution in consultation with the Provincial Textile Commissioner and if it is given effect to, not only will the wholesale stores but many primaries as well gain a footing in the cloth trade. As regards drugs, infants' and invalids' foods, Government have at my request been pleased to order the issue of wholesale and retail licences to wholesale stores to enable them to take up this line of business. Commercial houses of repute such as Messrs. H. J. Foster & Co., Messrs. Parry & Co., etc., have promised to meet the requirements of the wholesales to the extent possible, consistent with the supply position. Some of the wholesale stores were also supplying provisions and other articles in bulk to institutions such as hospitals, jails, educational institutions and temples.

Analysis of trading results.—The stock-in-trade with the district wholesales at the beginning of the year was valued at Rs. 211·99 lakhs. Purchases to the tune of Rs. 1,148·48 lakhs were made during the year and their sales were Rs. 1,266·58 lakhs. The value of stock on hand with them on the last day of the year was Rs. 193·48 lakhs. All the district wholesale stores worked at gross profits amounting to Rs. 53·73 lakhs during the year. This works out to 4·24 per cent of their total sales. Establishment charges amounted to Rs. 12·33 lakhs and interest charges to Rs. 7·79 lakhs. Contingencies including audit fees, rent, supervision fund, depreciation, etc., came to Rs. 22·84 lakhs. All the wholesale stores except the one at Tiruvarur (Tanjore District Co-operative Wholesale Stores) worked at net profit which amounted to Rs. 17·30 lakhs. The net profit works out to 1·37 per cent of the total sales. The Tanjore District Co-operative Wholesale Stores sustained a net loss of Rs. 23,824.

35. *Co-operative wholesale stores and rationing.*—The district wholesale stores are playing a very useful role in the import and distribution of foodgrains under schemes of statutory food rationing. The wholesale stores at Anantapur, Bellary, Cuddapah, Kurnool, Chingleput and Mangalore were recognized as sole stockists of foodgrains under the rationing schemes in the respective districts. Other wholesale stores have been given due share in wholesale distribution. During the year 1945–46, they stocked foodgrains valued at Rs. 528·21 lakhs and released stocks worth Rs. 529·98 lakhs. The stock on hand at the end of the year was valued at Rs. 43·24 lakhs.

36. *Wholesale import and distribution of foodgrains in deficit districts.*—The district co-operative wholesale stores have also played an important role in schemes of food organization in deficit districts in the Province. They have been utilized more or less as agents of Government by the Civil Supply authorities and they have, in most cases, responded with commendable energy and earnestness, and carried out their onerous responsibilities to the best of their ability. The wholesale co-operative stores in the districts of Anantapur, Bellary, Cuddapah, Kurnool and Chingleput have been given the monopoly of import of foodgrains from surplus districts. Others have been given a fair or substantial share in the imports. During the year, they imported foodgrains to the value of Rs. 366·31 lakhs from surplus areas or other Provinces and sold stocks worth Rs. 398·11 lakhs. On the last day of the year the stock on hand with them was valued at Rs. 44·59 lakhs.

37. *Participation in schemes of procurement.*—Considering that rationing by itself, cannot be effective to meet the situation, Government have, with a view to tide over the food crisis, directed the intensification of procurement operations so as to secure all the available surplus with the producers. The district co-operative wholesale stores in Anantapur, North Arcot, South Arcot, Bellary, Chingleput, Coimbatore, Cuddapah, East Godavari, South Kanara, Kurnool, Malabar, Madura, Salem, Tinnevelly and Vizagapatam districts have been entrusted with procurement work in their respective districts. A unique and remarkable experiment in the procurement of foodgrains through co-operative agency was carried on in South Kanara district—an experiment which has not been made anywhere in this Province, and probably in any of the other British

Indian Provinces as well—where the South Kanara Central Co-operative Wholesale Stores has been appointed as the sole procurement agent for the entire district for three successive seasons. The value of foodgrains procured by this and the other co-operative wholesale stores during the year amounted to Rs. 280·41 lakhs and stocks worth Rs. 280·24 lakhs were released by them on the authorization of the Collectors concerned. The services of primary co-operative stores and credit societies are being utilized along with approved traders for retail distribution of both the imported and procured foodgrains to the public. To facilitate procurement operations, these wholesale stores established 423 depots or reception godowns for storage of foodgrains procured from the producers.

To render the food administration effective and to associate non-officials with the work, Government have issued orders for the formation of village, taluk and district committees in every district with the object of entrusting these bodies with administrative matters connected with procurement, such as scrutiny of demand lists, issue of ration cards, etc., and to get the actual procurement done through co-operative organizations wherever they exist and are willing to undertake it or wherever they can be organized.

As the Government were very keen on speeding up and intensifying the arrangements for procurement of all available foodgrains and as the need for more co-operative agencies to undertake the work was felt, co-operative sale or marketing societies, co-operative agricultural improvement societies and co-operative credit societies, which have not hitherto been permitted to undertake procurement have been allowed to take up that work. The co-operative sale or marketing societies at Ramachandrapuram, Tapeswaram and Alamuru in the Ramachandrapuram taluk in East Godavari district have, since the close of the year, been entrusted with the sole procurement of paddy in the taluk, of which mention has been made in Chapter IV. In Malabar district, about 100 producers'-cum-consumers' co-operative societies have been started after the close of the year for procurement and distribution of paddy and other controlled commodities. The scheme is being worked by the District Food Reorganization Officer with the assistance of a special staff sanctioned for the purpose. The Vizagapatam and Tinnevelly district co-operative wholesale stores have put up schemes to Government for undertaking monopoly procurement in their respective districts and the proposals are under the consideration of Government. With the encouragement and support given by Government, I venture to hope that a larger number of co-operative institutions will take up food procurement and distibution and assist the administration in tiding over the food crisis.

CHAPTER IV.

Co-operative Marketing.

38. *Sale societies and marketing federations.*—The following statement shows the number of co-operative sale or marketing societies, their membership, paid-up share capital and transactions during the last four years:—

	1945–46.	1944–45.	1943–44.	1942–43.
Number of societies	189	181	181	172
Number of members	96,191	90,880	76,641	16,118
	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)
Paid-up share capital	12·67	10·41	8·71	6·58
Loans issued during the year	118·04	121·32	139·18	196·76
Value of stock in the beginning and that received in the year	302·15	359·66	412·91	477·16
Value of stock released without sale ..	157·34	178·19	191·32	186·58
Value of stock sold	124·00	100·62	91·35	211·15

Though there has been an increase in number and membership during the year, there was a slight fall in loans and marketing transactions. Owing to the high level of agricultural prices coupled with schemes of procurement at ceiling prices, there was little or no incentive for the agriculturists to hold up their produce for a better market after taking advances against produce. The drop in loan and marketing business has been sought to be made up by other activities. Some of the societies undertook processing activities such as hulling of paddy, decortication of groundnut, ginning of cotton, grading and packing of fruit, etc. They have also helped production by supplying their members with improved varieties of seed, manure and agricultural implements. A novel and useful activity undertaken by them is the distribution of compost manufactured by municipalities and panchayat boards out of municipal rubbish and nightsoil.

Storage facilities and godown accommodation.—The policy of providing funds for sale societies for construction of godowns both by way of free grants and long-term loans, was continued; but very few societies availed themselves of the opportunity on account of the difficulties in getting building materials and the generally high cost of construction. The number of sale societies which owned godowns at the end of the year was 24 and the number of godowns owned was 26. A sum of Rs. 1·79 lakhs was outstanding against the societies in respect of Government loan taken for the construction of godowns. In addition to the three godowns constructed out of the groundnut fund and already placed at the disposal of the Jaggaiahpet sale society (Kistna), Arni sale society (North Arcot) and Ariyalur sale society (Trichinopoly), Government were pleased to entrust one block of the godown at Kurnool to the Kurnool Co-operative Marketing Society and the entire godown at Bellary to the Bellary Co-operative Marketing Society. Sale societies have been making use of these godowns and they have served to promote the marketing side of the activities of these societies.

Procurement and processing.—During the year, 47 sale societies undertook processing activities in respect of paddy, cotton and groundnut. The value of produce processed was Rs. 21·44 lakhs as against Rs. 37·47 lakhs in the previous year. A scheme submitted to Government for erection of 25 cotton ginning factories in the important cotton-growing areas at a total cost of Rs. 7·75 lakhs has been sanctioned during the year; but its introduction has been subsequently deferred. I hope that it will be possible to put this scheme into operation soon, as it will go a long way to organize co-operative marketing of cotton and enable the producer to get a much larger share in the price of the produce than he is at present getting.

In view of the regulated system of purchase of foodgrains at ceiling prices, some of the marketing federations and societies have undertaken procurement and export of paddy and rice. The work done by the Tanjore and the West Godavari Marketing Federations requires special mention. Till 30th June 1946 the Tanjore Marketing Federation purchased under the procurement scheme paddy, rice, millets, etc., worth Rs. 5·27 lakhs and released stocks worth Rs. 2·80 lakhs. The West Godavari Marketing Federation was entrusted with procurement work in the deltaic areas of the district. The federation procured paddy and rice worth Rs. 2·28 lakhs. Since the close of the year a monopoly scheme for procurement of paddy in the Ramachandrapuram taluk has been undertaken by the marketing societies at Ramachandrapuram, Tapeswaram and Alamuru in Ramachandrapuram taluk of the East Godavari district. The work is in full swing under the supervision of a Co-operative Sub-Registrar specially sanctioned for the purpose.

39. *Cotton seed multiplication scheme.*—The H. 1 cotton seed multiplication scheme, which was worked through Adoni and Bellary sale societies in Bellary district and Guntakal sale society in Anantapur district, was discontinued during the year. The Tiruppur sale society in Coimbatore district continued to work the Co. 2 cotton seed supply scheme. A scheme for cotton seed multiplication in Tinnevelly and Ramnad districts was also worked in two centres during the year by the Koilpatti sale society in Tinnevelly district and the Aruppukottai sale society in Ramnad district.

40. *Controlled credit scheme.*—The scheme was worked in 20 districts during the year through 73 sale societies and 846 credit societies, as against 67 sale societies and 487 credit societies in the previous year. Loans to the extent of Rs. 10·65 lakhs were disbursed for cultivation purposes as against Rs. 6·03 lakhs in 1944–45. The value of produce, such as foodgrains, cotton, groundnut, tobacco, etc., delivered to and marketed through sale societies was Rs. 13·15 lakhs as against Rs. 9·95 lakhs in the previous year. The total extent of land brought under cultivation of various crops under the controlled credit scheme was 32,208 acres comprising paddy to the extent of 8,031 acres, ragi 176 acres, cotton 3,250 acres, groundnut 17,541 acres, cholam 240 acres, tobacco 605 acres, as against a total of 24,408 acres in the previous year. The scheme is being gradually extended.

The special scheme instituted in eight select sale societies in the Ceded Districts was continued during the year and the special staff of eight Senior Inspectors was in charge of these societies. One hundred and forty-one credit societies were brought under the scheme and loans to the extent of Rs. 1·65 lakhs were disbursed during the year.

In order to give an impetus to the working of controlled credit and marketing, a plan has been formulated. Every credit society coming into the scheme will have to appoint one of its panchayatdars as a "marketing panchayatdar." He will canvass applications for cultivation loans, collect the produce after harvest and deliver it to the sale society to which the credit society is affiliated. The system was introduced in 76 sale societies in the year and 1,647 credit societies affiliated themselves to sale societies for the purpose. Of these, 829 credit societies have amended their bylaws for the appointment of marketing panchayatdars. The value of produce delivered by them to the sale societies till the end of the year was Rs. 6·99 lakhs. Marketing panchayatdars have certainly stimulated the flow of produce from rural credit societies to the sale societies.

41. *Distribution of compost.*—Some of the sale societies continued to distribute the compost manufactured by municipalities and panchayat boards. The scheme of giving subsidies to sale societies based on the quantity of manure distributed among the cultivators and actually applied to the soil, was extended by the Government of India up to February 1947. Sixteen sale societies undertook this business and distributed 15·42 lakhs of cubic feet of compost till the end of the year. Besides, the sale societies supplied the agriculturists with improved seeds, manure and agricultural implements for Rs. 7·48 lakhs. On account of the scarcity of iron implements, the sale societies, at the request of the Director of Agriculture, undertook the purchase and fabrication of scrap iron into agricultural implements. The societies could not, however, make much headway on account of the difficulty in getting suitable materials and skilled craftsmen. Government ordered, in the course of the year, that the distribution of groundnut cakes should be done only through the Agricultural department as in the case of steel tyres and axles which were once distributed through sale societies. It is unfortunate that sale societies were compelled to deny assistance to the ryots in the supply of these agricultural requisites. Sale societies have in one voice been agitating for entrustment of this work of distributing implements, manures and seeds to agriculturists, on the ground that it is their legitimate function. I earnestly hope that their heartfelt expressions will not be altogether in vain.

Working of Important Marketing Federations and Sale (or Marketing) Societies.

The Madras Provincial Co-operative Marketing Society is the central organization for the producers' societies. Many producers' societies including cottage industries co-operative societies are its members. Its total purchases during the year amounted to Rs. 7·58 lakhs. It continued to sell the goods produced by co-operative institutions and others on a consignment basis. The regular supply to its customers both in the city and in the mufassal towns, of oranges obtained from the Kodur Fruit Growers' Co-operative Society was one of its main activities. The sales emporium of the Provincial Society at Mount Road helped the women's cottage industries co-operative societies and the Perambur Arunthathiyar Leather Workers' Co-operative Society in the City to dispose of their finished products. The society sustained heavy losses on the distribution work it undertook during the war years, and measures for its rehabilitation have been engaging the attention of its President and others concerned.

42. *The West Godavari Co-operative Marketing Federation* has been making steady progress. It had a membership of 246 and share capital of Rs. 26,050. The purchases and sales during year were Rs. 8·35 lakhs and Rs. 8·77 lakhs respectively as against Rs. 7·71 lakhs and Rs. 8·43 lakhs respectively during the previous year. The federation acted as an agent of 9 district co-operative whosale stores in the deficit districts for supply of rice under the permits issued by the Grain Purchase Officer. Its exports on this account were 4 52 lakhs of imperial maunds valued at Rs. 38·29 lakhs as against 3·27 lakhs of imperial maunds valued at Rs. 26·21 lakhs in the previous year. This contact between producers' federations in the surplus districts and consumers' wholesale stores in the deficit districts during the control period is full of possibilties in linking the activities of these two forms of societies by eliminating a number of middlemen and enabling the producer to obtain a fair share of the consumers' price. The federation hired a rice-mill for the conversion of paddy into rice for an annual rent of Rs. 4,000. During the year, 1·21 lakhs of imperial maunds of paddy were hulled into rice. The federation was also entrusted with procurement work in the deltaic areas of the West Godavari district. After the introduction of the scheme, 32,287 imperial maunds of paddy and rice valued at Rs. 2·28 lakhs were procured by the federation. The increased business enabled it to earn a net profit of Rs. 18,470 as against Rs. 10,125 in the previous year.

43. *The Guntur District Co-operative Marketing Federation* had a membership of 352 and paid-up share capital of Rs. 27,800 on 30th June 1946. The purchases and sales made by it during the year amounted to Rs. 2·88 lakhs and Rs. 2·33 lakhs respectively. It dealt in paddy, chillies, coriander and other agricultural produce. As an agent of other co-operative institutions, the federation supplied stock worth Rs. 1·10 lakhs on a consignment basis. A rice-mill at Tenali was taken on hire for two years on an annual rent of Rs. 4,750 for supply of rice to other districts under the permits issued by the District Supply Officer. During the four months ended 30th June 1946, the federation hulled 11,000 bags of paddy. It also undertook the purchase and supply of manure and cattle-feed to its members. During the year, it purchased castor cake and horse-gram worth Rs. 38,000 and Rs. 17,000 respectively and distributed them among its members.

44. *The Tanjore Co-operative Marketing Federation* did substantial business. The purchases and sales during the year 1945 amounted to Rs. 14·14 lakhs and Rs. 16 29 lakhs respectively. As agent to the Madura-Ramnad and Coimbatore Central Co-operative Stores, the federation exported 311,934 bags of paddy and rice and earned a commission of Rs. 11,373. The federation also undertook procurement of foodgrains. The trading results of the federation have been rather disappointing and this has been a matter of anxiety to all concerned. It worked at a net loss of Rs. 86,040 for the calendar year 1945. Its affairs are engaging close attention.

45. *The Nilgiris Co-operative Marketing Society* continued to do good business. There were 2,688 members with a paid-up share capital of Rs. 1·06 lakhs. The society marketed its members' potatoes of over 1,600 tons valued at Rs. 10·10 lakhs. Sale of vegetables was an extra activity undertaken by it during the year. It continued to manufacture its own manure, getting the necessary ingredients from foreign firms, according to the formula suggested by the Agricultural department. During the year, it supplied 4,784 bags of such manure to its members. The society was able to bring about an increase of nearly 200 acres under potato cultivation. The export quota of 25 per cent for the sale of potatoes originally allotted to the society was raised to 30 per cent from October 1945 onwards, and it is hoped that the marketing business will in consequence increase substantially hereafter. There are at present certain difficulties in the way of the small growers of potatoes living in far off villages

marketing their produce through the society. I am considering ways and means of getting over them. The society has agreed to take over the Government vegetable depot at Ootacamund when it is wound up, and orders of Government are awaited.

46. *The South Kanara Agriculturists' Co-operative Wholesale Society* has received a set back as a result of the fire disaster in its Bombay branch in April 1944. The society has, however, been slowly recovering. Though the loan business on the security of rice and paddy has almost disappeared owing to the statutory procurement operations in force through the co-operative wholesale stores, it has been issuing loans against commercial crops like areca, pepper, cardamom, tobacco, chillies and jaggery. The loans made by it during the year amounted to Rs. 5·15 lakhs. The society also marketed 5,472 candies of areca, pepper, chillies, jaggery and cardamoms and 746 muras of cashewnuts to the total value of Rs. 21·44 lakhs as against Rs. 20·53 lakhs during the previous year.

47. *The Malabar District Produce Sale Society* has been doing great service to its members through its five branches formed in different taluks of the district. The branch at Badagara markets copra, the Tellicherry branch, pepper and cashewnut, the Vengara branch, ginger and pepper and the Kalpatta branch, coffee, pepper and to a limited extent, paddy. During the year, loans against produce were issued to the extent of Rs. 6·83 lakhs as against Rs. 5·24 lakhs in the previous year and the value of produce marketed was Rs. 11·32 lakhs. During the year, coffee worth Rs. 60,435 was processed by the society. It also acts as an agent of the Indian Coffee Board for the collection and pooling of coffee until sales are effected by the Board. The society earned a commission of Rs. 3,325 during the year.

Fruit Growers' Co-operative Societies.

48. There were 13 societies of this type at the close of the year. *The Kodur Fruit Growers' Co-operative Society* in the Cuddapah district is the biggest among them. On 30th June 1946, it had 2,055 members with a share capital of Rs. 50,818. It has its own sales depots at Hyderabad, Bangalore and Madras. It has a number of commission agents at important trading centres including Bombay and Sholapur. Many of the district co-operative wholesale stores in the Southern districts act as its agents for the sale of fruits. The society gives them a small subsidy for maintaining depots. It continued the supply of fruits (oranges, plantains, mangoes and limes) to the Army till 31st January 1946, when the arrangement was terminated. The value of fruits supplied to the Army during the year up to January amounted to Rs. 6·70 lakhs as against Rs. 13·47 lakhs during the whole of 1944–45. Inclusive of the supplies to the Army, the total sales amounted to Rs. 13·12 lakhs as against Rs. 39·82 lakhs during the previous year. This marked drop in its trade was mainly due to the termination of the Army contract and partly to the failure of the orange crop. During the year, the society advanced loans to members to the extent of Rs. 2·2 lakhs for improvement of gardens and purchase of manure. In order to obtain in bulk the chemical manures required by the members, the society had itself recognized as the sole distributor of Messrs. Imperial Chemical Industries (India), Limited. Up to 30th June 1946 it distributed manure for Rs. 20,314 among its members. This service was greatly appreciated and helped to make the institution popular. A Deputy Registrar was working as the Business Manager of the society during the year. His services have since been withdrawn. At present there is a Co-operative Sub-Registrar assisting the board of directors in the day-to-day management of the society.

49. *The Palacole Fruit-Growers' Co-operative Society* in West Godavari district is the next biggest institution. During the year the society marketed limes and betel leaves to the value of Rs. 2·36 lakhs. With the aid of a long-term loan of Rs. 10,500 and a free Government grant of Rs. 3,000, the society constructed a proper godown with ample storage accommodation. It was

opened by the Hon'ble Sri Daniel Thomas, Minister for Local Administration. With the storage facilities now enjoyed by the society, it proposes to undertake the marketing of coconuts as well. In order to find a profitable use for limes that are largely in surplus in the crop season, the society has undertaken the manufacture of lime-squash and cordials. A special industrial section for the manufacture of by-products has been opened in the premises of the society and is in charge of an employee who was specially trained in fruit-canning under the Bio-chemist, Kodur.

50. *The Rajahmundry Fruit-Growers' Co-operative Society* did marketing business to the extent of Rs. 2.95 lakhs during the year. It undertook the supply of oranges to the Army temporarily during the months of July and August 1945, when the Kodur society was not able to meet the full requirements of the Army due to the failure of crops.

CHAPTER V.

Agricultural Co-operatives (other than Credit and Marketing Societies).

51. The main form of assistance to the agriculturists is no doubt the provision of credit to meet seasonal cultivation expenses but other aids to agriculture are almost equally essential such as irrigation facilities, promotion of improved methods of cultivation, reclamation of land, etc. Different types of agricultural co-operatives are doing valuable service to the ryots in these directions The more important of them are land colonization co-operative societies, land reclamation societies, irrigation societies, and agricultural demonstration and improvement societies.

52. *Land Colonization Co-operative Societies.*—These societies came into existence as a result of the land colonization schemes sanctioned by Government for the benefit of landless agricultural labourers. On the 30th June 1946, there were 26 land colonization co-operative societies working in eight districts in the province. Originally, the administrative control of these societies vested in the Revenue department; but it was transferred to the Co-operative department with effect from 1st July 1945. At the end of the year, there were 3,015 colonists on the rolls of the 23 land colonization societies under my administrative control. The remaining three societies in Chingleput district are still under the control of the Revenue department. An extent of 11,348 acres of land was held by these 23 societies, of which, 9,951 acres were cultivable. The area actually brought under cultivation during 1945–46 extended to over 8,386 acres. Lack of proper irrigation facilities is a serious handicap under which these societies suffer and this fact, together with the failure of the monsoon last year retarded their progress. The members of colonization societies in Coimbatore and North Arcot districts availed themselves of the opportunity afforded by Government under the "accelerated scheme" of sinking wells and 94 irrigation wells in three societies in Coimbatore district, and 11 societies in North Arcot were sunk by the colonists. It is expected that this will give an impetus to intensive farming in these areas. The colonists raised dry crops like cholam, cumbu, ragi, thinai, grams, etc., and in Chingleput district paddy was also grown. I have sanctioned loans and free grants to these societies to the extent of Rs. 21,177 and Rs. 19,335 respectively during the financial year 1945–46.

Government were pleased to approve my proposal to place these societies in the charge of Senior Inspectors in the place of Agricultural demonstrators. There are now eleven Senior Inspectors in charge of land colonization societies. There are only two Agricultural demonstrators in charge of two societies in the districts of Tanjore and Salem.

The colonists have, during the year, shown keen interest in taking to subsidiary occupations such as mat-weaving, tape-weaving, poultry-farming, vegetable-gardening, etc. In certain colonies in the districts of Coimbatore, Salem and Kurnool, anti-malarial measures have to be carried out in order to make the colonists settle permanently on the land. This is engaging my attention, and I shall soon approach Government for helping the societies in this regard.

53. *Land colonization societies for ex-servicemen.*—The formation of land colonization co-operative societies for ex-servicemen is one of the major resettlement schemes in this province. The Board of Revenue, has drawn up 50 such schemes. There is at least one scheme for each district except Madras and the Nilgiris. About 6,300 ex-servicemen are proposed to be settled on a total extent of about 50,000 acres of land formed into colonies on co-operative lines. The lands are not to be assigned to individuals. The societies will own the lands, reclaim them and provide irrigation facilities, wherever necessary. The societies will also provide them with other amenities, such as drinking water, etc. It is proposed to help the colonists to take up wherever possible, cottage industries such as cattle-breeding, poultry-farming, dairying, etc., to supplement their income from land. Government have so far approved 22 schemes in the districts of Anantapur, North Arcot, Bellary, Chingleput, Coimbatore, Cuddapah, East Godavari, Guntur, Kistna, Kurnool, Malabar, Salem, Tanjore, Tinnevelly and Trichinopoly. Of the remaining 28 schemes, three were dropped and 25 more are pending approval of Government.

In accordance with the schemes already approved, six land colonization societies have so far been registered, one in West Godavari, two in East Godavari, two in Kistna and one in Anantapur district. The societies at Kalavapudi (West Godavari) and at Komaragiripatnam and Kandikuppa (East Godavari) were started on work in the year under report. In Kalavapudi land colonization co-operative society, there were at the end of the year 247 members with a paid-up share capital of Rs. 12,400. A sum of Rs. 53,600 was advanced as loans to members. About 1,825 acres of land have been handed over to the society for cultivation.

The Komaragiripatnam Land Colonization Co-operative Society had 26 members and a paid-up share capital of Rs. 1,350 on the 30th June 1946. As the society was started only towards the close of the year it was not able to do any appreciable work. The membership and share capital have since increased to 44 and Rs. 2,200 respectively. Twenty temporary sheds already constructed were occupied by the members. They have been given 220 acres of land at the rate of 5 acres per head. Transplantation was completed in 46 acres of land. A sum of Rs. 4,841 was disbursed as loans to members for cultivation expenses, purchase of cattle, etc. The members propose to take up subsidiary occupations such as poultry-farming, fishing and coir-making.

The Kandikuppa land colonization society had 25 members on its rolls with a paid-up share capital of Rs. 1,250 at the end of the year. An extent of 121 acres of land was assigned to the society. Twenty temporary sheds newly constructed were occupied by the members and 16 of them were given a loan of Rs. 30 each for cultivation expenses.

The administrative control and supervision of these land colonization societies for ex-servicemen has recently been transferred from me to the Director of Resettlement and Employment, Madras. The Field Labourers' Co-operative Societies in East Godavari, West Godavari, Guntur and Kistna districts have been taking lands on lease from Government and distributing them to their members for carrying on cultivation.

54. *Land reclamation societies.*—Under the scheme for the reclamation of land in the Cauvery-Mettur Project area, 14 societies have been formed in Tanjore district. The short-term requirements of the members are met from cash-credit loans obtained from the Tanjore Co-operative Central Bank; while their long-term credit needs for purposes of land reclamation are met from loans obtained from Government. These societies had at the end of the year 2,170 members of whom 1,890 were engaged in actual reclamation work. Their paid-up share capital amounted to Rs. 21,391. During the year, 108 loan applications for Rs. 25,285 were sanctioned for reclamation of lands and 979 acres of land in 16 villages were reclaimed. The total extent of newly reclaimed lands brought under cultivation in the 16 villages since the beginning of the scheme is 3,202 acres. For want of godown accommodation, the produce of the members could not be pooled and marketed by the societies. Arrangements are being made for the construction of one godown for each

society at a cost of about Rs. 3,000. Each society has applied for a free grant of Rs. 1,500 and a loan of Rs. 1,500 for this purpose. The reclamation scheme is being worked with the assistance of a special staff sanctioned for the purpose.

The Kuhoor Land Reclamation Co-operative Society in Trichinopoly district has done good work. It had 75 members and a paid-up share capital of Rs. 1,979. All the members are engaged in reclamation work. The extent of land so far reclaimed is 7,058 acres.

Thus on the whole, out of 14,250 acres of lands to be reclaimed by the 15 societies in the Cauvery deltaic districts of Tanjore and Trichinopoly, an extent of 11,239 acres of land has been reclaimed till the end of the year. These societies are doing most useful work in bringing more lands under cultivation. Government have provided funds to the extent of Rs. 49,700 for the year 1946–1947 for the grant of loans to these societies.

55. *Irrigation societies.*—There were 17 irrigation co-operative societies working in South Arcot, Guntur, Kistna, Tanjore and Tinnevelly districts with a membership of 2,084 and a paid-up share capital of Rs. 6,438. They undertake kudimaramat work such as repairs to irrigation channels, tanks, etc., and also regulate and supervise the distribution of water. All the pattadars in the ayacut of the channels are eligible to become members of societies. The area under cultivation covered by these 17 societies was 7,928 acres and 1,110 members have thereby been benefitted.

56. *Agricultural demonstration and improvement societies.*—There were 58 agricultural improvement societies at the end of the year with 6,405 members and a paid-up share capital of Rs. 83,750. They supplied their members with improved varieties of seeds, manures, fertilizers, agricultural implements, steel-tyres and axles to the value of Rs. 4.93 lakhs. They have in this manner been able to promote agricultural production and improvement in select centres.

There are also nine societies for agricultural demonstration; they had 1,371 members on the rolls (including 38 societies) and a paid-up share capital of Rs. 12,675. They cultivated 116 acres of land during 1945–46 for demonstration purposes. A noteworthy feature is that they supplied improved varieties of seed, manure, etc., both to members and non-members to the value of Rs. 4.32 lakhs during the year.

57. *Sugarcane-growers' societies.*—The sugarcane-growers' co-operative societies and unions afford facilities to sugarcane-growers for marketing produce and enabling the sugar factories to get adequate supplies of cane. There are 12 such co-operative societies and 5 unions working in the Province. When the sugar excise subsidy scheme of the Government of India was withdrawn, the local Government continued to give financial assistance to sugarcane-growers, out of Provincial funds. The necessary staff both from the Co-operative and Agricultural departments was employed to tender advice and render help to cane-growers; capital was also provided, for the purchase of implements, seed, manure, etc. At my request, the assistance has been extended to the sugarcane-growers' societies in Vizagapatam and Trichinopoly districts, besides South Kanara, Coimbatore and East Godavari districts where the scheme for assistance was already in existence. I have requested Government to restore the scheme of assistance to the societies in Bellary district also.

With the abolition of the Committee for sugar production in 1945, a Provincial Committee on the lines of the "Indian Central Sugarcane Committee" has been constituted by Government for improving sugarcane cultivation and manufacture of sugar in the Province. The Registrar of Co-operative Societies is one of the official members of the Committee.

The Hospet Sugarcane-Growers' Co-operative Society (Bellary district) issued loans to members to the extent of Rs. 32,821 for cultivation of sugarcane and also distributed 35 bags of Ammonia Sulphate, and 70 bags of groundnut-cake. The Kirlampudi Sugarcane-Growers' Union (East Godavari) advanced loans to the extent of Rs. 1.34 lakhs for cultivation purposes. The South Kanara Sugarcane Growers' Co-operative Society issued loans to its members to the tune of Rs. 23,038. The members' produce (mainly jaggery) was sold through the society for Rs. 1.41 lakhs.

There are two co-operative sugar factories in the Province—the Ettikoppaka Co-operative Agricultural and Industrial Society in Vizagapatam district and the Coimbatore Co-operative Sugar Manufacturing Society. The Ettikoppaka Society continued to manufacture sugar and did good work. It has 62 members scattered over 27 villages where sugarcane is abundantly grown. The paid-up share capital amounted to Rs. 44,875. The society crushed 7,988 tons of sugarcane and produced 738 tons of sugar during the year. There is a proposal to install a new plant with a crushing capacity of 600 tons per day and to expand the factory at an estimated cost of about 20 lakhs. It is under the consideration of Government. The Coimbatore Co-operative Sugar Manufacturing Society crushed 1,50,010 cwts. of sugarcane and produced 10,614 cwts. of sugar during the year 1945–46. As the society is working at a loss, the question of selling the factory as a running concern is being considered by the management.

58. *Grow More Food compaign.*—It may be observed from the foregoing paragraphs that different types of agricultural co-operatives have been playing a notable part in the "Grow More Food Campaign." The loans issued for cultivation purposes in pursuance of this campaign amounted to Rs. 36·06 lakhs. As a result, additional land extending over 35,000 acres has been brought under cultivation of food crops and 1,634 acres under vegetables during 1945–46. The ryots have been supplied with improved seed valued at Rs. 89,131, manure worth Rs. 8.55 lakhs, agricultural implements worth Rs. 17,057, tyres for Rs. 6,780 and axles for Rs. 3,570. These are exclusive of the supplies made by agricultural improvement and demonstration societies to the value of Rs. 4.93 lakhs and Rs. 4.32 lakhs respectively, referred to earlier in this chapter.

CHAPTER VI.

Co-operative Dairying and Animal Husbandry.

Milk-supply societies and unions.

59. *General progress.*—There were 21 co-operative milk-supply unions and 253 milk-supply societies at the end of the year, as against 19 unions and 191 societies at the beginning of it. Their memberships increased from 14,157 to 21,767 and their share capital from Rs. 2.13 lakhs to Rs. 3.78 lakhs. Of the 253 societies, 208 were affiliated to 21 milk-supply unions and they functioned as feeder units of the latter, without undertaking direct sale of milk. The other 45 societies were independent units functioning at places where no milk-supply unions have been formed, and undertook direct sale of milk. The transactions of the milk-supply unions and societies in the past four years are exhibited in the table below:—

Year.	Milk-supply societies. Value of milk sold. RS. (IN LAKHS.)	Milk-supply unions. Value of milk handled. Purchases. RS. (IN LAKHS.)	Sales. RS. (IN LAKHS.)
1942–43	8·36	7·51	8·64
1943–44	22·53	11·20	12·24
1944–45	20·08	27·59	32·69
1945–46	42·55	51·39	58·95

Of Rs. 42.55 lakhs of milk sold by milk-supply societies, Rs. 31.91 lakhs represents the value of milk supplied by the feeder societies to the milk-supply unions. The balance of Rs. 10.64 lakhs represents the value of milk sold by independent societies directly to the public. Thus the total value of milk supplied to consumers both by unions and societies amounted to Rs. 69.59 lakhs. The total quantity of milk that was supplied to consumers amounted to about 32 million pounds. Assuming that the per capita consumption of milk in the Province is *3·7 ounces, the societies served a population of 15·16 lakhs. In many important towns in the Province, the public have begun to look to these organizations as reliable sources of milk supply.

* Report on the marketing of milk in India and Burma.

The milk-supply societies and unions have been catering to the needs, not only of the public, but also to State hospitals and jails. The Madras Milk-Supply Union is the sole supplier of milk to all the eight State hospitals in the City. The milk-supply unions at Vellore, Coimbatore, Madura, etc., are supplying milk to the respective headquarters General Hospitals and to Central Jails at these centres. Several municipalities have been obtaining the milk required for their child-welfare centres from these institutions. The value of milk supplied by these institutions to hospitals, jails and child-welfare centres is given in the following statement:—

	Number of societies or unions supplying milk.	Value of milk supplied during 1945–46. RS. (IN LAKHS.)
Hospitals	17	9·31
Jails	8	0·75
Municipalities	13	7·59

There is growing evidence that these institutions are becoming more and more popular and increasing the range of their service.

Working of some important milk-supply unions.

60. *The Madras Milk Supply Union* which is the premier institution of its kind in the Province, and perhaps in the whole of India, has made steady progress. During the year, the daily production of milk increased to 36,000 lb. from 18,300 lb. last year. The peak level of 36,000 lb. was reached in March, 1946; since then, there has been a slight fall on account of the usual seasonal variations in the supply of milk. At the end of the year, the Union was supplying about 29,500 lb. of milk a day to the City; of this, 9,500 lb. were distributed to the public through its 45 depots in several parts of the City and by house delivery; 7,200 lb. were supplied to the City State hospitals and the balance of 12,800 lb. to the Madras Corporation for free distribution to priority consumers—expectant and nursing mothers and children under five years of age —and to poor school children reading in the elementary schools of the Corporation. The Union continued its supplies to the Army up to 31st March 1946, when the supplies were terminated as the Military did not require milk any longer. The total value of milk supplied to the Army from 11th March 1944 when the scheme was introduced, to 31st March 1946 amounted to Rs. 12.73 lakhs. The total purchase of milk made by the Union during the year 1945–46 amounted to Rs. 26.38 lakhs while its sales were Rs. 28.98 lakhs as against Rs. 10.18 lakhs and Rs. 11.86 lakhs respectively during the previous year. It is estimated that the Union has been supplying about one-sixth of the total requirements of milk in the City. The success of this Union is a striking testimony to the immense possibilities of applying the co-operative method to the supply of milk to big towns and cities.

61. Next in importance is the *Coimbatore Milk-Supply Union.* It also continued its supply of milk to the Army. The value of milk supplied to the Army during the year amounted to Rs. 10.85 lakhs. The progressive total of the value of milk supplied to the Army up to 30th June 1946 from the inception of the contract, amounted to Rs. 20.49 lakhs. The Army have since reduced the daily demand to 5,000 lb. and this is proposed to be further reduced to 3,000 lb. from 1st December 1946. The Union has through its branches extended its range of supplies to the civil population in seven towns other than Coimbatore, viz., Dharapuram, Tiruppur, Pollachi, Palladam, Udumalpet, Avanashi and Mettupalayam. This is the only institution in the Province which is trying the experiment of supplying milk to more than one town. At the end of the year, the daily supply of milk made by the Union amounted to 18,000 lb. of which 7,100 lb. are supplied to the Army, 9,800 lb. to the civil population and 1,100 lb. to hospitals and other institutions. During the year, the value of milk purchased by the Union amounted to Rs. 14.43 lakhs while the sale-proceeds were Rs. 17·93 lakhs as against Rs. 9.66 lakhs and Rs. 12.12 lakhs respectively in the previous year.

62. The Madura Milk-Supply Union sold milk to the value of Rs. 4.25 lakhs. The Union has also undertaken the cultivation of fodder in the Madura municipal sewage farm, which has been taken on lease. Guinea grass is grown in the farm which is about four miles from the town. The grass is transported in carts to Madura town and supplied in bundles of 10 lb. to the members at their doors. About 2,000 bundles are sold every day. The sale-proceeds realized by the sale of grass amounted to Rs. 59,675 during the year.

The Milk-Supply Unions at Vellore, Mangalore, Chittoor, Ellore and Calicut sold milk for over Rs. 1 lakh each during the year.

Special schemes for Madras City.

63. *General scheme for increasing the City's milk-supply.*—The scheme sanctioned by Government for increasing the City's milk-supply was introduced in May 1945. The object is to extend the activities of the Madras Milk-Supply Union by forming more feeder societies both in the City and in the Chingleput district. Six milk-supply societies were started in the City and 21 societies in the Chingleput district. Besides these societies, big individual suppliers have also been enrolled as members of the Union. The milk supplied by the feeder societies is collected through lorries provided by the Civil Supplies Transport Unit and transported to the Union's factory at Ayanavaram where it is pasteurized and sent out for delivery to the consumers. The Union maintains forty-five retail depots for the sale of milk to the public. Cycle delivery boys also distribute milk to permanent customers at their houses. Government have provided the necessary staff free of cost for supervision of the scheme and propose to provide at their cost four cattle-sheds within the City and twelve sheds for select societies in Chingleput district to enable the members to draw milk at a common milking yard under proper supervision. Plans and estimates have been drawn up and the question is now under the consideration of Government. Government have also sanctioned the appointment of a Veterinary officer to look after the health of the animals maintained by the members of the Union and its feeder societies.

64. *Scheme for free distribution of milk to priority consumers.*—Government sanctioned in May 1945, a scheme for the Madras City for the free distribution of milk to priority consumers comprising of expectant and nursing mothers and children up to five years of age belonging to families with a monthly income of Rs. 50 or less—a most vulnerable section of the City's population. The milk is supplied in bulk by the Madras Milk-Supply Union to the Madras Corporation which receives and distributes the milk through its child-welfare centres. The total quantity of milk supplied to priority consumers was gradually increased from 1,500 measures a day to 3,000 measures a day. The supplies have since been reduced to 2,000 measures a day and Government have ordered that the scheme will be in force only up to 31st December 1946. Government have sanctioned free of cost a staff of four Co-operative Sub-Registrars and one Dairy Expert for supervision of the scheme. The supplies under this scheme commenced from 29th May 1946, and up to 30th June 1946, 671,751 measures of milk were distributed to priority consumers free of cost. Government have incurred an expenditure of about Rs. 6·72 lakhs towards the cost of milk under the scheme up to 30th June 1946.

65. *Military supplies and alternative scheme for supply of milk to school children.*—The Madras Milk-Supply Union which was making a daily supply of 2,000 measures to the Army continued this supply up to 31st March 1946. The Army expressed the desire to terminate the supplies from 1st April 1946, and as the Union could not readily absorb this quantity in the civil market, Government relieved the Army of all its obligations and transferred the entire

supply for free distribution to school children with effect from 1st April 1946. Government ordered that the entire quantity of 2,000 measures a day should be distributed free of cost to poor and defective school children reading in the elementary schools of the Madras Corporation. The Commissioner was entrusted with this task. The Union supplied the entire quantity in bulk to the Corporation, which in turn arranged for its distribution to the school children. The scheme was sanctioned for a period of six months from 1st April 1946. Government also sanctioned a staff of two Co-operative Sub-Registrars, two Dairy Experts and two Senior Inspectors for supervision. The school children who did not receive midday meals were given 8 oz. of milk per head and about 16,000 children had the benefit of free supply of milk. When the Corporation schools were closed for the summer recess from 5th May to 16th June 1946, Government ordered that one thousand measures out of the above 2,000 measures should be distributed to the inmates of poor houses, orphanages and charitable institutions in the City. The balance of 1,000 measures were diverted partly to augment the supply to priority consumers and partly sold to the public by opening additional depots; Government agreed to meet the extra cost incurred by the Union in opening such additional depots. The supply of milk to the inmates of charitable institutions evoked great appreciation and I have conveyed to Government the expression of gratitude from the heads of these institutions for this act of benevolence on the part of Government. When the schools re-opened after the summer vacation, the supply to school children was resumed at a reduced level of 1,000 measures per day. The supply continued up to 31st July 1946 and closed down with effect from 1st August 1946 and the milk being diverted to augment the supplies to priority consumers. The cost incurred by Government towards the value of milk supplied under this scheme amounted to Rs. 1.39 lakhs.

Government have also sanctioned the appointment of a Deputy Registrar who is responsible for the execution of all the milk-supply schemes in the City. He also supervises the working of the Madras Milk-Supply Union and the societies affiliated to it and offers the Union necessary advice and guidance in its undertakings.

Concessions granted by Government to milk-supply societies and unions.

66. *Provision for interest-free loans for the purchase of milch animals.*—Government, on my recommendation, were pleased to place at my disposal adequate funds for disbursement of interest-free loans to members of milk-supply societies and unions for the purchase of milch animals. During the year, loans to the extent of Rs. 4.18 lakhs were disbursed to two milk-supply unions and 89 milk-supply societies. Of these, the loans given to the Madras Milk-Supply Union and its affiliated societies alone amounted to Rs. 2.73 lakhs. These loans are repayable within a year. The members of these institutions were able to purchase new animals with the aid of these loans and increase the production of milk. Government have also placed at my disposal an allotment of Rs. 4.03 lakhs for disbursement of similar loans during the current year.

Provision of interest-bearing loans for purchase of motor lorries.—Some of the larger milk-supply unions felt the need for purchasing lorries for transporting milk from production centres and for its distribution in the towns. On my recommendation, Government placed an allotment at my disposal for the purpose. These loans are repayable in five years with interest at 3½ per cent per annum. The milk-supply unions at Coimbatore, Tanjore, Madura, Calicut and Mangalore availed themselves of this facility and loans to the extent of Rs. 39,000 were disbursed to them during the year. The Milk-Supply Union, Tanjore, did not, however, purchase the lorry, as the running cost of the ex-Army vehicle allotted to it was found too high, and repaid the Government loan. The other four unions purchased the ex-Army vehicles allotted to them by the Provincial Motor Transport Controller, but the Calicut Milk-Supply Union found that it was not economical and had therefore to dispose of it. The other three unions have represented to me that they have sustained a loss in purchasing and maintaining these vehicles and have applied to Government to pay a subsidy for compensating them for the loss sustained. I have recommended their request to Government for sympathetic consideration.

Exemption from sales tax.—Numerous representations were received from milk-supply societies and unions that the levy of sales tax on their transactions crippled their business and worked hardship on them. On my recommendation, Government were pleased to exempt the milk-supply societies and unions from the payment of sales tax in respect of their sale of milk during the year 1946–1947. Government have also asked me to report in good time, if there is need to continue the exemption beyond the year 1946–47. There is a feeling among the members and office-bearers of these institutions that this exemption should apply to sales effected by them in 1945–46 also, as the societies are in the early years of their working, and I am addressing Government on this matter. There is little doubt that this exemption should be continued at least for some more years so that the institutions concerned may be able to establish themselves on a sound footing.

67. During the year, Government also passed orders that the concessions, given to members of milk-supply societies and unions for cutting monsoon grass from reserve forests free of cost for purposes of making silage for use in the summer months, should be extended for a further period of three years.

68. *Milk recording schemes.*—The scheme of milk recording was enforced in the milk-supply unions at Tanjore and Chittoor at the beginning of the year. During the year it was introduced in the milk-supply societies started in the City. Government also approved my proposal to extend the scheme to three other milk-supply unions, viz., those at Coimbatore, Madura and Vellore. To each of these institutions, Government have sanctioned a subsidy of Rs. 350 per annum of which Rs. 300 is towards the pay of the milk-vendor and the balance of Rs. 50 is for the award of prizes in kind to the owners of cows, the milk record of which is good. The milk-supply unions at Tanjore and Chittoor and the six milk-supply societies in the City admitted in all 212 cows into the scheme. Excluding the animals that were removed from the scheme during the year on account of their having gone dry, or having been died or been sold, there were 167 animals under the scheme at the close of the year. The scheme helped the members to study the milk record of their cows and to build up a graded stock from indigenous breeds of cattle best suited for increasing milk production.

69. *Scheme for salvage of dry cows.*—The Madras Co-operative Society for the salvage of dry cows completed the second year of its work. There were 95 animals in the Kambakkam salvage farm at the beginning of the year. During the year 129 cows belonging to 79 cattle-owners were taken by the society for salvage. Of these, two animals died at the kancha, 31 were returned to owners before calving and 43 after calving. There were 148 animals at the farm at the close of the year. Further admission of animals into the society has temporarily been suspended due to lack of accommodation at the kancha. Since the close of the year, I visited the kancha and have suggested to the Director of Veterinary Services that certain improvements may be made at the kancha, such as, the construction of additional cattle-sheds, provision of a veterinary first-aid unit at the kancha, introduction of anti-malarial operations, cultivation of fodder, etc. When these improvements are made, it may be possible to extend the usefulness of the scheme and make it more popular. Even as it is, there is a large rush for admission of animals into the society and there are a large number of applications on the waiting list.

70. *Cattle-breeding societies.*—There were thirteen cattle-breeding societies at the close of the year. Of these, one is a co-operative society for the improvement of buffaloes formed at Senjeri in Coimbatore district during the year. These societies had between them 1,161 members with a share capital of Rs. 15,185 at the close of the year. They maintained 20 stud bulls which performed 730 services during the year. The number of improved calves that the members of these societies were able to obtain during the year was 407.

In order to improve the breed of Senjeri buffaloes, which are noted for their hard work and milking capacity, Government sanctioned, on my recommendation a subsidy of Rs. 14,466 to the Senjeri Buffalo Improvement Co-operative Society. Of this, Rs. 10,500 is a non-recurring grant towards one-half the cost of putting up cattle-sheds and dairy buildings at the headquarters of the society. The balance is a recurring grant towards one-half of the cost of staff, etc. Before the scheme could be given effect to, Government ordered that no expenditure need be incurred under the scheme during the current financial year and the scheme has been kept in abeyance. The society has, however, been formed and it is supplying milk to the Coimbatore Milk-Supply Union to which it is affiliated. The Coimbatore Milk-Supply Union has agreed to meet the other half of recurring and non-recurring expenditure under the scheme. I hope it will be possible to introduce the scheme with the permission of Government at least during the next financial year.

CHAPTER VII.

Weavers' Co-operative Societies.

71. *Progress.*—There has been steady and substantial development in the activities of weavers' co-operative societies, despite the difficulties experienced by them on account of the shortage in the supply of yarn. The following table shows the progress during the past five years:—

	1945-46.	1944-45.	1943-44.	1942-43.	1941-42.
Number of primary weavers' societies ..	336	311	263	228	215
Number of members	65,286	51,131	42,438	31,431	19,676
Number of working looms	39,452	26,936	16,854	23,720	9,766
	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)
Paid-up share capital	20·07	10·26	6·23	4·16	2·21
Value of cloth produced	347·69	169·54	85·88	91·12	20·31
Value of cloth sold	373·09	174·44	87·11	95·83	25·31

The increase in number, membership, paid-up share capital, number of looms, production and sales was phenomenal during the last quinquennium. The number of active looms at the end of the year constitutes about 22 per cent of the total number of looms in the areas served by the weavers' societies.

The working capital of all primary weavers' societies amounted to Rs. 52.24 lakhs at the end of the year and it is made up of paid-up share capital Rs. 20.07 lakhs; Reserve fund, Rs. 8·76 lakhs; other funds, Rs. 13·85 lakhs; borrowings, Rs. 9.56 lakhs. The wages paid to members by all societies during the year amounted to Rs. 147.6 lakhs. The annual gross profits and net profits earned by the societies were Rs. 64.73 lakhs and Rs. 50.37 lakhs respectively, while the gross loss and net loss sustained were Rs 0·64 lakh and Rs. 0·46 lakh respectively. Steps have been taken to place the few societies which worked at a loss under proper management. The special staff of 17 Senior Inspectors recently sanctioned by Government for supervision of weavers' societies will be able to exercise better supervision over their working than hitherto.

72. Of the societies working in the Province, the Yemmiganur Weavers' Co-operative Society in the Bellary district requires special mention. This is the biggest society with 1,277 members on the rolls and a paid-up share capital of Rs. 35,760. It has in its fold 1,069 working looms. It produced cloth to the value of Rs. 4.59 lakhs and sold goods worth Rs. 6.48 lakhs during the year. Its net profit was Rs. 1.35 lakhs. The society has set up a small factory with 14 frame looms in order to train the weaver-members in the production of improved varieties of shirtings, coatings, table-cloths, bath-towels, etc., with up-to-date and attractive designs. It owns a dye-house in which about 8,000 lb. of yarn are being dyed every month. To provide better housing facilities for the weaver-members, the society has launched a scheme for the construction of a weavers' colony of 100 houses at an estimated cost of about Rs. 2.75 lakhs.

The society has applied for the acquisition of a site of about 62 acres on the outskirts of Yemmiganur village. It proposes to take a loan of a lakh of rupees from Government to finance the scheme, repayable in 20 annual instalments, the balance being made available from its own funds. It is also proposed to collect at the rate of Rs. 500 from each colonist. Government have sanctioned the loan, and land acquisition proceedings are in progress.

73. *The Madras Handloom Weavers' Provincial Co-operative Society.*—The Madras Handloom Weavers' Provincial Co-operative Society continued to supply yarn and other raw materials to the primary societies and to market a portion of their finished goods. The membership of the Provincial Society rose from 618 to 1,258, and the paid-up share capital from Rs. 1.40 lakhs to Rs. 1.50 lakhs. Out of a cash credit loan of Rs. 10 lakhs sanctioned by the Madras Provincial Co-operative Bank, a sum of Rs. 5.5 lakhs was outstanding at the end of the year. The Provincial Society supplied yarn to the primaries during the year to the value of Rs. 107.74 lakhs as against Rs. 79.51 lakhs during the previous year and the value of finished goods purchased from primary societies was Rs. 64.53 lakhs as against Rs. 15.62 lakhs in 1944–45. The value of finished goods marketed by the Provincial Society through its 36 sales emporiums spread over the Province was Rs. 83.75 lakhs during the year, while in the previous year it marketed Rs. 41.64 lakhs worth of goods.

Yarn supply.—The arrangements in vogue for the procurement of yarn from the mills were continued. On account of shortage of yarn, the additional quota which the weavers in the societies were getting was reduced from 50 to 25 per cent and it was further cut down to 10 per cent. This 10 per cent additional quota also has since been withdrawn. The indents of the Provincial Society for yarn were cut down by the Provincial Textile Commissioner and the mills. In view of the acute yarn stortage, Government asked me to defer the further expansion of weavers' societies. This caused great discontent and led to bitter complaints. During the year, the Provincial Society indented for 31,963 bales of yarn against which the quota allotted was 20,725 bales and the quantity actually supplied by the mills was only 18,768 bales. The society has also been entrusted with the distribution of yarn to non-members in select places through eight of its emporiums.

Collective weaving centres.—The collective weaving centres in the districts of Salem, Tinnevelly, Chingleput, Kurnool, Chittoor, East Godavari and Ramnad which were under the control of the Provincial Textile Commissioner were transferred to the Provincial Society with effect from 1st July 1945 as running concerns. The Provincial Society has been maintaining these five centres which had 1,979 working looms on 30th June 1946. Their total production and sales during the year amounted to Rs. 13.93 lakhs and Rs. 18.73 lakhs respectively.

Handloom factories.—The handloom factories of the Provincial Society at Basin Bridge, Kurnool and Cuddalore have been making steady progress. They evolved new designs and produced improved varieties of handloom fabrics. Two batches of select weaver members of some of the primary societies were trained at these factories in improved methods of manufacture. The total production in these factories during the year was estimated at Rs. 63,670.

Screen printing factory.—In the screen printing factory at Madras run by the Provincial Society, an additional section was opened for block-printing. At Chirala (Guntur district) the Provincial Society has started another block-printing factory. The total yardage of cloth printed in these two factories was 89,466.

Dye houses.—There were three dye houses on 30th June 1945 at Madura, Salem and Chirala for the supply of coloured yarn to the primary weavers' societies and the handloom factories. Two more dye houses were started during the year, one at Rajahmundry and the other at Tiruttani. Owing to short supply of dyes and chemicals, the factories could meet only a portion of the dyed yarn needed by primary societies. The quantity of yarn dyed was 2.18 lakhs of pounds.

Distribution of hydros.—At a time when black-marketing in the sale of hydro-sulphate of soda was rampant, the distribution of this stuff was entrusted to the Provincial Society. After the society has been employed as the sole distributor for the Province, black-marketing has been completely eliminated. During 1945–46, it distributed 186 tons of this chemical. Subsequent to the close of the year, it was informed that this would be decontrolled.

Lungi production.—During the year, the Provincial Society undertook the supply of three million yards of lungis to the Government of India. For this purpose, four centres were formed at Tiruttani, Sholinghur, Srivilliputtur and Nagari. The order was satisfactorily executed.

Marketing.—The problem that faced the Provincial Weavers' Society was not one of marketing finished goods but of procuring as much cloth as there was demand. An effective policy of procurement was formulated and the primary societies were asked to supply 50 per cent of their production to the Provincial Society. The system of outright purchases was extended. The Provincial Society has increased the number of emporiums from 30 to 36 and opened three central godowns in select places for pooling the goods of primary weavers' societies and for facilitating proper distribution. The Provincial Society was given a monthly quota of one lakh yards of cloth for export to other provinces in order to enable it to dispose of lungis, payadies, etc., manufactured by some of the primary weavers' societies.

The Provincial Society received Rs. 74,196 as subventions during the year from the Government of India. Out of the amount available under the grant including the previous year's balance, Rs. 38,161 were utilized to meet its establishment and contingent charges, as well as the cost of training of select weavers in handloom factories and Rs. 45,179 as grants to the primary weavers' societies.

74. *Cumbly and pile carpet weavers' co-operative societies.*—There were six cumbly weavers' co-operative societies at the beginning of the year. One society was started at Beluguppa in Anantapur district at the close of the year. The following table furnishes particulars of their working in the year 1945–46:—

Number of members	392
	RS.
Paid-up share capital	1,550
Working capital	37,276
Value of finished goods manufactured	36,179
Value of goods sold	45,080
Net profit	589

The Bislahalli Cumbly Weavers' Co-operative Society (Bellary district) has taken up the construction of a cumbly weavers' factory with the aid of the grant of Rs. 5,120 sanctioned by Government for the installation of fly-shuttle looms for the manufacture of superior varieties of woollen fabrics and for imparting training to select weavers in the use of labour-saving appliances. The factory is nearing completion. The establishment of the factory is expected to help the societies in improving the quality of its products.

75. *Ellore Pile Carpet Weavers' Co-operative Society.*—This is the only society of its kind in the Province. It had 114 members on the rolls and a paid-up share capital of Rs. 3,160 on 30th June 1946. It had a working capital of Rs. 19,777. The value of carpets produced during the year was Rs. 46,761 and the value of goods sold was Rs. 67,207. The society worked at a gross profit of Rs. 24,457 and its net profit was Rs. 16,908. The carpets manufactured by the society which are of Moghul, Persian and modern designs, command an international reputation, and numerous orders are being received for their supply. A dye house is attached to the society for dyeing wool. The construction of a factory for the installation of looms to augment production and to provide adequate work to the weavers who are too poor to own looms, is under contemplation. Government have been requested to assign to it a site measuring about 1½ acres in the Ellore Municipality or to make a free grant of a little over Rs. 13,000 to the society for the purchase of the site. The matter is under the consideration of Government. Meanwhile, it has installed looms in temporary sheds to step up production to cope with the increased demand. Their Excellencies Sir Archibald and Lady Nye and the Hon'ble Sri Daniel Thomas visited the society and were impressed with the excellent workmanship and quality of the carpets.

The cumbly weavers' co-operative societies and the Ellore Pile Carpet Weavers' Society continued to receive subsidies from Government for their establishment and contingent charges. The amount of subsidy granted to them during the year was Rs. 15,563.

CHAPTER VIII.

Cottage Industries Co-operatives (other than Weavers' Co-operative Societies).

76. The cottage industries co-operatives are of different kinds embracing a variety of industries, as will be seen from the following table. The particulars relate to the more important of these societies as on 30th June 1946:—

Type of society.	Number of societies.	Number of members.	Paid-up share capital.	Value of goods received.	Value of goods sold.
			RS.	RS.	RS.
Metal workers' and artisans' societies ..	11	1,113	45,835	4,10,570	3,59,170
Egg production and sale societies ..	44	2,128	13,684	98,150	1,12,490
Ghee production and sale societies ..	4	1,032	3,992	94,300	1,05,000
Leather workers' societies	7	890	12,643	91,750	83,000
Pottery societies	10	622	4,768	68,490	77,840
Women's cottage industries societies ..	35	2,410	9,169	51,200	46,620
Cigar manufacture and sale societies ..	2	264	4,150	52,550	45,460
Mat weavers' societies	5	1,172	13,558	31,630	33,720
Coir workers' societies	6	676	7,964	19,660	18,050
Oil production societies	1	129	5,389	15,500	13,100
Jaggery production societies	49	2,688	3,161	13,250	13,020
Charcoal production societies	3	126	169	4,840	12,130
Toy manufacturers' societies	4	106	1,948	11,880	8,040
Hand-made paper societies	6	365	21,857	7,830	2,940
Basket-makers' societies	2	76	545	9,150	2,620
Button manufacturers' societies	2	99	219	2,310	2,500
Bee-keeping and honey production societies.	9	456	1,303	690	650
Stone-carvers' societies	2	67	239	890	580
Other cottage industries societies ..	20	836	8,322	24,490	20,740
Total ..	222	15,255	1,59,206	10,10,160	9,57,670

77. The working of the more important types of cottage industries co-operative societies is described below:—

Co-operative egg marketing societies.—During the year, Government sanctioned a scheme for the collection and marketing of eggs through co-operative egg marketing societies, in order to increase the supply of eggs for the civil population. Thirty-three centres were chosen and in places which were not already covered by these societies new societies were started. Societies already existed in eleven of these centres and 22 new societies were started. To each of these 33 societies, Government sanctioned a subsidy of Rs. 1,040 of which Rs. 840 was a recurring grant to meet the pay of two egg collectors, one clerk and office rent. The balance of Rs. 200 was a non-recurring grant for purchase of egg-grading and testing machines. The Government of India have also sanctioned a grant not exceeding Rs. 20,000 to meet 50 per cent of the actual recurring and non-recurring expenditure under the scheme. The scheme contemplates that each of the egg collectors should collect at least 1,500 eggs per month to start with, the society thus handling about 3,000 eggs per month in the initial stages. It is expected that in the course of six months each society should be able to increase the number to 10,000 eggs per month. The scheme was introduced in January 1946 and up to the end of the co-operative year, the societies in all collected 510,940 eggs to the value of Rs. 37,446 of which 503,313 eggs were sold by them to the value of Rs. 42,774. On an average, the number of eggs handled by each society was about 2,600 per month. The results are encouraging. Since the close of the year, there has been even more marked progress. The subsidy has been sanctioned for a period of one year and I have been asked to report on the need for the continuance of the subsidy during the subsequent years. There is little doubt that in order to conserve and consolidate the advantages so far gained, the subsidy should be continued at least for some more years. Otherwise the societies may not be able to stand on their own legs and compete with private traders. The Government have also sanctioned the employment of four Junior Inspectors for supervision of these societies in districts where three or more societies have been formed. These Inspectors are employed at present in the districts of Tanjore, Kurnool, Guntur and Kistna.

The working of two egg marketing societies not coming under the above scheme needs special mention. The Katpadi Egg Marketing Society, which was the first society of its kind in the Province, sold, during the year, 518,885 eggs to the value of Rs. 59,395. It maintained four poultry units in select villages around Katpadi to which the American Arcot Mission, Katpadi, supplied pure breed cocks and hens. The villagers have been able to improve the stock of birds through these units. Government have sanctioned a subsidy of Rs. 1,000 to this society for the calendar year 1946 to meet the pay of its staff. The second is the Tanguttur Egg Marketing Society in Guntur district, which sold 85,833 eggs to the value of Rs. 7,893 during the year.

The total number of eggs sold by all the egg marketing societies, including those under the subsidized scheme was 11.35 lakhs, the sale-proceeds realized being Rs. 1·12 lakhs as against Rs. 7,757 in 1944–45.

78 *Metal workers' co-operative societies.*—The metal workers' co-operative societies have done good work. They manufactured goods worth Rs. 4·11 lakhs and sold goods to the value of Rs. 3·59 lakhs during the year. Of the 11 societies, one manufactures aluminium goods while the rest except the Quilandy Artisans' Co-operative Society consist of workers in brass and copper. The progress achieved by the societies at Rajahmundry, Vonipenta (Cuddapah) and Ajjaram (West Godavari) requires special mention. The Rajahmundry Aluminium Workers' Society purchased raw materials worth Rs. 1.67 lakhs and sold finished goods to the value of Rs. 1.82 lakhs. Of the 2,000 workers in the town, 464 are its members. It has been paying them good wages. The Vonipenta society produced goods worth Rs. 49,546 and sold to the value of Rs. 34,698, while the Ajjaram society produced and sold goods to the value of Rs. 32,447 and Rs. 33,576 respectively. These types of societies are becoming increasingly popular among the workers; but in view of the very small quota of metal allotted to them, they are not able to make much headway. The workers cannot be kept employed throughout the month, and there is justifiable discontent amongst them. I have been repeatedly representing their case for increased quota of metals. The present monthly quota of $7\frac{1}{2}$ tons of brass and five tons of copper does not meet even a fraction of their needs and I have requested Government to arrange to allot at least 100 tons a month as against their monthly indent of 200 tons. I have not also been able to comply with applications for registration of new societies in view of the present distressing conditions. The Quilandy Artisans' Co-operative Society in Malabar manufactures artistic wares of quality workmanship, such as lamp-stands, finger-bowls, scissors, knives, etc., which find a ready sale through the Madras Provincial Co-operative Marketing Society. For its further development, it requires an oil engine and it has for this purpose applied for a free grant of Rs. 1,000 from Government and also for a recurring subsidy of Rs. 25 per mensem to meet establishment charges.

79. *Leather workers' co-operative societies.*—The Lepakshi Multi-purpose Co-operative Society in Anantapur district, the Madura Leather Goods Society and the Perambur Arunthathiyar Leather Workers' Society at Madras and the Kumbakonam Leather Workers' Society manufacture leather goods of different varieties. The Madura Society proposes to construct a tannery on up-to-date lines and has applied for a Government grant for the purpose. The Perambur Society proposes to work on a factory basis and has approached Government for a free grant. Both the proposals are under the consideration of Government.

80. *Mat weavers' co-operative societies.*—The mat weaving industry on a co-operative basis has developed mainly in the Tinnevelly district where such societies were formed particularly for providing employment to the Burma evacuees. There are three such societies in the district, which produced mats worth Rs. 29,738 and sold to the value of Rs. 32,447. A free grant of Rs. 120 per annum was sanctioned to one of them (Mudaliarpatti Mat Weavers' Society) for one year for employing a marketing agent. During the year, Government have permitted two of the societies to remove grass free of cost from some of the unreserved lands.

81. *The potters' co-operative societies.*—These have done good work. Of the 10 potters' societies, those in North Arcot, Ramnad and Madras are doing appreciable business.

82. *Coir Workers' Co-operative Societies.*—The two Coir Workers' Co-operative Societies at Palayur and Pavaratty in Malabar district continued to work the scheme sanctioned by Government for the development of the coir industry on a cottage basis. Three batches of workers were trained in the manufacture of improved varieties of coir yarn, ropes and other goods. The services of a Senior Inspector sanctioned for the supervision of these societies were continued throughout the year. The rates of wages paid to members are attractive and the members work only for fixed hours. During the year, they produced goods to the value of Rs. 17,314 and sold to the value of Rs. 16,875. The societies are trying to find new markets for their goods and to supply, if possible, the requirements of the Supply Department of the Central Government.

83. *Basket makers' co-operative societies.*—During the year, Government sanctioned a scheme for the development of basket making in the districts of Kurnool, Chittoor and Salem. For the organization and supervision of these societies, three Junior Inspectors have been sanctioned for a period of one year at the rate of one for each of the districts. Government have also sanctioned a sum of Rs. 2,400 for payment of stipends to the workers selected for training from among the basket makers. Ten persons are proposed to be trained for a period of three months at each of the four societies. Govenment have ordered that these societies be given small bamboo coupes at half the local rates or a condition be imposed requiring the lessee of the coupes to sell to the societies at a fixed concessional rate. In practice the societies find it extremely difficult to get their requirements. When once Government lease the coupes to private contractors and lose their hold over them, they have to depend on the goodwill of these contractors for getting their requirements at concessional rates. I have therefore proposed that cash subsidies may be given to them and have submitted proposals to Government in this behalf. In the districts of Chittoor and Kurnool, the training of workers commenced on 1st June 1946, while in Salem two societies were organized after the close of the year.

84. *Women's co-operative societies.*—The women's co-operatives are gradually spreading and expanding. There was marked development in the working of women's cottage industries co-operative societies. There were 35 such societies at the end of the year with a membership of 2,410 as against 29 societies with 1,232 members at the end of the previous year. The value of goods produced and sold by them was Rs. 51,206 and Rs. 46,624 respectively as against Rs. 5,303 and Rs. 5,120 in the previous year. In the Madras City, all the seven societies continued to do good work under the guidance of a Sub-Committee

constituted for the development of cottage industries among women. The Committee meets at frequent intervals, discusses problems touching their development and guides them on right lines. The Woman Special Officer is in charge of the supervision of these societies and assists them in obtaining raw materials and marketing the finished goods. The societies produce shirts, frocks, children's garments, etc., and they are sold on a consignment basis through the cottage industries emporium of the Provincial Co-operative Marketing Society. On 30th June 1946, they had a membership of 593 and they produced and sold goods worth Rs. 14,463 and Rs. 18,936 during the year as against Rs. 2,381 and Rs. 1,304 respectively in the previous year. The Government subsidy of Rs. 3,650 for establishment and contingent charges of these societies was continued during the year. The Madras Provincial Co-operative Bank was generous enough to grant a subsidy of Rs. 150 to each of the six societies towards their working capital. The bank also gave a subsidy of Rs. 350 to the remaining one society towards the cost of a sewing machine, etc., and a recurring subsidy of Rs. 15 per mensem towards the pay of the part-time instructress and clerk.

The Tellicherry Women Fishing-net Makers' Co-operative Society (Malabar) did useful work. It purchased yarn worth Rs. 569, distributed it to members and sold fishing-nets to the value of Rs. 1,953. The members were paid wages to the extent of Rs. 1,347 during the year.

The women's cottage industries co-operative societies are mostly engaged in the manufacture of ready-made garments which require mill cloth. The scarcity of cloth has hampered the progress to a great extent. Attempts are being made to introduce among them other suitable cottage industries such as preparation of pickles, appalams, khadi spinning, etc. It is also proposed to introduce spinning in the weavers' cottage industries societies.

CHAPTER IX.

Miscellaneous Types of Societies.

85. *Building societies.*—The co-operative building societies in the Province have suffered a set-back in general during the war period on account of the scarcity of building materials and the high cost of labour. To add to these draw-backs the prices of building sites have also risen abnormally particularly in Madras City. The construction of dwelling houses has almost ceased. With the return of normal conditions, building activities may be expected to be revived and vigourously took in view of the acute scarcity of housing accommodation in the city and important towns in the Province. Steps are being taken towards this end. There were 113 co-operative building societies at the end of the year with a membership of 4,027 and a paid-up share capital of Rs. 6.73 lakhs, as against 112 societies, 3,892 members, and a share capital of Rs. 6.88 lakhs at the end of the previous year. Loans amounting to Rs. 5.17 lakhs were due to Government of which Rs. 4,664 were overdue. Of the houses whose construction was completed, the borrowers in the case of 1,398 houses discharged their loans and left the societies concerned. At the end of the year, loans were outstanding against members in respect of 1,022 houses already completed. The number of houses still under construction was 259, of which the construction of 143 houses was commenced in previous years. The construction of 135 houses was completed during the year. These include the houses constructed by the Madura Mills Co-operative Housing Society. The value of houses completed and still under construction, and in respect of which loans are outstanding against members was Rs. 24.69 lakhs.

86. *Scheduled caste societies.*—Co-operative societies for the scheduled castes have been doing mostly credit business. On the 30th June 1946, there were 2,328 societies with 1.14 lakhs of members. These societies include the Kallar societies in Tanjore and Madura districts, the fishermen societies in Malabar and South Kanara and the societies for hill-tribes in Vizagapatam and East Godavari districts. The transactions of these societies during the past two years are shown below:—

	1945-46. RS. (IN LAKHS.)	1944-45. RS. (IN LAKHS.)
Paid-up share capital	7 03	5·84
Deposits from members	1·32	1·10
Loans from central banks	6·52	5·59
Loans from Government	2 34	1·39
Overdues to Government	0·01	0·57
Reserve Fund	6·14	5 46
Working Capital	23·35	19·38
Divisible profit	0·62	0·49

The financial position of these societies is rather better than in the previous year. The increase in the share capital and deposits from members is the result of a vigorous drive undertaken for collecting small savings through hundi boxes and thrift deposits. Persons belonging to the scheduled castes are in some cases members of general societies. At the end of the year, there were 46,282 members belonging to the scheduled caste in about 4,168 general societies as against 42,679 members in 3,947 societies at the end of the previous year.

87. *Labour contract societies.*—There were 21 societies of this type at the end of the previous year. Including seven labour contract societies organized in the districts of North Arcot, Madura, Tinnevelly, Chingleput, Tanjore, Madras and Vizagapatam in pursuance of the scheme for the employment of demobilized personnel, there were at the end of the year 28 societies. The administration, supervision and control of the seven societies organized for ex-servicemen has since been transferred from me to the Director of Resettlement and Employment and the special staff sanctioned for working the scheme has been withdrawn except one post of Deputy Registrar at Vizagapatam and one Co-operative Sub-Registrar at Tinnevelly. The 21 labour contract societies under my administrative control had 2,464 members and a paid-up share capital of Rs. 18,860 on 30th June 1946. Of the members, 2,138 were actual workers. The total value of work secured during the year including that pending execution at the beginning of the year was Rs. 1,59,268 of which the value of work actually executed was Rs. 88,201. The societies paid wages to members and non-members to the extent of Rs. 46,745 and Rs. 8,098 respectively. The progress of these societies was greatly hampered by the difficulties in securing skilled labour and the necessary building materials.

88 *Co-operative insurance societies.*—There were four insurance societies including the Madras Co-operative Motor Vehicles Insurance Society, Limited, registered in June 1946. *The South India Co-operative Insurance Society* has been able, in the course of 14 years of its working, to place on its books a total paid-up business of Rs. 260.95 lakhs covered by 24,652 policies, of which 15,489 policies to the face value of Rs. 174.52 lakhs were in force on 31st December 1945, as against 11,506 policies to the face value of Rs. 118.69 lakhs at the end of the previous calendar year. In spite of severe competition, the society recorded remarkable progress during the year 1945 as may be seen from the comparative figures furnished below:—

Year.	Number of policies issued.	Sum assured. RS. (IN LAKHS.)	Premia collected. RS (IN LAKHS.)	Life fund at the end of the year. RS. (IN LAKHS.)
1943	1,439	18·51	4·49	16·03
1944	2,608	30·12	5·64	19·74
1945	4,939	66·82	8·69	25·45

In order to enable the people, more particularly lower middle classes and rural folk to secure the benefits of insurance, the society has been issuing policies ranging even from Rs. 100 and this has enabled men of very limited means to insure their lives. But the legislation brought about recently in

March 1946, by which the special concession enjoyed by co-operative life insurance societies to issue policies ranging from Rs. 100 to Rs. 999 has been withdrawn, is likely to affect the business of the society adversely. It is hoped that the amending Bill which is pending before the Central Legislature would restore the concession enjoyed by co-operative life insurance societies. The third valuation of the South India Co-operative Insurance Society conducted towards the end of the year 1945, disclosed a surplus of over Rs. 1.95 lakhs, and the Actuary has recommended a bonus of Rs. 6 per 1,000 per annum on all "with-profit" policies existing as on the date of valuation.

89. The Co-operative Fire and General Insurance Society which provides for all kinds of insurance except life insurance, issued 4,030 policies during the calendar year 1945 covering risks to the extent of Rs. 652.66 lakhs as against 4,992 policies to the extent of Rs. 406;42 lakhs in the previous year. The premia collected amounted to Rs. 2;11 lakhs as against Rs. 2;13 lakhs in 1944.

90. The Postal and Railway Mail Service Benefit Fund which undertakes the life insurance of the employees of the Postal Department, had 3,134 policies to the extent of Rs. 30.73 lakhs on 31st December 1945, as against 2,949 policies to the extent of Rs. 28.63 lakhs on the last day of the previous year. The premia collected during the year amounted to Rs. 1.22 lakhs as against Rs. 1.15 lakhs in the previous year. The life fund at the end of the year was Rs. 10.39 lakhs as against Rs. 9.66 lakhs on 31st December 1944.

91. The Madras Co-operative Motor Vehicles Insurance Society, Limited, was started on its work only on 27th June 1946. This society undertakes the insurance of third party risks in respect of public service motor vehicles. On 30th June 1946, it had 10 members on its rolls, with a paid-up share capital of Rs. 25,000. The borrowings by way of deposits amounted to Rs. 1.56 lakhs. The membership of the society has since increased to 16 consisting of 12 companies and 4 individuals, and the paid-up share capital to one lakh of rupees. The society has since insured 406 vehicles and earned a premium of Rs. 68,564. It has deposited with the Reserve Bank of India Government securities to the value of Rs. 2.06 lakhs.

92. *Printing societies.*—There are three co-operative printing societies, one at Coimbatore, another at Tanjore and the third in Madras City. These societies had on 30th June 1946 a paid-up share capital of Rs. 30,581 and a Reserve Fund of Rs. 26,239. The cost of machinery held at the end of the year was valued at Rs. 30,096. Printing, binding and other charges realized during the year totalled Rs. 1;41 lakhs and the value of books, forms, etc., sold during the year was Rs. 55,981. The printing charges, etc., pending realization at the end of the year, were Rs. 8,914 and the cost of books, forms, etc., on hand at the end of the year was Rs. 30,548. All the three societies worked at a net profit of Rs. 19,837 during the year.

These societies have been recognized as the sole suppliers of books, forms and registers for all the co-operative societies in the Province and the different varieties of paper, out of Government quota intended for the use of co-operative societies for books, forms, registers, etc., are allotted by the Superintendent of Stationery direct to these presses, which supply the requirements of societies on indents placed with them.

CHAPTER X.

Supervision, Education and Propaganda.

93 *Co-operative supervising unions.*—The normal supervision of co-operative institutions, especially rural credit societies, continued to be in the hands of local co-operative supervising unions and central banks. The central banks pool and administer the supervision fund contributed by affiliated societies and meet the cost of the staff employed for supervision. There were at the end of the year 263 unions including the Madras Provincial Co-operative Union, two language federations, two audit unions and four co-operative training institutes, as against 247 unions at the end of the previous year. For purposes of supervision, 8,748 societies were affiliated to the unions at the end of the year. The strength of the supervising staff employed by them and the central banks was 448. On an average, 35 societies were affiliated to each union for purposes of supervision and the average working capital of each society affiliated to the unions was nearly Rs. 6,600. The total expenditure incurred by the supervising unions works out to 0.94 per cent of the working capital of all the societies affiliated to them, as against 0.84 per cent in the previous year. The expenditure on each union averaged Rs. 2,144 during the year.

In the matter of supervision of societies, the part played by the departmental staff is not inconsiderable, though the supervision of a vast number of societies continued to be done by local unions and central banks. The introduction of the territorial scheme in nine of the districts has ensured closer touch and contact on the part of departmental inspectors with societies. I submitted proposals for extending the system to six more districts, but Government have ordered that in view of the additional expenditure involved the proposal may be deferred.

The special staff for supervision of scheduled caste societies, fishermen societies, weavers' societies, and primary co-operative stores has been exercising supervision over the respective societies in their charge.

94. *Co-operative institutes and training.*—The training and education in co-operation is at present imparted through the medium of five co-operative training institutes in the Province—the Central Co-operative Institute at Madras and four mufassal institutes at Coimbatore, Tanjore, Anantapur and Rajahmundry. The scheme in force provides for the training of (i) official staff, (ii) non-official staff for employment in co-operative institutions, (iii) members and *panchayatdars* of societies and (iv) servicemen and ex-service personnel. The training of ex-servicemen is part of the general post-war plans of this Province. Candidates for the post of Junior Inspectors are selected by the Madras Public Service Commission from among the graduates of the recognized Universities except in the case of candidates belonging to the scheduled castes. Each candidate is given theoretical training in the Central Co-operative Institute, Madras, for nine months and practical training for three months, and they are required to pass an examination in co-operation, auditing, banking and book-keeping conducted by the Registrar.

95. A refresher class for departmental inspectors is conducted every year in each district for a week in January or February. These classes aim at imparting instruction to the subordinate staff, to bring them up to date and for a common pooling of ideas.

Training to the non-official staff is given by the four mufassal co-operative institutes at Coimbatore, Tanjore, Anantapur and Rajahmundry. The training covers a period of nine months including practical training. The funds of these institutes consist of tuition fees, contributions by central banks and the Madras Provincial Co-operative Union and grants from Government. An examination is held at the end of the course by the Provincial Co-operative Union and certificates are awarded to the successful candidates.

The training for panchayatdars and members of societies are held at 48 centres throughout the Province from 1st April to 30th June during the period when the training institutes are not in session. Normally, two training centres for each district are selected and classes are held at these centres through the agency of the four mufassal institutes for a period of 15 days at each centre. The candidates undergoing training are given a stipend of Rs. 15 each and 25 candidates are selected for each of the 48 training centres. The Superintendent and the two lecturers of the institutes take up about two districts each for the conduct of the training classes where instructions regarding the working of the several types of societies and the proper maintenance of their books and accounts are given to them. Government have sanctioned to the Madras Provincial Co-operative Union a subsidy of Rs. 15,800 per year for conducting these training classes. There is a feeling that co-operative propaganda and training of members of societies should be a continuous process and a permanent feature of co-operative activity in each district and that a definite organization should be made responsible for this work, instead of holding occasional training classes at select centres, as is being done at present. The question is receiving my attention.

In recent years, there has been a notable development of the co-operative movement and the possibilities of further expansion in the future years are immense. The movement will naturally require a large number of paid and qualified employees. It was, therefore, proposed that a certain number of servicemen and ex-service personnel might be given training in co-operative work and employed in various co-operative institutions. As regards ex-service personnel, the proposal is to give training to 750 ex-servicemen. To begin with, Government permitted the training of 200 ex-servicemen, 100 in the long course for nine months and 100 in the short course for three months and they are now undergoing training in all the five co-operative institutes. The tuition and examination fees payable by the candidates to the institutes are met by Government. The trainees are given a stipend of Rs. 35 a month for the period of training. The candidates are required to give a written undertaking backed by proper sureties that they would refund the tuition fees and stipends if they fail to serve either in the department or in any of the co-operative institutions for two years after the completion of training.

Similar training is given to serving military personnel. One hundred and fifty persons selected by the Headquarters Southern Command, from those who are still in military service and are desirous of being employed in co-operative institutions after release from the Defence Forces, are being trained in the institutes at Coimbatore and Anantapur. The entire cost of their training is borne by the military.

96. The question of converting the Central Co-operative Institute, Madras, into a college of co-operation has been under the consideration of Government for some time past. The object is to give advanced training in co-operation and other allied subjects to candidates for recruitment to the department and to higher posts in non-official co-operative service. It was intended to affiliate the college to the University of Madras. The proposal was, however, re-examined recently by a committee constituted by the Madras University. It was felt that a separate college of co-operation might not be necessary if the University could make arrangements to institute a degree in B.Com. (Hons.), making provision for the teaching of special subjects on co-operation, insurance, statistics, etc., as well as practical training in co-operation, etc., as an integral part of the course. The question of instituting a B.Com. (Hons.) degree, at least in two of the colleges in the Province, is now under the consideration of the University.

97. The services of two Deputy Registrars of Co-operative Societies were placed at the disposal of the Government of India (War Department) for employment as lecturers to the Indian troops with the Southern Army. They gave lectures to the troops stationed at the four area commands, viz., Bangalore, Madras, Bombay and Poona, on resettlement and post-war development plans of the Madras Government and allied subjects, such as, co-operation, agriculture, rural industries, and village uplift. The two lecturers have since been withdrawn.

98. At the request of the Military, two Deputy Registrars of Co-operative Societies have been stationed at the Military release centres at Bangalore and Madukarai for giving lectures to demobilized personnel on resettlement opportunities under the Madras Government with particular reference to special types of co-operative societies formed exclusively for their benefit, such as, land colonization and labour contract co-operative societies and co-operative workshops. The officers joined the posts in November 1945. They gave in all 350 lectures to about 12,000 demobilized personnel. The Special Deputy Registrar at Madukarai also visited Jalna, Kamireddy, Poona and Pollachi and gave 42 lectures to about 8,000 Madrasee ex-servicemen. The lectures were much appreciated.

99. *Co-operative propaganda.*—The Madras Provincial Co-operative Union continues to be the central institution charged with the duty of carrying on co-operative propaganda in the Province. It had 649 co-operative institutions on its rolls as against 637 at the end of the previous year. In addition to the Board of Management and the Executive Committee, there are now four sub-committees, one for credit societies, another for consumers' co-operatives, the third for education and propaganda and the fourth for producers' and marketing societies. At the request of the business conference of the representatives of stores societies held in February 1946, the consumers' sub-committee of the Provincial Co-operative Union framed a constitution and a set of draft by-laws for the proposed Provincial co-operative trading agency. The producers' sub-committee selected candidates for training in poultry-keeping at the Marthandam Young Men's Christian Association, Rural Reconstruction Centre, Marthandam. The candidates were given a stipend of Rs. 20 each per month plus school fees on their undertaking to serve in a co-operative institution for two years.

The main activities of the union have been, as usual, the publication of the Madras Journal of Co-operation, the subsidizing of co-operative journals published in the regional languages of the Province, the running of a library, publication of propaganda literature, the holding of examinations for the students of mufassal co-operative institutes, the conduct of training classes for panchayatdars and members of societies, and the celebration of the International Co-operators' Day. The Madras Journal of Co-operation continued to be published regularly every month. It has been publishing interesting and instructive articles on co-operation, agriculture, rural reconstruction, post-war planning and other allied subjects. The cost of publishing the journal worked out at Rs. 3,389 against receipts of Rs. 7,191 by way of subscriptions and appropriation of membership fees. Besides affiliated societies which are entitled to a free copy, the number of subscribers rose to 605. A subsidy of Rs. 1,000 each was given to the Tamil Nadu Co-operative Federation (Coimbatore), which conducts the journal "Kootturavu" in Tamil, and to the Andhradesa Co-operative Union which conducts the monthly journal "Sahakaramu" in Telugu. A sum of Rs. 250 each was given to the "Kannada Sahakari" in Kanarese and the "Parasparasahayi" in Malayalam published by the South Kanara Co-operative Central Bank and the Malabar District Central Bank respectively. The Provincial Co-operative Union with my assistance has published two brochures during the year on (i) "Consumers' co-operation in the countryside" and (ii) "Co-operative Wholesales." After the close of the year another brochure on "Co-operation and Industrial Labour Welfare" has been published by the Union. These command a ready sale.

100. The Dairy Expert of the Department gave talks on dairying and animal husbandry at several centres with the help of a cine projector. Talks in different languages of the Province on Co-operation and other allied subjects are broadcast monthly by the Deputy Registrars through the All-India Radio stations at Madras and Trichinopoly.

CHAPTER XI.

Administration.

101. *Organization of the department.*—The strength of the establishment—permanent and temporary—on the 30th June 1946 under the several categories of officers and the staff was as follows:—

Registrar ...	1
Joint Registrars	3
Deputy Registrars on general duty	26
Personal Assistant to the Registrar	1

Deputy Registrars for Land Mortgage Banks	3
Deputy Registrar for supervision of Weavers' Societies ...	1
Deputy Registrar for supervision of milk supply schemes in Madras City	1
Deputy Registrar for procurement work in Malabar	1
Deputy Registrars in charge of Labour Contract Societies ...	7
Deputy Registrars at the Military Release Centres at Madukkarai and Bangalore	2
Deputy Registrar undergoing training in industrial undertakings.	1
Assistant Registrar	1
Co-operative Sub-Registrars	161
Dairy Experts	4
Senior Inspectors	430
Junior Inspectors	779
Routine clerks and typists	147

Four Deputy Registrars were working as Assistant Textile Commissioners under the Provincial Textile Commissioner, Madras, and two Deputy Registrars as Special Development Officers in Salem and Vellore. One Deputy Registrar was in charge of the Madras Handloom Weavers' Provincial Co-operative Society as Business Manager and another Deputy Registrar in charge of the Kodur Fruit Growers' Co-operative Society as its Business Manager on foreign service terms. During the year, Tanjore was bifurcated into two circles with one Deputy Registrar at Tanjore and one at Kumbakonam to be in charge of the areas covered by the Tanjore and Kumbakonam Co-operative Central Banks, respectively. Thus, at the end of the year 26 Deputy Registrars were in charge of the 25 districts. They toured for about 5,000 days and inspected 2,652 societies of which 281 were bad ones. They attended 1,098 meetings of societies including 263 meetings of Central Banks and 64 meetings of unions.

Since the close of the year, the post of one Joint Registrar for Resettlement and six posts of Deputy Registrars for labour contract societies were abolished consequent on the transfer of the resettlement work to the Director of Resettlement. One post of Dairy Expert was also retrenched.

Statutory Functions.

102. *Audit.*—The audit of the accounts of co-operative societies forms one of the principal statutory functions of the department. The final audit of the accounts of 15,423 societies for the co-operative year 1944–45 and that of 186 societies for the calendar year 1945 had to be done by the departmental staff during the year 1945–46. Seven societies in the City of Madras and a few societies affiliated to the Madura Co-operative Audit Union are being audited by private auditors certified by me. The rapidly increasing turnover of many types of societies, particularly consumers' co-operative stores and weavers' societies has rendered the completion of audit in time very difficult with the existing staff, and 286 societies have found it necessary to take separate auditors who are departmental Inspectors under Fundamental Rule 127, paying the cost of the staff employed. The 1944–45 audit of the societies except one was completed though the work went on almost to the end of the year. At the end of the year, there were 185 Inspectors employed under Fundamental Rule 127 for the audit of societies, of whom 137 were Senior Inspectors and the rest Junior Inspectors. Of the remaining societies, 1,105 societies were liable to pay audit fees for the audit of their accounts for the year 1944–45, a sum of Rs. 1,29,155 being levied on them by way of audit fees. Out of this, Rupees 1,13.013 was collected and steps are being taken to collect the balance soon. A sum of Rs. 1,596 has been recommended for remission by Deputy Registrars to some of the deserving societies and the question is being examined by me.

In view of the increased and varied business of societies, the audit staff sanctioned on certain old standards about twenty years ago, is woefully inadequate, and I have been getting complaints about the delay in audit. My Deputy Registrars have been forcefully representing the need for a revision of the basis of the sanction of audit staff and an increase in the number of auditors. I am convinced of this need and shall approach Government shortly with proposals.

103. *Arbitration.*—At the beginning of the year, there were 5,747 arbitration references pending disposal. During the year, 11,160 references were received and 12,768 references were disposed of leaving a balance of 4,139 at the end of the year. Of the references disposed of during the year, 8,463 were disposed of by non-official Arbitrators appointed for the purpose, and the rest by the departmental staff. Attempts are being made to speed up the disposal of arbitration claims. I am watching and reviewing the progress every month. The amount involved in all the monetary disputes was Rs. 7·78 lakhs of which a sum of Rs. 2·89 lakhs was collected in the course of arbitration proceedings.

104. *Execution.*—Particulars regarding the execution work done by the departmental staff during the year are furnished below:—

	Number.	Amount involved. RS. (in lakhs.)
Execution petitions pending at the beginning of the year ..	11,293	41·37
Execution petitions received during the year	7,150	15·53
Total ..	18,443	56·90
Execution petitions disposed of during the year	5,445	6·72
Execution petitions withdrawn by decree-holders	4,686	14·53
Total ..	10,131	21·25
Execution petitions pending at the end of the year	8,312	35·65

Of the sum of Rs. 6·72 lakhs involved in the petitions disposed of during the year, Rs. 5·41 lakhs represented collections in cash without sale of the attached properties, Rs. 0·96 lakhs were collected by sale of properties to persons other than decree-holders and Rs. 0·35 lakhs by set off in those cases in which the decree-holder societies themselves purchased the properties. Many of the execution petitions withdrawn by the decree-holder societies in the course of execution were in respect of the claims settled out of court. The amount for which the services were rendered by the departmental staff during the year was Rs. 46,523 against which the actual cost of staff employed for execution work was Rs. 49,882. The deficit was Rs. 3,359 as against Rs. 5,187 at the end of the financial year ended 31st March 1946. In order to minimize the deficit, the scales of execution fees have been enhanced by 25 per cent with effect from 1st July 1945. Further attempts to reduce the deficit are being made by employing, when necessary, only the minimum staff required for execution work.

105. *Supersession.*—The committees of 22 societies were under supersession at the beginning of the year. During the year, the committees of 9 more societies were superseded. Normal constitution has been restored in the case of 5 societies, and in the case of two other societies, registration was cancelled during the year as they were found to be beyond revival. After the close of the year, normal constitution has been restored in the case of six more societies and there are at present only 18 societies under supersession. Of these, 7 are credit societies including two urban banks, one is a sale society, 3 employees' co-operative societies, 2 weaver's co-operative societies, 3 stores societies, one supervising union and one Central Bank. Supersession is an unpleasant but an unavoidable step to prevent deadlocks, gross mismanagement or deterioration in societies and it is the case that supersession, wherever it has been resorted to, has remedied most of these societies, improved the tone of their working and averted liquidation.

106. *Liquidation.*—The following statement shows the progress of work relating to societies under liquidation during the last four years:—

Year.		Number of societies under liquidation.	Assets to be collected including accrued assets.	Assets collected during the year. In cash.	Assets collected during the year. By writing off.	Liabilities to be discharged at the end of the year.	Number of societies finally closed in the year.
			RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	
1945–46	..	1,136	50·37	6·41	7·97	31·30	285
1944–45	..	1,170	57·01	6·53	8·30	38·07	339
1943–44	..	1,285	60·08	5·63	7·72	42·26	330
1942–43	..	1,367	86·18	5·25	6·96	48·39	276

It may be seen that recoveries from the societies under liquidation have markedly improved. The number of societies whose affairs have been finally closed has also been on the increase. Still, it cannot be denied that the assets pending recovery and the liabilities to be discharged to central banks and other creditors are very large. There are also a number of societies whose affairs have been pending for a long time. The following statement shows the classification of societies according to period and the amount involved in the societies concerned:—

—	Total assets to be collected on 30th June 1946.	Total liabilities to be discharged on 30th June 1946.
	RS. (IN LAKHS.)	RS. (IN LAKHS.)
Societies over 10 years	7·64	6·35
„ between 5 and 10 years	15·00	15·83
„ below five years	13·35	9·12
	35·99	31·30

The amounts involved in societies under liquidation is heavy, particularly in some of the districts. Of the sum of Rs. 31;30 lakhs due to the Central Banks and others, seven districts account for Rs. 10;45 lakhs—100 societies for Rs. 2·31 lakhs in North Arcot, 119 societies for Rs. 3·36 lakhs in Chingleput, 50 societies for Rs. 1·21 lakhs in Ramnad, and 172 societies for Rs. 3·57 lakhs in the Ceded Districts. These districts alone contribute 33.4 per cent of the total liabilities to Central Banks.

A staff of eleven Co-opeartive Sub-Registrars is attending exclusively to liquidation work in districts where the work is heavy. Vigorous steps have been initiated to realize the assets by taking advantage of the present high level of agricultural prices. Liquidation is a statutory responsibility of the department and the creditor banks naturally rely on the department for the recovery of the assets. It is true that recoveries have been better during the last few years. But the assets which are still to be recovered are very large. It is likely that a slump may set in sooner or later when recoveries may be rendered much more difficult. This points to the need for quick and sustained effort on the part of all concerned. Steps will have to be devised for speeding up recoveries and the closing of liquidation proceedings. Unless a special drive is instituted, the present opportunity afforded by the favourable agricultural prices may be lost. For this purpose, I shall shortly be approaching Government with proposals.

Criminal prosecutions.—The number of criminal prosecutions pending against office bearers and employees of societies was 25 at the beginning of the year. During the year 24 prosecutions were launched. Of this total number, 26 cases were disposed of by the courts and 2 cases were withdrawn during the course of prosecution. In respect of the cases disposed of, the accused persons were convicted for the offences in 18 cases and acquitted in the remaining 8 cases. At the end of the year, prosecutions were pending disposal in 21 cases. The accused persons in 10 cases are absconding and have not so far been apprehended.

107. *The Act and the Rules.*—Amendments to the Madras Co-operative Societies Act VI of 1932 and the rules framed thereunder were submitted to Government from time to time from 1939 onwards in the light of the experience gained in the working of the Act and of the recommendations made by the Committee on Co-operation (1939–40). The amendments to the Act have, however, been deferred for the duration of the war. Now that the legislature is functioning, Government proposed to take up the question of amending the Act and have asked me to offer my remarks regarding any further modifications to be made to the amendments already proposed. I have just submitted my remarks on the amendments.

During the year, two amendments have been made to the rules issued under the Act. One relates to clause (*h*) of sub-rule 4 of rule XXII and the other to sub-rule (10) of the same rule. The former amendment enables the disposal of movable properties attached before judgment within the normal period of 15 days from the date of attachment or before a decree is passed, provided the movables are subject to speedy and natural decay or if the expenses of keeping them in safe custody are likely to exceed their value. The other amendment seeks to exclude the intervention of civil courts in respect of appeals made by the affected parties for setting aside the sale of immovable properties on the ground of a material irregularity or mistake or fraud in publishing or conducting the sale.

108. *Deputation of departmental officers to co-operative institutions.*—On account of the increase in the number and variety of special types of societies in recent years, and the need for qualified and suitable men to attend to the day-to-day work in these societies, there has been a growing demand on the department for the loan of services of departmental officers for employment in co-operative institutions as secretaries or managers or executive officers. I have not been able to comply with the requests in all cases on account of the dearth of hands in the department for the discharge of statutory and other important administrative functions. At considerable sacrifice, I have been complying with the requests only in absolutely essential cases. There were on 30th June 1946, 1 Deputy Registrar, 50 Co-operative Sub-Registrars, 67 Senior Inspectors and 42 Junior Inspectors on deputation either under Foreign service or Fundamental Rule 127, and seventy-three of them are on deputation in co-operative stores—wholesale and primary—and 28 in weavers' societies.

In this connexion I should like emphatically to repudiate the impression in certain quarters that the department is trying to force its men on unwilling institutions. This is far from the truth. On the other hand, the complaint from co-operators in charge of big institutions is that the department is not sufficiently liberal in sparing the services of departmental officers. I would indeed be glad if institutions to whom departmental officers have been lent can rapidly replace departmental officers by qualified non-official employees. I am frequently impressing on the institutions the need for building up a service personnel of their own without depending on the department.

109. *Grants-in-aid to societies.*—Co-operative societies were given assistance by Government through subsidies and grants-in-aid in addition to loans and advances. The following table will show the grants-in-aid given to societies during the co-operative year 1945–46:—

		RS.
Six womens' cottage industries societies in Madras city.	To meet establishment and contingent charges.	3,650
Alur Arunthathiyar Leather Workers' Society (Bellary district).	Towards the cost of equipment	1,000
Ilayangudi cottage industries society ..	Do.	300
Manamadura Potters' Society	Do.	500
Do.	Pay of marketing officer	480
Harpanahalli Marketing Society ..	For construction of godown	3,750
Palacole Fruit Growers' Co-operative Society.	Do.	3,000
Sixteen land colonization societies ..	Towards payment of share capital, purchase of bulls and purchase of manure.	19,335
Madras Handloom Weavers' Provincial Co-operative Society.	Subsidy under the Government of India subvention scheme for handloom industry.	74,196

		RS.
Cumbly Weavers' Co-operative societies.	Development of woollen industry— Central Government Grant .. .. Provincial Grant	 4,600 10,963
Madras Provincial Co-operative Union.	For conducting training classes for panchayatdars and members of societies.	15,800
Co-operative Training Institutes ..	Subsidy towards the cost of non-official lecturers.	5,767
Fourteen Societies which worked at a loss in 1944–45.	Subsidies for the purchase of stamp paper for obtaining sale certificates in the course of execution proceedings.	159
Katpadi Egg Marketing Society ..	Development of Poultry	1,000
Thirty-three egg Marketing societies at the rate of Rs. 1,040 for each society.	To meet the pay of egg-collectors and clerks and office rent and for the purchase of egg grading and testing machines.	34,320
Senjeri Buffaloe Improvement Co-operative Society (Coimbatore district.)	Towards cost of staff and cost of putting up cattle sheds and dairy buildings.	14,466

110. *Cost of working of the department.*—The total expenditure incurred on the department amounted to Rs. 31·082 lakhs during the financial year 1945–46 as shown below:—

	RS. (IN LAKHS.)
Pay of Registrar	0·349
Pay of officers	1·697
Pay of establishment	13·101
Allowances and contingencies	10·933
Grants-in-aid	0·828
Others—free distribution of milk to priority consumers in the city	4·174
Total ...	31·082

Receipts during the year amounted to Rs. 6·853 lakhs including Rs. 0·156 lakhs, being the charges recovered from other Governments and departments. Exclusive of Rs. 4·174 lakhs representing the cost of free milk distribution to priority consumers in the city, the net cost to Government in respect of the department was Rs. 20·055 lakhs. Considering the extent and variety of social services rendered by the movement to the community, the expenditure on the department is, in my opinion, very small.

111 In view of the number of administrative problems arising out of the development of the movement, I convened a conference of all the Deputy Registrars with the sanction of Government, in February 1946. A number of matters concerning the working of the societies and the department were discussed

112. Sri Rao Bahadur J. C. Ryan, Joint-Registrar, was appointed a member of the Agricultural Finance Sub-Committee and of the Co-operative Planning Committee constituted by the Government of India. Sri Rao Bahadur K. Subrahmanyam Nayudu, Additional Joint-Registrar attended the sixth All-India Co-operative Conference held at Lucknow in April 1946.

APPENDICES

APPENDIX No. 1.—*General Summary of Progress of Co-operative Societies in* 1945–46.

SECTION I—WORKING CAPITAL OF SOCIETIES ON 30TH JUNE 1946.

Particulars. (1)	The Madras Provincial Co-operative Bank (1). (2)	The Madras Co-operative Central Land Mortgage Bank (1). (3)	Central Banks (30). (4)	Societies affiliated to unions (263) (c). (5)	Agricultural societies. Land mortgage banks (119). (6)	Agricultural societies. Credit societies other than land mortgage banks (10,877)(d) (7)	Agricultural societies. Societies for purposes, other than credit (1,050(e). (8)
	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Share capital	6,81,700	11,28,700	71,50,083	..	20,38,688	59,21,909	23,72,712
Deposits from members ..	(a) 1,85,40,596	..	(a) 4,51,73,405	..	..	17,30,083	1,84,464
Loans from other societies ..	1,65,56,421	6,44,260	4,00,56,293	..	2,42,25,914	2,35,65,123	86,36,082
Loans and deposits of non-mem ers (individuals) ..	..	(b) 3,27,49,363	..	..	8,000	31,81,675	2,39,087
Loans from Government ..	..	15,00,000	..	..	..	2,44,316	8,03,431
Reserve fund	22,50,000	13,94,825	42,78,128	..	5,81,417	93,20,134	6,14,682
Other funds	22,81,912	3,25,543	30,94,419	..	87,573	30,71,405	33,65,583
Total working capital on 30th June 1946	4,03,10,629	3,77,42,691	9,97,52,328	5,76,98,993	2,69,41,592	4,70,34,645	1,62,16,041
Total working capital on 30th June 1945	3,31,04,440	3,44,98,650	8,50,33,181	4,90,79,769	2,52,12,638	4,06,39,062	1,68,57,366
Divisible profits	2,40,422	3,42,674	6,55,681	..	93,356	6,61,567	4,22,325
Loss unrecouped	..	..	..	..	30,153	12,72,124	4,77,305
Reserve fund including addition to be made as per account of 1945–46	23,10,106	15,31,895	44,42,048	..	6,05,745	96,72,264	7,41,012

Particulars. (1)	Total of agricultural societies. (12,341). (9)	Non-agricultural societies. Urban Banks. (184) (f). (10)	Non-agricultural societies. Employees' societies. (545) (g). (11)	Non-agricultural societies. Other limited liability credit societies. (350) (h). (12)	Non-agricultural societies. Unlimited credit societies. (106). (13)	Non-agricultural societies. Societies for purposes other than credit. (2,386)(i). (14)	Non-agricultural societies. Total of non-agricultural societies. (3,571). (15)	Total for 1945–46. (16)	Total for 1944–45. (17)
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Share capital	1,03,33,309	46,77,460	53,98,402	8,97,468	1,16,047	1,23,70,624	2,34,60,001	4,27,53,793	3,82,46,603
Deposits from members	19,14,547	99,63,427	91,41,382	7,00,243	83,279	21,87,018	2,20,75,349	8,77,03,897	7,55,72,104
Loans from other societies	5,64,27,119	14,21,334	5,56,311	5,55,068	1,49,517	2,50,42,302	2,77,24,527	14,14,08,620	12,55,86,273
Loans and deposits of non-mem ers (individuals)	34,28,762	1,59,48,288	47,83,497	13,07,718	7,992	14,47,216	2,34,94,711	5,96,72,836	5,39,19,937
Loans from Government	10,47,747	..	..	9,674	4,250	5,65,583	5,79,507	31,27,254	22,84,485
Reserve fund	1,05,16,233	27,15,195	19,55,307	3,73,971	99,493	41,07,657	92,51,623	2,76,90,809	2,49,89,811
Other funds	65,24,561	13,85,129	4,65,921	1,86,611	46,843	95,75,711	1,16,60,215	2,38,86,650	2,09,97,515
Total working capital on 30th June 1946	9,01,92,278	3,61,10,833	2,23,00,820	40,30,748	5,07,421	5,52,96,111	11,82,45,933	38,62,43,859	..
Total working capital on 30th June 1945	8,27,09,060	3,07,84,999	2,12,37,423	32,41,231	5,32,779	5,04,54,959	10,62,51,391	..	34,15,96,728
Divisible profits	11,77,248	3,66,995	2,82,845	82,168	9,913	1,00,72,496	1,08,14,417	1,32,30,442	83,31,940
Loss unrecouped	17,79,582	67,955	24,032	23,483	36,651	7,05,289	8,57,410	26,36,992	24,57,519
Reserve fund including addition to be made as per account of 1945–46	1,10,19,021	28,04,015	20,25,257	3,96,085	1,03,630	69,70,202	1,22,99,189	3,16,02,259	2,74,38,425

(a) Includes deposits of non-members, joint stock banks, local bodies, etc.
(b) Includes debentures.
(c) Includes Madras Provincial Co-operative Union, 4 Training Institutes, 2 Language Federations and 2 Audit Unions and excludes 6 Supervising Unions not started.
(d) Excludes 101 societies not started.

(e) Excludes 13 societies not strarted.
(f) Excludes 1 society not started.
(g) Excludes 5 societies not started.
(h) Excludes 1 society not started.
(i) Excludes 29 societies not started.

APPENDIX No. 1.—SECTION II—DEMAND, COLLECTION AND BALANCE OF PRINCIPAL AND INTEREST DUE TO SOCIETIES IN 1945–46.

1945–46. (1)	Demand. Central Banks. (2)	Demand. Agricultural. (3)	Demand. Non-agricultural. (4)	Demand. Total. (5)	Collection. Central Banks. (6)	Collection. Agricultural. (7)	Collection. Non-agricultural. (8)	Collection. Total. (9)	Balance. Central Banks. (10)	Balance. Agricultural. (11)	Balance. Non-agricultural. (12)	Balance. Total. (13)	Percentage of balance to demand. Central Banks. (14)	Percentage of balance to demand. Agricultural. (15)	Percentage of balance to demand. Non-agricultural. (16)
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.			
Principal including arrears ..	3,80,09,026	4,04,91,417	4,33,42,950	12,18,43,393	(a) 3,56,43,101	(b) 3,19,35,353	(c) 3,90,06,245	10,64,88,603	23,65,925	85,56,064	43,36,705	1,53,54,790	6·22	21·13	10·01
Interest due in previous years (arrears interest).	56,518	26,45,572	7,45,294	34,47,384	27,301	6,75,060	3,02,178	10,04,539	29,217	19,70,512	4,43,116	24,42,845	51·69	74·48	59·45
Interest due in 1945–46 (current interest).	25,69,100	36,80,592	23,68,904	86,18,596	25,56,854	30,36,697	21,01,129	76,94,680	12,246	6,43,895	2,67,775	9,23,916	0·48	17·49	11·30

(a) Includes extension for Rs. 2,97,144.
(b) Includes extension for Rs. 1,40,526.
(c) Includes extension for Rs. 3,26,505.

APPENDIX No. 1—SECTION III—DEMAND, COLLECTION AND BALANCE OF PRINCIPAL AND INTEREST DUE TO SOCIETIES IN 1944-45.

1944-45.	Demand.				Collection.			
	Central Banks.	Agri-cultural.	Non-agri-cultural.	Total.	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	4,55,01,355	3,87,16,866	3,91,85,141	12,34,03,362	(a) 4,23,20,701	(b) 3,00,66,297	(c) 3,47,32,606	10,71,19,604
Interest due in previous years (arrear interest).	91,364	29,13,045	9,10,720	39,15,129	49,505	7,19,762	4,12,127	11,81,394
Interest due in 1944-45 (current interest) ..	22,38,408	35,78,678	22 93,789	81,10,875	22,22,774	29,49,896	19,80,994	71,53,664

1944-45.	Balance.				Percentage of balance to demand.		
	Central Banks.	Agri-cultural.	Non-agricultural.	Total.	Central Banks.	Agri-cultural.	Non-agri-cultural.
	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	RS.	RS.	RS.	RS.			
Principal including arrears ..	31,80,654	86,50,560	44,52,535	1,62,83,758	6·99	22·34	11·36
Interest due in previous years (arrear interest).	41,859	21,93,283	4,98,593	27,33,735	45·82	75·29	54·75
Interest due in 1944-45 (current interest) ..	15,634	6,28,782	3,12,795	9,57,211	0·70	17·57	13·64

(a) Includes extension for Rs. 3,09,894. (b) Includes extension for Rs. 4,68,546. (c) Includes extension for Rs. 2,96,015.

APPENDIX No. 2.

Synopsis of Loans in Agricultural and Non-Agricultural Societies (other than Central Banks and Land Mortgage Banks), 1944-45 *and* 1945-46

APPENDIX NO. 2.—*Synopsis of Loans in Agricultural and Non-Agricultural Societies (other than Central Banks and Land Mortgage Banks),* 1944–45 *and* 1945–46.

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

Classification.	Agricultural, 1945–46.		Agricultural, 1944–45.		Non-Agricultural, 1945–46.		Non-Agricultural, 1944–45.	
	Amount.	Percentage.	Amount.	Percentage.	Amount.	Percentage.	Amount.	Percentage.
	RS.		RS.		RS.		RS.	
(1) PURPOSE.								
For cultivation expenses ..	1,70,39,177	42·10	1,26,29,664	39·54	20,36,457	4·52	10,35,128	2·78
For purchase of cattle ..	65,69,939	16·21	42,73,408	13·38	5,22,433	1·16	4,72,587	1·27
For payment of kist ..	14,77,060	3·63	20,75,383	6·50	1,36,050	0·31	80,357	0·22
For improvement of lands ..	18,97,768	4·70	12,23,798	3·84	3,62,896	0·80	2,59,965	0·70
For purchase of raw materials	1,70,738	0·41	1,33,333	0·42	3,01,125	0·67	2,73,316	0·73
For trade	41,66,584	10·30	32,86,836	10·29	1,17,08,024	25·97	81,05,921	21·76
For education	62,186	0·15	56,925	0·18	7,57,193	1·68	3,63,339	0·98
For building, buying and repairing houses	7,79,261	1·93	6,12,544	1·92	20,51,795	4·55	16,94,765	4·55
For manufacture and purchase of country carts ..	1,33,313	0·33	1,61,347	0·51	1,57,547	0·35	1,47,002	0·39
For purchase of land ..	6,05,757	1·50	6,03,195	1·89	7,65,422	1·70	4,61,500	1·24
For purchase of food and necessaries of life	49,24,631	12·12	41,34,000	12·92	1,16,32,972	25·80	91,34,844	24·53
Total, loans for productive purposes	3,78,26,414	93·38	2,91,90,433	91·39	3,04,31,914	67·51	2,20,28,724	59·15
For paying prior debts ..	22,74,654	5·63	22,26,928	6·97	1,00,96,383	22·38	1,04,31,295	28·01
For marriages	1,25,892	0·31	1,41,403	0·44	23,98,498	5·32	27,54,697	7·40
For other ceremonies ..	43,648	0·17	40,545	0·13	5,04,102	1·12	5,32,498	1·43
For litigation and other non-productive purposes ..	2,05,326	0·51	3,41,291	1·07	16,52,675	3·67	14,92,036	4·01
Total, for non-productive purposes	3,74,866	0·99	5,23,239	1·64	45,55,275	10·11	47,79,231	12·84
Grand total	4,04,75,934	100·00	3,19,40,600	100·00	4,50,83,572	100·00	3,72,39,250	100·00
(2) VALUE.								
Loans not exceeding Rs. 50.	40,92,251	10·11	31,09,018	9·74	49,30,496	10·94	49,52,303	13·30
Loans exceeding Rs. 50 but not exceeding Rs. 100 ..	57,89,533	14·31	41,65,752	13·04	52,51,007	11·65	48,90,216	13·13
Loans exceeding Rs. 100 but not exceeding Rs. 250 ..	94,36,887	23·31	74,03,992	23·18	96,30,485	21·36	76,37,501	20·51
Loans exceeding Rs. 250 ..	2,11,57,263	52·27	1,72,61,838	54·04	2,52,71,584	56·05	1,97,59,230	53·06
Total ..	4,04,75,934	100·00	3,19,40,600	100·00	4,50,83,572	100·00	3,72,39,250	100·00

APPENDIX NO. 2.—*Synopsis of Loans in Agricultural and Non-Agricultural Societies (other than Central Banks and Land Mortgage Banks),* 1944–45 *and* 1945–46—cont.

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

Classification.	Agricultural, 1945–46.		Agricultural, 1944–45.		Non-Agricultural, 1945–46.		Non-Agricultural, 1944–45.	
	Amount.	Percentage.	Amount.	Percentage.	Amount.	Percentage.	Amount.	Percentage.
	RS.		RS.		RS.		RS.	
(1) SECURITY.								
1 Loans on security of deposits	1,15,884	0·28	87,190	0·24	14,56,379	3·76	13,43,883	3·73
2 Loans on pledge of movables—								
(a) Jewels	4,00,271	0·97	1,09,700	0·30	17,52,334	4·42	9,31,386	2·58
(b) Standing crops ..	20,59,432	5·00	8,36,549	2·33	1,104	..	2,228	0·01
(c) Produce and finished products	62,21,260	15·12	85,92,140	23·88	7,34,591	1·90	6,96,024	1·94
Total movables (a) + (b) + (c).	86,80,963	21·09	95,38,389	26·51	24,88,029	6·32	16,30,538	4·53
3 Loans on mortgage of immovable properties ..	1,10,71,148	26·90	97,50,178	27·10	93,96,566	24·47	96,88,562	26·93
4 Loans on the joint security of one or more members.	2,09,82,791	50·98	1,64,48,951	45·72	2,40,11,574	61·87	2,25,19,537	62·59
5 Loans on the simple bond of borrowers	3,10,460	0·75	1,56,098	0·43	14,57,508	3·58	7,99,712	2·22
Total (1 to 5) ..	4,11,61,246	100·00	3,59,80,806	100·00	3,88,10,056	100·00	3,59,82,232	100·00
(2) PERIOD.								
1 Loans not exceeding one year	2,61,94,424	63·64	2,34,42,513	65·15	1,29,22,356	33·29	1,14,60,488	31·85
2 Loans exceeding one year and not exceeding three years	74,54,003	18·11	56,25,319	15·64	89,22,227	22·99	1,03,11,348	28·66
3 Loans exceeding three years but not exceeding five years	62,53,142	15·19	55,52,812	15·43	1,39,31,964	35·90	1,16,35,763	32·34
4 Loans exceeding five years.	12,59,677	3·06	13,60,162	3·78	30,33,509	7·82	25,74,633	7·15
Total ..	4,11,61,246	100·00	3,59,80,806	100·00	3,88,10,056	00·00	3,59,82,232	100·00

Appendix No. 3—Section I (*a*).—*Demand, Balance and Percentage of Loans due by Land Mortgage Banks to the Madras Central Land Mortgage Bank and others,* 1945–46.

Districts.	Principal (Long term). Demand.	Balance.	Percentage.	Interest. Demand.	Balance.	Percentage.
	RS.			RS.		
Anantapur	6,691	..	..	12,069	..	..
Arcot North	41,049	..	..	51,427	..	..
Arcot, South	71,262	..	..	38,934	..	..
Bellary	13,955	..	..	6,331	..	..
Chingleput	63,166	..	..	49,821	..	..
Chittoor	15,178	..	..	26,516	..	..
Coimbatore	1,65,142	..	..	1,82,706	..	..
Cuddapah	32,556	..	..	17,070	..	..
Godavari, East	1,37,063	..	..	1,28,148	..	..
Godavari, West	78,548	..	..	1,02,990	..	..
Guntur	1,46,498	..	..	49,685	..	..
Kanara, South	6,988	..	..	8,881	..	..
Kistna	2,56,094	..	..	94,887	..	..
Kurnool	16,743	..	..	13,620	..	..
Madras	..	..	..	..	..	..
Madura	2,18,291	..	..	77,072	..	..
Malabar	18,566	..	..	9,764	..	..
Nellore	26,520	..	..	25,956	..	..
Nilgiris	1,628	..	..	5,926	..	..
Ramnad	13,106	..	..	10,472	..	..
Salem	1,06,517	..	..	59,424	..	..
Tanjore	29,126	..	..	20,512	..	..
Kumbakonam	43,199	..	..	67,089	..	..
Tinnevelly	33,852	..	..	18,276	..	..
Trichinopoly	52,238	..	..	26,906	..	..
Vizagapatam	98,156	..	..	62,640	..	..
Total	16,92,132	..	..	11,67,122	..	..

Appendix No. 3—Section I (*b*).—*Demand, Balance and Percentage of Loans due by Agricultural Credit Societies (excluding Land Mortgage Banks),* 1945–46.

Districts.	Principal. Long term. Demand.	Balance.	Percentage.	Short term. Demand.	Balance.	Percentage.	Interest. Demand.	Balance.	Percentage.
	RS.	RS.		RS.	RS.		RS.	RS.	
Anantapur	2,62,933	1,50,125	58·00	1,16,065	37,835	32·60	23,322	..	..
Arcot, North	3,54,204	60,975	17·21	7,42,395	25,862	3·50	35,451	503	1·42
Arcot, South	2,42,795	1,60,976	66·30	2,78,103	1,04,665	37·99	34,671	6,000	17·31
Bellary	1,87,928	1,39,876	74·43	3,53,293	1,12,268	31·78	37,080	12,012	32·39
Chingleput	5,87,227	3,63,383	61·88	17,48,522	32,590	1·87	59,803	15,051	25·17
Chittoor	2,31,205	1,65,227	71·46	88,154	27,283	30·95	26,358	6,189	23·48
Coimbatore	4,81,905	14,688	3·05	6,66,250	2,145	0·32	80,143	218	0·27
Cuddapah	98,259	83,557	85·04	1,46,888	75,720	51·54	23,656	11,015	46·56
Godavari, East	1,83,399	11,525	6·28	27,18,255	3,11,490	11·46	1,42,474	26,890	18·87
Godavari, West	41,096	17,269	42·02	8,55,700	75,358	8·81	59,023	4,526	7·69
Guntur	55,773	21,612	38·75	3,69,190	62,046	16·81	22,152	..	..
Kanara, South	15,818	2,637	16·67	8,26,885	14,280	13·82	25,851	2,615	10·12
Kistna	32,436	11,897	36·68	16,63,828	2,04,788	12·31	87,670	645	0·74
Kurnool	1,46,716	93,405	63·66	55,899	28,156	50·37	15,723	2,643	17·00
Madras	..	..	..	..	..	..	..	..	..
Madura	8,14,163	11,368	1·40	3,62,351	99,676	27·56	56,428	730	1·29
Malabar	81,814	49,401	60·38	1,24,974	24,702	19·88	15,102	1,263	8·36
Nellore	1,05,232	54,840	52·11	2,67,725	76,869	28·71	28,679	9,826	34·26
Nilgiris	90,471	..	..	5,29,263	..	..	31,890	..	..
Ramnad	1,79,395	25,830	14·40	4,24,915	45,719	10·76	36,605	564	1·54
Salem	6,94,185	500	0·07	17,61,102	146	0·01	1,17,870	32	0·03
Tanjore	1,52,940	51,109	33·46	7,51,987	30,328	4·03	50,244	16,193	32·29
Kumbakonam	2,98,449	1,17,011	39·21	1,43,818	15,122	10·51	29,558	1,292	4·37
Tinnevelly	43,259	1,573	3·63	5,44,000	8,158	1·50	33,786	603	1·79
Trichinopoly	8,18,909	13,429	1·64	6,93,026	1,828	0·26	84,350	2,002	2·37
Vizagapatam	33,127	29,968	90·46	11,52,399	1,75,003	15·19	85,359	16,094	18·85
Total	62,33,638	16,52,181	26·47	1,73,84,987	15,92,037	9·17	12,43,248	1,36,906	11·01

APPENDIX NO. 3—SECTION I (*b*).—*Demand, Balance and Percentage of Loans due by Non-Agricultural Credit Societies to Central Banks and others*, 1945–46.

Districts.	Principal. Long term. Demand.	Long term. Balance.	Long term. Percentage.	Short term. Demand.	Short term. Balance.	Short term. Percentage.	Interest. Demand.	Interest. Balance.	Interest. Percentage.
	RS.	RS.		RS.	RS.		RS.	RS.	
Anantapur	15,75,758	6,245	0·40	55,72,795	1,000	0·02	26,592	2,030	7·63
Arcot, North	4,82,427	11,842	2·45	36,19,220	2,212	0·06	38,690	2,599	6·72
Arcot, South	1,05,581	11,231	10·64	31,39,830	7,371	0·23	26,882	6,738	25·07
Bellary	3,50,537	15,123	4·31	15,57,062	13,147	0·84	15,950	1,639	10·28
Chingleput	2,98,228	721	0·24	37,04,742	205	0·01	21,677	792	3·65
Chittoor	2,93,294	16,562	5·65	85,80,378	2,410	0·03	43,894	1,569	3·64
Coimbatore	12,71,443	..	..	87,55,483	70	..	49,066	2,812	5·73
Cuddapah	63,128	11,216	17·77	30,46,780	7,158	0·23	15,557	2,237	14·38
Godavari, East	71,033	10,700	15·06	6,12,721	14,249	2·33	15,901	509	3·20
Godavari, West	32,158	..	..	1,80,846	5,401	2·91	7,221	442	6·12
Guntur	57,477	1,942	3·38	16,85,626	4,306	0·26	17,652	3,920	22·21
Kanara, South	4,28,335	55,857	13·04	65,13,782	25,620	0·39	52,240	6,733	10·97
Kistna	39,072	2,510	6·42	9,50,566	1,69,100	17·79	17,468	607	1·16
Kurnool	68,322	15,065	22·05	1,36,884	32,661	23·86	13,015	3,326	25·56
Madras	17,31,797	84,514	4·88	24,64,424	7,478	0·30	3,39,715	35,788	10·53
Madura	16,95,784	18,903	1·11	76,61,654	2,43,925	3·18	24,770	6,204	29·08
Malabar	87,353	6,142	7·03	47,81,110	17,244	0·36	27,717	2,144	7·73
Nellore	14,160	2,264	15·99	29,67,961	4,605	0·02	11,338	2,132	18·80
Nilgiris	18,994	..	..	36,57,578	..	..	15,373	272	1·77
Ramnad	13,349	15	0·11	51,67,435	3,044	0·06	28,535	4,034	14·17
Salem	3,49,359	300	0·09	71,24,583	1,200	0·02	59,514	2,955	4·97
Tanjore	3,04,463	59	0·01	17,26,156	81,396	4·72	29,114	998	3·43
Kumbakonam	1,22,067	11,971	9·81	18,20,933	600	0·03	19,513	1,374	7·05
Tinnevelly	1,27,904	1,610	1·26	37,92,172	1,93,931	5·11	35,618	1,643	4·61
Trichinopoly	3,83,351	2,691	0·70	37,04,650	885	0·02	77,962	2,191	2·81
Vizagapatam	2,11,224	7,225	3·42	31,06,164	13,486	0·43	37,203	3,916	10·48
Total ..	1,01,96,598	2,94,708	2·89	9,60,31,535	8,52,704	0·89	10,68,177	99,604	9·31

APPENDIX NO. 3—SECTION II.—*Percentage of Overdues to Individual Central Banks towards Principal, Arrear Interest and Current Interest for* 1945–46.

Serial number and name of the Central Bank.	Percentage of principal overdues to demand. Long term.	Short term.	Percentage of interest overdues to demand. Arrear.	Current.
1 Anantapur Co-operative Central Bank, Limited, Anantapur ..	54·59	17·67	..	..
2 Vellore Co-operative Central Bank, Limited, Vellore	17·06	0·59	..	..
3 South Arcot Co-operative Central Bank, Limited, Cuddalore ..	61·64	22·61	36·89	2·38
4 Hospet Co-operative Central Bank, Limited, Hospet	60·73	1·86	46·15	10·19
5 Conjeeveram Co-operative Central Bank, Conjeeveram	59·52	0·78	..	..
6 Chittoor District Co-operative Central Bank, Chittoor	63·06	10·44	68·41	2·39
7 Coimbatore-Nilgiris Co-operative Central Bank, Coimbatore ..	0·04	0·02	..	..
8 Cuddapah District Co-operative Central Bank, Cuddapah	70·60	3·42	83·93	..
9 Cocanada Co-operative Central Bank, Cocanada	..	6·24	42·77	2·30
10 Rajahmundry Co-operative Central Bank, Rajahmundry	..	0·34	..	..
11 Ramachandrapuram Co-operative Central Bank, Ramachandrapuram	1·77	2·24	..	0·09
12 Sree Kona Seema Co-operative Central Bank, Amalapuram ..	7·10	2·85	..	..
13 Ellore Co-operative Central Bank, Ellore	33·61	4·54	..	..
14 Guntur District Co-operative Central Bank, Tenali	18·76	4·31	..	..
15 South Kanara District Co-operative Central Bank, Mangalore ..	26·65	1·68	..	..
16 Kistna Co-operative Central Bank, Masulipatam	29·39	1·41	..	0·38
17 Vizlavada Co-operative Central Bank, Bezwada	17·17	7·49	..	..
18 Kurnool District Co-operative Central Bank, Kurnool	52·03	3·03	..	..
19 Madras District Co-operative Central Bank, Madras	5·84	4·29	82·30	9·24
20 Madura District Co-operative Central Bank, Madura	..	..	..	..
21 Malabar District Co-operative Central Bank, Calicut	33·07	0·03	..	..
22 Nellore District Co-operative Central Bank, Nellore	46·49	5·38	8·43	0·93
23 Ramnad District Co-operative Central Bank, Madura	..	..	..	..
24 Salem District Co-operative Central Bank, Salem	..	..	..	..
25 Kumbakonam Co-operative Central Bank, Kumbakonam	49·94	10·19	..	0·10
26 Tanjore Co-operative Central Bank, Tanjore	25·04	3·84	..	0·04
27 Tinnevelly District Co-operative Central Bank, Tinnevelly ..	..	..	..	..
28 Trichinopoly District Co-operative Central Bank, Trichinopoly ..	2·23	0·58	..	0·03
29 Vizianagram Co-operative Central Bank, Vizianagram	40·83	2·28	41·43	0·55
30 Chicacole Co-operative Central Bank, Chicacole	64·00	12·28	70·20	7·82
Total ..	26·52	3·02	51·69	0·48

APPENDIX NO. 4—SECTION I (a).—*Demand, Balance and Percentage of Loans due by Members to Land Mortgage Banks*, 1945–46 (*Principaland interest*).

Districts.	Principal.			Interest. Arrear Interest.			Interest. Current Interest.		
	Demand.	Balance.	Percentage.	Demand.	Balance.	Percentage.	Demand.	Balance.	Percentage.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	RS.	RS.		RS.	RS.		RS.	RS.	
Anantapur	8,317	37	0·46	447	..	..	13,297	53	0·40
Arcot, North	47,386	469	0·99	566	566	100·00	62,510	53	0·08
Arcot, South	64,428	346	0·54	..	..	..	46,400	819	1·79
Bellary	14,770	..	..	..	..	..	7,683	..	..
Chingleput	58,445	795	1·36	..	..	..	59,888	160	0·27
Chittoor	17,210	..	..	..	..	..	31,475	..	..
Coimbatore	1,89,325	..	..	76	..	..	2,21,762	87	0·04
Cuddapah	32,141	4,436	13·80	5,975	..	..	15,149	714	4·70
Godavari, East	1,65,864	691	0·42	18	1	5·56	1,47,722	..	..
Godavari, West	1,15,237	20,306	17·53	57	57	100·00	1,19,335	3,048	2·58
Guntur	70,464	521	0·74	575	72	12·52	59,268	577	0·97
Kanara, South	6,974	..	..	202	..	..	10,807	77	0·71
Kistna	2,69,218	2,194	8·15	1,140	..	..	1,13,874	737	0·65
Kurnool	11,998	104	0·87	31	..	..	16,749	142	0·85
Madras	..	..	..	..	..	..	..	..	..
Madura	65,028	..	..	..	..	..	92,559	21	0·02
Malabar	17,116	..	..	459	..	..	11,431	410	3·59
Nellore	24,608	3,157	12·83	8,086	..	..	23,868	303	1·27
Nilgiris	4,593	..	..	..	..	..	6,960	..	..
Ramnad	12,906	..	..	..	..	..	12,031	..	..
Salem	59,994	..	..	..	..	..	71,110	..	..
Tanjore	22,173	996	4·49	220	..	..	25,381	581	2·29
Kumbakonam	70,802	769	1·09	431	..	..	82,027	412	0·50
Tinnevelly	39,646	..	..	3,497	..	..	18,917	51	0·27
Trichinopoly	22,668	..	..	..	..	..	32,928	..	..
Vizagapatam	99,413	730	0·73	8,056	..	..	70,744	3,836	5·42
Total	15,10,724	35,551	2·35	29,836	696	2·33	13,73,875	12,081	0·89

APPENDIX NO. 4—SECTION I (b).—*Demand, Balance and Percentage of Loans due by Members of Agricultural Credit Societies (excluding Land Mortgage Banks)*, 1944–45 *and* 1945–46.

Districts.	Out of principal. 1944–45. Long term.			1944–45. Short term.			1945–46. Long term.			1945–46. Short term.		
	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)
	RS.	RS.		RS.	RS.		RS.	RS.		RS.	RS.	
Anantapur	5,00,799	3,34,602	66·81	1,45,004	75,312	51·94	3,78,437	2,37,345	62·72	1,40,196	76,363	54·48
Arcot, North	5,98,969	3,22,008	53·76	3,17,676	1,05,346	33·16	5,60,985	2,45,030	43·69	4,47,804	1,02,785	22·95
Arcot, South	3,49,960	2,62,325	74·96	2,89,308	1,26,348	43·67	3,77,452	2,86,761	75·97	4,18,578	1,36,139	32·52
Bellary	2,93,845	1,88,841	64·26	3,00,831	1,21,999	40·55	2,22,512	1,48,841	66·85	3,73,730	1,54,889	41·45
Chingleput	7,24,259	4,73,330	65·31	4,92,637	83,641	16·98	7,00,931	4,08,751	58·32	4,68,204	92,465	19·71
Chittoor	2,39,652	1,70,644	71·25	1,02,701	44,247	43·08	2,20,973	1,42,492	64·48	95,087	37,783	39·74
Coimbatore	7,80,901	2,67,618	32·99	6,92,714	1,44,002	20·79	8,47,783	2,31,907	27·35	9,33,599	1,33,524	14·30
Cuddapah	1,12,911	90,774	80·39	1,05,488	48,860	46·32	88,849	74,600	83·96	1,45,043	72,972	50·31
Godavari, East	3,18,661	1,22,025	38·29	21,95,143	5,40,070	24·65	2,30,911	86,505	37·46	24,94,767	5,85,767	23·48
Godavari, West	80,538	46,532	57·78	12,51,680	1,92,695	15·39	60,616	26,297	43·38	10,84,722	2,05,460	18·94
Guntur	1,18,389	56,828	48·00	3,12,654	1,02,858	32·89	85,830	42,208	48·01	4,31,342	1,29,568	30·04
Kanara, South	1,23,848	28,058	22·65	9,20,285	1,49,605	16·26	65,793	29,409	44·70	6,85,958	1,54,135	22·47
Kistna	75,401	43,632	57·87	16,75,295	4,00,203	23·89	62,118	31,362	50·49	20,07,419	4,27,479	21·29
Kurnool	2,32,934	1,52,329	65·39	44,022	29,382	66·74	1,64,024	1,00,826	61·47	75,419	43,309	57·42
Madras	..	..	..	..	..	..	..	..	..	..	..	..
Madura	4,85,184	1,24,454	25·65	7,85,149	87,620	11·16	6,17,861	1,46,741	23·75	8,01,768	1,26,469	15·77
Malabar	2,06,109	1,40,281	68·06	2,91,549	1,80,124	61·78	1,89,434	1,24,692	63·71	2,77,277	1,36,762	49·32
Nellore	1,36,234	83,399	67·24	3,94,852	1,64,009	41·54	1,21,201	74,572	61·53	3,73,078	1,14,136	30·59
Nilgiris	1,31,361	40,576	30·89	6,96,090	69,205	9·94	1,71,346	53,853	31·43	6,31,686	78,312	12·40
Ramnad	2,02,106	94,895	46·95	2,69,674	57,785	21·43	2,24,633	71,655	31·45	3,98,125	60,319	15·23
Salem	9,90,268	2,37,085	23·94	10,94,020	1,28,924	11·78	10,40,745	2,40,831	23·14	11,19,116	1,20,874	10·81
Tanjore	8,60,017	5,73,723	66·71	5,66,605	1,21,954	21·52	3,17,001	2,04,170	64·41	6,01,130	63,513	10·57
Kumbakonam	..	..	..	..	..	..	5,34,748	3,44,602	64·44	1,73,525	73,242	42·21
Tinnevelly	1,18,183	48,147	40·74	6,17,309	70,725	11,46	1,04,180	47,703	45·79	6,38,602	87,213	13·70
Trichinopoly	9,54,702	3,12,598	32·74	4,27,123	55,668	13·03	11,00,063	3,19,453	29·00	5,45,318	61,338	11·26
Vizagapatam	62,691	40,441	64·51	12,22,358	3,61,686	29·59	42,177	34,797	82·18	13,98,074	3,26,530	23·43
Total	86,97,922	42,55,145	48·92	1,52,10,167	34,62,268	22·76	85,30,603	37,55,403	44·02	1,67,59,567	36,01,346	21·49

APPENDIX No. 4—SECTION I (*b*).—*Demand, Balance and Percentage of Loans due by Members of Non-Agricultural Credit Societies,* 1944–45 *and* 1945–46.

Districts.	Out of principal. 1944–45. Long term. Demand.	Balance.	Percentage.	Short term. Demand.	Balance.	Percentage.	1945–46. Long term. Demand.	Balance.	Percentage.	Short term. Demand.	Balance.	Percentage.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	10)	(11)	(12)	(13)
	RS.	RS.		RS.	RS.		RS.	RS.		RS.	RS.	
Anantapur	4,10,080	1,23,820	30·19	4,72,269	22,762	4·82	3,30,406	74,471	22·54	5,71,704	14,068	2·46
Arcot, North	7,91,087	88,392	11·17	6,81,718	32,526	4·78	8,65,560	95,936	11·08	14,20,116	8,837	0·62
Arcot, South	4,48,795	72,213	16·31	3,41,612	13,426	3·93	4,16,344	63,652	15·14	3,20,586	16,053	5·01
Bellary	3,66,278	1,31,560	35·97	1,38,162	12,261	8·95	3,11,967	79,878	25·60	1,99,161	9,782	4·91
Chingleput	5,29,592	52,400	9·89	5,54,846	13,866	2·50	6,07,686	38,156	6·28	6,82,392	24,351	3·57
Chittoor	5,98,492	1,49,924	25·05	8,07,179	19,480	2·41	6,58,262	1,38,636	21·06	8,51,331	18,677	2·19
Coimbatore	6,38,183	76,879	12·05	8,61,489	29,055	3·37	7,09,221	75,826	10·69	9,13,457	18,148	1·99
Cuddapah	2,35,765	91,986	39·01	1,39,257	18,383	13·20	2,69,640	97,777	36·26	1,91,018	23,899	12·51
Godavari, East ..	2,84,464	88,978	31·28	2,67,488	67,106	25·09	2,80,773	92,699	33·01	2,95,989	70,417	23·79
Godavari, West ..	41,324	8,265	20·00	1,88,235	30,666	16·29	52,048	11,310	21·73	2,09,849	50,414	24·02
Guntur	1,64,848	44,741	27·14	1,92,145	50,782	26·42	1,63,573	42,171	21·78	2,97,513	49,847	16·75
Kanara, South	3,82,473	44,174	11·55	12,85,567	41,338	3·22	4,75,115	48,505	10·21	17,11,187	45,427	2·65
Kistna	1,99,623	53,065	26·58	3,24,230	65,262	20·13	2,79,220	58,530	20·96	4,30,147	59,982	13·94
Kurnool	2,34,113	76,657	32·74	54,091	12,202	22·56	2,25,422	75,577	33·53	76,275	23,611	30·96
Madras	95,09,767	6,49,464	6·83	10,55,283	1,37,913	13·07	94,80,814	5,52,442	5·83	9,61,540	77,147	8·02
Madura	6,80,442	80,831	11·88	17,32,591	2,15,940	12·46	4,43,892	1,31,678	29·66	19,30,142	1,90,588	9·87
Malabar	5,41,074	1,18,380	21·88	8,15,282	89,295	10·95	7,02,672	1,52,671	21·73	8,86,198	1,31,439	14·83
Nellore	2,77,772	1,08,399	39·02	2,26,008	22,863	10·12	2,14,616	59,553	27·75	3,27,581	19,945	6·09
Nilgiris	1,98,132	26,478	13·36	3,41,736	1,848	0·54	1,64,704	3,592	2·18	7,46,829	48,962	6·56
Ramnad	4,41,118	1,32,535	30·05	5,54,369	86,699	15·64	4,47,620	1,29,369	28·90	7,08,951	94,365	13·31
Salem	8,48,154	84,979	10·02	19,98,234	65,944	3·30	9,33,786	95,267	10·20	23,17,611	57,795	2·49
Tanjore	9,11,221	2,49,370	27·37	6,54,469	63,822	9·75	6,12,631	1,68,019	27·38	4,51,549	57,879	12·82
Kumbakonam	..	..	..	..	..	..	3,62,804	85,106	23·18	4,00,917	58,959	14·71
Tinnevelly	6,00,814	1,52,951	25·46	4,99,565	59,889	11·99	6,34,075	1,24,440	19·63	5,87,235	75,002	12·77
Trichinopoly	4,48,103	66,150	14·76	30,24,776	54,681	1·48	4,36,633	50,218	11·50	29,96,071	74,645	2·49
Vizagapatam	4,81,013	1,59,688	33·20	9,51,297	1,40,125	14·73	5,37,365	1,22,248	22·75	12,36,770	1,63,698	13·24
Total ..	2,02,62,727	29,33,279	14·47	1,81,61,898	13,68,134	7·53	2,06,16,789	26,67,127	12·94	2,11,22,119	14,83,937	7·03

APPENDIX No. 4—SECTION I (*b*).—*Demand, Balance and Percentage of Interest due by Members of Agricultural Credit Societies* (*excluding Land Mortgage Banks*), 1944–45 *and* 1945–46.

Districts.	Out of interest overdue at the end of the previous year (arrears). 1944–45. Demand.	Balance.	Percentage.	1945–46. Demand.	Balance.	Percentage.	Out of interest accrued and fallen due during the year (current). 1944–45. Demand.	Balance.	Percentage.	1945–46. Demand.	Balance.	Percentage.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	RS.	RS.		RS.	RS.		RS.	RS.		RS.	RS.	
Anantapur	1,33,967	87,985	65·68	1,07,019	74,942	70·03	51,804	31,228	60·28	34,772	16,333	46·97
Arcot, North	1,28,445	94,623	73·67	1,11,295	75,593	67·92	62,382	25,804	41·36	69,127	23,477	33·96
Arcot, South	2,19,190	1,96,281	89·55	2,06,033	1,82,021	88·34	51,862	35,187	67·85	46,872	29,210	62·11
Bellary	1,24,746	93,903	75·27	1,02,854	80,115	77·89	43,180	26,035	60·29	38,025	20,215	53·16
Chingleput	2,76,242	2,25,600	81·67	2,89,852	2,46,197	84·94	71,059	38,467	54·13	60,935	32,637	53·56
Chittoor..	97,941	82,374	84·10	87,890	68,317	77·73	25,704	14,208	55·28	16,570	10,272	61·99
Coimbatore	1,18,651	79,190	66·74	1,10,887	55,517	63·17	1,54,521	43,086	27·88	1,67,924	52,513	31·27
Cuddapah	65,035	54,154	83·27	58,129	49,601	85·31	16,298	11,353	69·66	18,667	11,923	63·87
Godavari, East ..	1,20,351	79,847	66·34	1,12,609	78,954	70·11	1,64,609	35,306	21·45	1,83,705	38,112	20·75
Godavari, West ..	92,201	71,218	77·24	59,823	45,744	76·47	75,446	15,777	20·91	74,649	18,945	25·38
Guntur	51,222	25,432	49·65	33,020	21,597	65·41	26,744	12,392	46·34	36,006	14,807	41·12
Kanara, South	68,532	51,141	74·62	65,131	47,702	73·24	61,622	14,381	23·34	47,242	14,357	30·38
Kistna	83,889	53,729	64·05	77,114	43,519	56·43	1,09,227	31,310	28·66	1,26,865	30,131	23·75
Kurnool	86,555	66,003	76·12	77,078	62,105	80·57	20,527	15,936	77·63	17,361	12,272	70·69
Madras	..	..	..	..	..	..	..	..	..	..	..	..
Madura	78,950	58,511	74·11	58,869	33,848	57·50	1,00,238	15,211	15·17	1,02,325	25,729	25·14
Malabar	1,00,672	79,563	79·03	94,215	81,219	86·21	40,408	27,393	67·79	36,789	20,793	56·52
Nellore	90,560	66,099	72·99	68,129	52,078	76·44	28,391	14,071	49·56	34,985	18,199	52·08
Nilgiris	16,841	12,029	71·43	22,694	14,888	65·60	49,083	8,666	17·66	52,177	12,147	23·28
Ramnad	85,272	67,854	79·57	46,820	34,878	74·49	39,789	12,779	32·12	53,868	14,019	26·02
Salem	55,139	22,912	41·55	53,064	22,517	42·43	1,82,554	28,556	15·64	1,98,860	29,803	14·99
Tanjore	4,02,683	3,51,468	87·28	2,13,683	1,98,606	92·95	1,05,244	53,190	50·54	59,851	20,477	34·21
Kumbakonam	..	..	..	1,86,415	1,67,496	89·85	..	..	..	59,299	32,968	55·60
Tinnevelly	41,684	33,969	81·49	45,344	37,462	82·62	57,777	8,672	15·00	58,686	10,973	18·71
Trichinopoly	1,08,951	77,140	70·80	1,04,566	67,726	64·77	1,32,762	30,335	22·85	1,42,233	27,472	19·31
Vizagapatam	1,53,039	1,05,952	69·23	1,28,026	96,693	75·53	99,271	28,985	29·20	1,01,559	25,315	24·93
Total ..	28,00,758	21,36,977	76·30	25,20,559	19,39,335	76·94	17,70,502	5,78,328	32·66	18,39,352	5,63,099	30·61

APPENDIX NO. 4—SECTION I (b).—*Demand, Balance and Percentage of Interest due by Members of Non-Agricultural Credit Societies, 1944–45 and 1945–46.*

Districts.	Out of interest overdue at the end of the previous year (arrears). 1944–45. Demand.	Balance.	Percentage.	1945–46. Demand.	Balance.	Percentage.	Out of interest accrued and fallen due during the year (current). 1944–45. Demand.	Balance.	Percentage.	1945–46. Demand.	Balance.	Percentage.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	RS.	RS.		RS.	RS.		RS.	RS.		RS.	RS.	
Anantapur	23,273	17,139	73·65	14,238	9,396	65·96	48,699	5,111	10·49	43,025	1,822	4·23
Arcot, North	20,841	8,659	41·55	25,359	8,878	35·01	78,197	11,455	14·65	64,278	11,079	17·24
Arcot, South	24,648	14,161	57·45	17,923	6,031	33·65	45,014	9,900	21·99	59,518	10,027	16·84
Bellary	21,399	10,784	50·39	12,757	5,542	43·44	28,614	10·516	36·75	30,528	4,330	14·18
Chingleput	25,749	7,326	28·45	23,140	16,897	73·02	65,627	15,232	23·21	60,387	4,473	7·41
Chittoor..	20,155	3,780	18·75	17,944	6,621	36·90	66,038	15,385	23·30	65,679	10,213	15·54
Coimbatore	24,565	12,213	49·72	22,418	16,176	72·60	1,03,090	9,266	8·99	1,07,649	4,291	3·99
Cuddapah	34,798	25,193	72·40	34,383	26,975	78·45	24,254	6,966	28·72	28,002	10,370	37·03
Godavari, East ..	11,482	3,148	27·42	14,930	10,088	67·57	39,225	6,171	15·73	42,452	6,020	14·16
Godavari, West ..	6,567	1,323	20·15	6,561	2,132	32·49	12,311	2,972	24·14	17,019	5,638	33·13
Guntur	12,801	7,516	58·71	12,749	7,894	61·92	25,795	6,112	23·69	32,790	5,819	17·75
Kanara, South	27,819	15,083	54·22	24,413	16,899	69·22	56,472	8,319	14·73	65,366	6,583	10·07
Kistna	15,564	7,697	49·45	14,891	5,735	38·51	30,162	8,794	29·16	38,582	8,340	21·62
Kurnool..	13,490	6,364	47·18	13,350	5,160	38·65	23,369	7,289	31·19	22,232	6,980	31·40
Madras	2,08,245	95,376	45·80	1,56,007	1,04,818	67·29	6,26,995	64,817	10·34	6,20,964	35,601	5·73
Madura	47,589	21,968	46·16	68,532	41,025	59·86	1,31,987	19,604	14·86	1,43,249	28,200	19·69
Malabar	30,589	14,381	47·01	29,578	11,424	38·62	72,236	15,070	20·86	48,339	14,357	29·76
Nellore	50,758	35,331	69·60	21,619	14,998	69·37	20,886	6,080	29·11	27,952	7,201	25·76
Nilgiris	4,257	3,610	84·80	798	273	34·21	21,356	1,056	4·94	28,522	3,149	11·04
Ramnad	1,03,674	86,239	83·18	40,369	21,498	53·25	62,449	17,171	27·34	69,032	19,174	27·08
Salem	13,680	5,885	43·68	13,448	6,517	48·46	1,16,468	6,561	5·63	1,24,417	6,686	5·37
Tanjore	51,206	26,551	51·85	30,480	18,465	65·99	99,637	17,096	17·16	60,151	9,987	15·61
Kumbakonam	..	..	..	17,702	10,597	59·86	..	..	..	49,222	7,388	15·01
Tinnevelly	15,651	9,285	59·32	20,689	13,468	65·10	71,449	10,607	14·83	74,995	9,208	12·28
Trichinopoly	29,381	20,494	69·75	32,543	25,387	78·01	2,27,474	10,134	4·45	2,23,360	10,354	4·64
Vizagapatam	33,264	17,261	51·89	26,347	16,452	62·45	69,464	8,522	12·27	82,513	8,207	9·95
Total ..	8,71,445	4,76,767	54·71	7,13,168	4,29,346	60·20	21,67,268	3,00,206	13·85	22,30,223	2,55,497	11·46

APPENDIX NO. 4—SECTION II.—*Classification of Societies, 1945–46 (Audited up to 10th October 1946.)*

District.	Thoroughly good societies. A	Societies with some defaulters and some mistakes in the 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	..	7	123	26	156
Arcot, North	4	49	149	8	210
Arcot, South	6	14	169	14	203
Bellary	2	11	125	20	158
Chingleput	9	83	194	54	340
Chittoor	3	20	121	21	165
Coimbatore	23	101	112	3	239
Cuddapah	..	9	37	20	66
Godavari, East	9	35	145	54	243
Godavari, West	..	39	48	5	92
Guntur	5	49	182	18	254
Kanara, South	18	86	65	30	199
Kistna	10	61	123	20	214
Kurnool	2	14	83	12	111
Madras	11	8	19	..	38
Madura	12	106	211	21	350
Malabar	7	29	140	46	222
Nellore	1	19	123	15	158
Nilgiris	2	23	39	1	65
Ramnad	7	48	122	1	178
Salem	16	71	191	19	297
Tanjore	3	17	61	16	97
Kumbakonam	11	21	112	23	167
Tinnevelly	7	116	182	5	310
Trichinopoly	5	38	144	43	230
Vizagapatam	2	48	178	11	239
Total ..	175	1,122	3,198	506	5,001

APPENDIX No. 5—SECTION I—*General Summary of Progress of Primary or Retail Co-operative Stores in 1945–46.*

Districts.	Number of primary or retail stores on 30th June 1946.	Number of branches or depots.	Number of members on 30th June 1946.	Paid-up share capital on 30th June. 1946.	Reserve fund on 30th June 1946.	Borrowings outstanding on the last day of the year.			Working capital.	Value of annual purchases from		
						Central banks.	Others.	Total.		Co-operative whoslesale stores.	Others.	Total.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
			(IN THOUSANDS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (N LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)
Anantapur	37	23	6·57	1·06	0·59	1·15	0·62	1·77	3·42	35·84	5·65	41·49
Arcot, North	34	..	11·27	1·50	0·12	0·41	0·19	0·60	2·22	8·77	15·74	24·51
Arcot, South	50	33	11·29	1·42	0·49	0·38	0·47	0·85	2·76	12·09	17·04	29·13
Bellary	35	60	10·93	1·29	0·60	0·35	0·25	0·60	2·49	27·54	13·91	41·45
Chingleput	42	14	8·21	1·10	0·21	0·05	0·17	0·22	1·53	16·65	5·33	21·98
Chittoor	29	19	9·89	1·01	0·44	0·93	1·32	2·25	3·70	10·15	17·03	27·18
Coimbatore	57	..	46·13	6·52	2·93	0·70	2·81	3·51	12·96	21·82	80·69	102·51
Cuddapah	55	30	7·63	1·53	0·12	2·01	0·12	2·13	3·78	14·56	8·52	23·08
Godavari, East	79	7	13·23	2·64	0·04	0·65	0·13	0·78	3·46	5·46	13·79	19·25
Godavari, West	65	10	7·62	1·41	0·08	0·61	0·29	0·90	2·39	4·13	11·86	15·99
Guntur	88	41	18·12	3·98	0·29	1·77	2·12	3·89	8·16	11·55	38·88	50·43
Kanara, South	68	169	19·90	2·59	0·73	1·48	1·26	2·74	6·06	91·22	15·87	107·09
Kistna	61	83	12·94	2·59	0·20	2·55	0·42	2·97	5·76	6·02	25·46	31·48
Kurnool	51	32	12·65	1·70	0·96	0·75	0·74	1·49	4·15	34·75	7·72	42·47
Madras	6	72	15·10	1·86	1·36	..	4·03	4·03	7·25	..	74·73	74·73
Madura	84	26	37·69	6·22	2·96	2·56	1·40	3·96	13·14	11·23	66·15	77·38
Malabar	63	26	19·02	2·57	0·84	2·37	0·44	2·81	6·22	14·06	58·42	72·48
Nellore	49	4	7·02	2·64	0·23	2·31	0·92	3·23	6·10	7·29	20·55	27·84
Nilgiris	14	13	8·34	1·20	0·98	0·18	0·40	0·58	2·76	0·09	17·63	17·72
Ramnad	66	39	32·50	5·42	2·04	5·89	0·72	6·61	14·07	21·79	106·07	127·86
Salem	47	74	30·85	2·53	1·01	1·53	1·43	2·96	6·50	17·09	36·04	53·13
Tanjore	25	..	7·89	0·90	0·13	0·23	0·07	0·30	1·33	1·84	12·56	14·40
Kumbakonam	44	..	9·12	1·43	0·21	0·20	0·46	0·66	2·30	3·08	22·51	25·59
Tinnevelly	82	123	46·69	7·28	2·76	0·17	2·50	2·67	12·71	39·10	70·88	109·98
Trichinopoly	51	19	20·25	2·34	0·44	1·33	0·39	1·72	4·50	12·96	18·56	31·52
Vizagapatam	64	72	16·60	1·81	0·50	14·53	0·26	14·79	17·10	2·52	53·35	55·87
Total ..	1,346	989	447·50	66·54	21·26	45·09	23·93	69·02	156·82	431·60	834·94	1,266·54

APPENDIX No. 5—SECTION I—*General Summary of Progress of Primary or Retail Co-operative Stores in 1945–46*—cont.

Districts.	Annual sales to			Classification of sales according to commodities.			Trading results.				Net results.			
							Gross profit.		Gross loss.		Net profit.		Net loss.	
	Members.	Non-members.	Total.	Food. stuffs.	Cloths.	Others.	Number of stores.	Amount.	Number of stores.	Amount.	Number of stores.	Amount.	Number of stores.	Amount.
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)		RS. (IN LAKHS.)		RS. (IN LAKHS.)		RS. (IN LAKHS.)		RS. (IN LAKHS.)
Anantapur	3·50	39·68	43·18	41·76	0·02	1·40	32	1·90	3	0·03	25	0·64	12	0·12
Arcot, North	10·40	17·69	28·09	25·73	1·79	0·57	32	1·14	..	..	22	0·41	11	0·17
Arcot, South	12·30	18·58	30 88	28·65	0·52	1·71	48	1·44	2	0·05	33	0·42	17	0·10
Bellary	9·75	33·52	43·27	39·98	0·17	3·12	35	1·59	..	..	27	0·53	8	0·02
Chingleput	9·36	12·70	22 06	21·33	0·55	0·18	39	1·20	2	0·02	30	0·46	12	0·15
Chittoor	15·40	13·12	28·52	22·95	2·21	3·36	26	1·48	1	..	13	0·28	14	0·19
Coimbatore	65·60	44·88	110·48	103·87	4·67	1·94	56	5·76	..	..	50	2·43	7	0·06
Cuddapah	11·46	13·00	24·46	21·99	0·68	1·79	47	1·43	6	0·05	24	0·38	27	0·24
Godavari, East	13·14	11·29	24·43	21·32	3·11	..	59	0·87	4	0·02	18	0·19	56	0·39
Godavari, West	9·25	6·62	15·87	13·44	1·09	1·34	60	0·66	5	0·01	24	0·10	41	0·29
Guntur	24·22	30·24	54 46	46·69	2·46	5·31	80	2·88	5	0·05	50	1·05	35	0·32
Kanara, South	27·17	85 89	113·06	108·75	1·00	3·31	65	4·46	1	0·01	47	1·11	20	0·19
Kistna	10·59	23·47	34 06	22·24	3·73	8·09	56	1·86	3	0·03	19	0·18	40	0·50
Kurnool	11·94	33·29	45·23	40·84	0·14	4·25	44	2·44	5	0·15	39	1·22	10	0·35
Madras	20·90	59·75	80·65	77·39	1·97	1·29	6	4·70	..	..	5	2·00	1	0·02
Madura	42·88	45·13	88 01	51·82	5·00	31·19	81	5·81	2	0·02	74	1·94	7	0·09
Malabar	10·10	67·17	77·27	75·97	0·29	1·01	60	3·15	..	..	37	0·71	24	0·17
Nellore	10·32	18·08	28·40	20·20	6·49	1·71	44	1·53	3	0·02	23	0·34	21	0·19
Nilgiris	16·21	1·99	18 20	16·82	0·59	0·79	12	0·78	1	..	10	0·31	3	0·06
Ramnad	34·99	105·65	140·64	131·80	3·47	5·37	64	6·73	2	0·01	48	3·00	17	0·31
Salem	22·96	36·18	59·14	51·79	4·60	2·75	46	3·72	1	..	40	1·34	7	0·15
Tanjore	6·31	9·11	15·42	14·23	1·15	0·04	22	0·72	2	0·02	13	0·25	11	0·14
Kumbakonam	6·43	20·06	26·49	23·56	1·47	1·46	41	1·18	1	..	21	0·35	21	0·16
Tinnevelly	41·42	75·27	116·69	103 91	4·12	8·66	80	6·53	1	..	61	2·10	15	0·15
Trichinopoly	14·90	18·37	33·27	30·58	1·87	0·82	47	2·00	4	0·01	29	0·46	22	0·19
Vizagapatam	18·47	36·85	55·32	42·00	0·90	12·42	62	2·46	2	..	21	0·34	43	0·63
Total ..	479·97	877·58	1,357·55	1,199·61	54·06	103·88	1,244	68·92	56	0·50	803	22·54	502	5·35

APPENDIX No. 5—SECTION II—*General Summary of Progress of District Co-operative Wholesale Stores in 1945–46.*

Name of the district co-operative wholesale stores. (1)	Number of members.	Paid-up share capital on 30th June 1946. (2)	Reserve fund on 30th June 1946. (3)	Borrowing outstanding at the end of the year. Central banks. (4)	Others. (5)	Total. (6)	Working capital on 30th June 1946. (7)	Annual purchases. (8)	Annual sales. Food stuffs. (9)	Cloths. (10)	Others. (11)	Total. (12)	Trading results. Gross-profits. (13)	Gross-loss. (14)	Net profit. (15)	Net loss. (16)
		RS. IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LKAHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)	RS. (IN LAKHS.)
1 Anantapur	474	1·01	0·42	11·72	0·14	11·86	13·29	41·20	48·78	0·08	0·18	49·04	3·57	..	0·70	..
2 Arcot, North	295	0·78	0·23	14·05	0·06	14·11	15·12	51·72	51·32	..	0·23	51·55	1·58	..	0·49	
3 Arcot, South	743	1·30	0·36	5·38	0·30	5·68	7·34	54·88	59·56	..	0·50	60·06	2·69	..	1·31	..
4 Bellary	783	1·52	0·21	9·42	..	9·42	11·15	48·43	50·20	0·28	0·52	51·00	1·50	..	0·52	..
5 Chingleput	171	2·20	1·14	15·00	0·19	15·19	18·53	107·99	111·53	..	2·56	114·09	6·27	..	3·94	..
6 Chittoor	250	0·60	..	3·76	..	3·76	4·36	15·16	14·40	..	8·64	23·04	1·47	..	..	..
7 Coimbatore	220	1·87	0·53	0·60	2·86	3·46	5·86	54·63	49·76	..	7·59	57·35	1·88	..	0·10	..
8 Cuddapah	246	0·93	0·05	4·86	0·12	4·98	5·96	19·53	22·07	0·05	0·12	22·24	1·26	..	0·21	..
9 Godavari	474	0·89	0·08	1·32	6·36	7·68	8·65	59·53	60·32	1·11	0·88	62·31	1·96	..	0·73	..
10 Guntur	1,042	1·60	0·36	3·14	0·19	3·33	5·29	69·25	80·60	..	..	80·60	1·52	..	1·00	..
11 Kanara, South	730	2·42	0·36	43·03	1·76	44·79	47·57	222·19	251·88	..	0·66	252·54	8·70	..	1·13	..
12 Kistna	554	1·00	0·09	0·89	..	0·89	1·98	20·80	19·67	0·55	2·07	22·29	0·69	..	0·12	..
13 Kurnool	348	1·18	0·35	7·00	0·23	7·23	8·76	47·12	46·77	0·22	2·31	49·30	1·43	..	0·38	..
14 Madura-Ramnad ..	288	1·81	1·65	4·27	0·94	5·21	8·67	60·54	71·24	0·71	3·19	75·14	4·47	..	2·20	..
15 Malabar	691	2·19	0·33	20·00	0·53	20·53	23·05	65·19	84·87	..	0·12	84·99	5·04	..	1·15	..
16 Nellore	195	0·75	0·02	1·34	0·01	1·35	2·12	13·00	14·78	0·15	0·02	14·95	0·64	..	0·16	..
17 Salem	662	1·86	0·64	15·39	0·54	15·93	18·43	37·25	33·37	0·03	0·70	34·10	1·17	..	0·40	..
18 Tanjore	263	0·76	0·01	2·08	0·06	2·14	2·91	9·12	9·84	0·31	0·13	10·28	0·32	..	..	0·24
19 Tinnevelly	239	2·17	1·24	8·05	0·38	8·43	11·84	56·17	65·88	0·19	0·29	66·36	3·38	..	1·16	..
20 Trichinopoly	389	1·51	0·22	0·71	0·17	0·88	2·61	64·87	64·72	0·63	1·27	66·62	1·69	..	0·91	..
21 Vizianagram Central co-operative stores.	370	0·83	..	18·27	0·02	18·29	19·12	29·91	18·64	0·01	0·08	18·73	2·50	..	0·69	..
Total ..	9,427	29·18	8·29	190·28	14·86	205·14	242·61	1,148·48	1,230·20	4·32	32·06	1,266·58	53·73	..	17·30	0·24

IMPERIAL STATEMENTS

STATEMENT A.—*Operations of the Provincial and Central Banks, 1945–46.*

Names of Banks. (1)	Number of Banks. (2)	Number of members. Indivi-duals. (3)	Societies. (4)	Number of affiliated societies holding shares in the Banks. Central Banks. (5)	Agri-cultural societies. (6)	Non-agri-cultural societies. (7)	Others. (8)	Loans made during the year 1945–46. Individuals. (9) LONG TERM. RS.	SHORT TERM. RS.	Banks and societies. (10) LONG TERM. RS.	SHORT TERM. RS.	Receipts from loans repaid during the year. Individuals. (11) LONG TERM. RS.	SHORT TERM. RS.
Madras Provincial Co-operative Bank	1	167	32	32	..	..	..	..	12,82,658	11,860	1,42,88,194	..	13,43,808
Previous year	1	172	32	32	..	..	..	..	10,65,169	14,20,835	1,48,04,353	..	7,62,244
Madras Central Land Mortgage Bank	1	503	119	..	119	..	..	1,848	..	42,77,810	..	1,601	..
Previous year	1	472	119	..	119	..	..	1,134	..	24,76,977	..	1,062	..
Central Banks	30	4,319	13,269	..	9,887	1,236	2,146	3,10,587	17,68,723	77,21,798	18,65,39,159	2,29,179	14,90,621
Previous year	30	4,292	12,958	..	9,730	1,190	2,038	2,28,993	14,82,429	44,74,660	15,89,99,827	1,67,175	14,43,603

Names of Banks.	Receipts from loans repaid during the year. Banks and societies. (12) LONG TERM RS.	SHORT TERM. RS.	Loans due at the end of the year by Individuals. (13) LONG TERM. RS.	SHORT TERM. RS.	Banks and societies. (14) LONG TERM. RS.	SHORT TERM. RS.	Loans and deposits received during the year from Central Banks and Provincial Banks. (15) LONG TERM. RS.	SHORT TERM. RS.	Primary societies. (16) LONG TERM. RS.	SHORT TERM. RS.	Individuals and other sources. (17) LONG TERM. RS.	SHORT TERM. RS.
Madras Provincial Co-operative Bank	12,747	1,59,68,921	..	4,51,274	23,279	58,24,227	2,13,582	8,85,38,362	21,254	8,44,61,721	3,04,597	4,82,56,484
Previous year	23,07,068	1,27,41,408	..	5,12,425	24,166	75,04,954	1,84,244	7,99,64,843	46,375	7,10,97,553	1,47,174	8,20,61,455
Madas Central Land Mortgage Bank	26,66,215	..	886	..	2,42,38,281	..	..	..	1,58,867	..	99,04,577	..
Previous year	26,07,167	..	638	..	2,26,26,685	..	..	..	1,15,176	..	66,29,075	..
Central Banks	55,54,326	18,40,14,043	2,64,947	6,96,246	1,28,96,716	4,66,83,470	7,00,528	4,09,32,561	33,06,531	10,09,77,595	71,11,552	11 18 02,926
Previous year	52,35,844	15,01,75,889	2,09,797	4,21,888	1,07,74,352	4,50,27,742	..	3,99,05,000	23,80,501	7,45,22,557	53,25,628	10,42,10,492

Statement A.—*Operations of the Provincial and Central Banks*, 1945—46—cont.

Name of banks.	Sale of goods to members. (18)	Purchase of members products. (19)	Cost of management including amount towards suspense. (20)	Share capital. (21)	Loans and deposits held at the end of the year from. Provincial and Central Banks. (22) Long term.	(22) Short term.	Primary societies. (23) Long term.	(23) Short term.	Government. (24)	Individuals. (25) Long term.	(25) Short term.
			RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Madras Provincial Co-operative Bank	..	..	2,15,877	6,81,700	39,68,258	84,02,749	2,49,823	39,35,591	..	6,00,695	1,79,39,901
Previous year	..	..	1,96,055	6,81,500	38,73,972	44,47,451	2,45,569	39,10,587	..	4,08,369	1,51,46,030
Madras Central Land Mortgage Bank	..	..	1,96,685	11,28,700	..	..	6,44,260	..	15,00,000	3,27,49,363	..
Previous year	..	..	1,98,635	11,07,200	..	..	5,90,947	..	8,00,000	3,05,14,702	..
Central Banks	..	..	13,26,123	71,50,083	5,428	96,84,284	1,56,42,616	1,47,23,965	..	1,46,56,357	3,05,17,048
Previous year	..	..	11,44,613	62,59,631	8,126	87,12,160	1,54,11,492	87,23,709	..	1,19,39,341	2,69,25,629

banks.	Funds. Reserve fund. (26)	Other funds. (27)	Working capital. (28)	Profit and loss for the year. Book profit. (29)	Divisible profit. (30)	Net loss. (31)	Usual rate of dividend paid on shares. (32)	Most usual rate of interest. On borrowings. (33)	On lendings. (34)	Uncalled and subscribed share capital. (35)
	RS.	RS.	RS.	RS.	RS.	RS.	PER CENT.	PER CENT.	PER CENT.	RS.
Madras Provincial Co-operative Bank	22,50,000	22,81,912	4,03,10,629	2,71,986	2,40,422	..	9	2	3	..
Previous year	21,50,000	22,40,962	3,31,04,440	2,42,039	2,41,835	..	9	2	3½	..
Madras Central Land Mortgage Bank	13,94,825	3,25,543	3,77,42,691	3,42,674	3,42,674	..	4	3	5	..
Previous year	12,23,058	2,62,748	3,44,98,650	2,83,639	2,83,639	..	4	3	5	..
Central Banks	42,78,128	30,94,419	9,97,52,328	11,62,716	6,55,681	..	5	3	4½	13,81,030
Previous year	40,67,663	29,85,430	8,50,33,181	11,47,219	6,26,632	..	5	3½	5	15,38,854

Statement B.—*Operations of Agricultural Societies*, 1945–46.

Class of societies. (1)	Number of societies. (2)	Number of members. Societies. (3)	Individuals. (3)	Loans made during the year to Individuals. (4) Short term.	(4) Long term.	Banks and societies. (5)	Receipts from loans and deposits repaid during the year by Individuals. (6) Short term.	(6) Long term.	Banks and societies. (7)	Loans due by Individuals. (8) Short term.	(8) Long term.	Of which overdue. (9) Short term.	(9) Long term.	Banks and societies. (10)
				RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	
Class I Credit—(a) Limited— Land Mortgage Banks ..	119	..	84,125	..	41,18,110	..	..	26,89,881	..	..	2,45,23,687	..	35,551	..
Others	43	..	6,870	3,15,307	94,710	..	2,64,641	51,331	..	2,83,238	1,25,794	53,623	9,775	..
(b) Unlimited	10,834	..	659,517	1,79,31,663	82,43,572	..	1,43,72,244	51,03,772	..	1,76,82,615	1,46,72,995	35,47,723	37,45,628	..
Class II Purchase and Sale, (a) Limited	243	3,786	98,177	1,26,32,471	1,100	..	1,33,59,207	3,097	..	74,77,818	5,803	9,83,183	2,978	..
(b) Unlimited ..	2	..	691	4,217	..	..	3,650	..	..	1,848	..	744	..	..
Class IV Production and Sale— (a) Limited	273	123	20,417	6,86,521	9,496	..	5,01,249	5,370	..	3,28,800	11,054	37,181	1,168	..
(b) Unlimited	3	..	77	35,428	..	..	34,636	..	..	11,964	..	295	..	..
Class VI Others—(a) Limited.	155	210	17,538	3,83,452	30,591	..	2,78,133	21,491	..	2,73,260	1,03,194	48,452	22,661	..
(b) Unlimited	374	..	27,631	88,339	19,067	..	32,103	6,497	..	1,34,881	47,982	56,545	10,557	..
Total ..	12,046	4,119	915,043	3,20,77,398	1,25,16,646	..	2,88,45,773	78,81,439	..	2,61,94,424	3,94,90,509	47,27,746	38,28,318	..
Total of previous year ..	11,877	3,778	870,613	2,69,80,163	74,41,442	..	2,58,74,784	74,74,046	..	2,34,42,513	3,54,28,657	43,21,641	43,28,928	..

Class of societies.	Loans and deposits received during the year from Individuals. Member. (11)	Non-members. (12)	Central banks. (13) Short term.	(13) Long term.	Primary societies. (14)	Government. (15) Short term.	(15) Long term.	Loans and deposits paid off during the year to Individuals. Members. (16)	Non-members. (17)	Central banks. (18) Short term.	(18) Long term.	Primary societies. (19)	Government. (20) Short term.	(20) Long term.
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Class I Credit—(a) Limited— Land Mortgage Banks ..	..	..	..	42,23,730	..	..	..	..	13,000	..	27,64,879	..	..	..
Others	1,77,676	5,03,527	1,01,724	450	..	..	..	1,27,526	4,91,820	80,030	4,292	..	..	..
(b) Unlimited	20,20,429	36,37,654	1,60,57,903	62,45,226	..	5,600	1,30,368	17,61,175	33,06,823	1,27,80,884	42,91,799	..	100	38,847
Class II Purchase and Sale— (a) Limited	1,58,648	4,01,018	2,15,28,258	8,244	..	2,71,162	79,473	2,40,534	3,42,356	2,27,35,526	14,419	..	1,17,579	20,490
(b) Unlimited	..	..	7,100	..	..	..	..	..	..	5,541	..	..	..	..
Class IV Production and Sale—(a) Limited ..	1,197	50,226	5,41,849	1,08,710	1,84,686	1,24,058	12,028	674	18,533	6,40,878	21,959	1,79,652	79,330	5,115
(b)—Unlimited ..	150	..	17,761	..	..	..	..	..	..	8,739	..	..	..	..
Class VI Others—(a) Limited.	14,687	60,929	5,66,608	5,180	..	5,305	482	7,908	32,517	5,10,370	4,709	..	..	5,794
(b) Unlimited ..	4,219	1,378	62,203	8,255	..	..	18,065	681	300	24,070	2,336	1,393	6	3,002
Total ..	23,77,006	46,54,732	3,88,83,406	1,05,99,795	1,84,686	4,06,125	2,40,416	21,38,498	42,05,349	3,67,86,038	71,04,393	1,81,045	1,97,015	73,248
Total of previous year ..	21,59,511	39,67,064	3,79,84,315	64,40,219	1,18,394	3,25,508	2,22,369	19,97,275	42,70,710	3,75,48,581	66,09,712	86,602	40,223	5,54,209

Statement B.—*Operations of Agricultural Societies*, 1945–46—cont.

Class of societies.	Sale of goods to members. (21)	Purchase of members' products. (22)	Cost of management. (23)	Share captial. Received during the year. (24)	Share captial. Paid off during the year. (25)	Share captial. Outstanding at the end of the year. (26)	Loans and deposits held at the end of the year from, Members. (27)	Non-members. (28)	Societies. (29)	Provincial or Central Banks. (30) Short term.	Provincial or Central Banks. (30) Long term.	Government. (31)
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Class I Credit—(a) Limited—												
Land Mortgage Banks ..	..	..	2,79,879	2,43,439	1,12,356	20,38,688	..	8,000	..	..	2,42,25,914	..
Others	34,484	1,590	7,767	40,021	15,413	1,01,439	1,12,494	1,91,774	..	70,388	4,189	..
(b) Unlimited	37,97,252	16,54,667	5,31,356	12,33,234	4,34,231	58,20,470	16,17,589	29,89,901	..	1,33,01,327	1,01,89,219	2,44,316
Class II Purchase and Sale—												
(a) Limited	90,14,515	50,88,841	11,91,959	3,05,517	25,518	15,56,459	1,57,347	1,15,011	..	77,05,206	7,429	6,56,342
(b)—Unlimited ..	11,319	10,672	1,590	327	325	1,456	..	..	..	2,368	..	..
Class IV Production and Sale—(a) Limited ..	17,48,372	25,20,301	1,95,953	1,08,683	31,252	4,60,768	664	49,807	83,569	3,60,409	1,25,011	63,715
(b) Unlimited ..	9,010	7,227	1,186	110	501	5,749	228	..	..	41,970	..	..
Class VI Others—(a) Limited	5,38,539	66,825	37,727	28,649	45,029	2,23,312	15,019	70,911	..	2,20,768	1,552	56,469
(b) Unlimited	1,342	857	4,740	43,797	1,769	1,24,968	11,206	3,358	25	64,966	22,809	26,905
Total ..	1,51,54,833	93,50,980	22,52,157	20,03,777	6,66,394	1,03,33,309	19,14,547	34,28,762	83,594	2,17,67,402	3,45,76,123	10,47,747
Total of previous year ..	1,30,57,160	1,27,39,015	19,42,191	14,43,963	6,72,223	91,17,548	18,42,484	29,82,872	68,456	2,09,01,274	3,10,75,897	7,24,335

	Reserve Fund. (32)	Other Funds. (33)	Working capital. (34)	Interest collected. (35)	Profit and loss for the year. (36) Book profit. (a)	Divisible profit. (b)	Loss (excluding overdue interest from profits) Profit and loss statement. (c)	Loss (including overdue interest in profits) Balance sheet. (d)	Usual rate of dividend paid on shares. (37)	Most usual rate of interest On borrowings. (38)	On lendings. (39)
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	PER CENT.	PER CENT.	PER CENT.
Class I (Credit—a) Limited—											
Land Mortgage Banks ..	5,81,417	87,573	2,69,41,592	13,98,528	1,04,251	93,356	30,153	17,873	5	5	6
Others	76,092	13,872	5,70,248	25,589	21,450	15,955	2,731	2,083	6¼	5	7½
(b) Unlimited	92,44,042	30,57,533	4,64,64,397	18,44,169	23,86,712	6,45,612	12,69,393	5,57,620	6¼	5	7½
Class II Purchase and Sale—											
(a) Limited.	4,61,004	10,70,328	1,17,29,126	4,20,365	3,74,794	3,35,143	3,30,233	3,10,504	6¼	5	6¼
(b)—Unlimited	112	112	4,048	106	..	..	1,191	1,131	6¼	5	6¼
Class IV Production and Sale—(a) Limited ..	49,880	20,21,963	32,15,786	13,981	61,650	58,920	91,695	88,869	6¼	5	6¼
(b) Unlimited	3,401	2,613	53,961	81	2,630	2,318	..	..	6¼	..	..
Class VI Others—(a) Limited	74,450	2,31,069	8,93,550	25,280	31,320	20,842	33,368	27,515	6¼	5	6¼
(b) Unlimited	25,835	39,498	3,19,570	5,692	31,779	5,102	20,818	17,887	6¼	5	7½
Total ..	1,05,16,233	65,24,561	9,01,92,278	37,33,791	30,14,586	11,77,248	17,79,582	10,23,482	6¼	5	7½
Total of previous year ..	99,91,795	60,04,405	8,27,09,066	36,42,074	32,93,769	13,52,226	16,94,955	7,77,459	6¼	5	7½

Statement B-1—*Operations of Land Mortgage Banks and Societies*, 1945–46.

Province (1)	Number of Banks or Societies. (2)	Number of members. (3)	Loan made during the year. Individuals. (4)	Banks and Societies. (5)	Loans reapaid during the year. Individuals. (6)	Banks and Societies. (7)	Loans at the end of the year (due by) Individuals (8)	Banks and Societies. (9)	Of which overdue. (10)
Central Land Mortgage Banks.			RS.	RS.	RS.	RS.	RS.	RS.	RS.
Madras	1	622	1,848	42,77,810	1,601	26,66,215	886	2,42,38,281	Nil.
Primary Land Mortgage Banks.									
Madras	119	84,125	41,18,110	..	26,89,881	..	2,45,23,687	..	35,551

Province	Share capital paid up. (11)	Borrowings held at the end of the year. Loans from Individuals. (12)	Loans from Banks and Societies. (13)	Deposits. (14)	Debentures. Public. (15)	Debentures. Government. (16)
Central Land Mortgage Banks.	RS.	RS.	RS.	RS.	RS.	RS.
Madras	11,28,700	Nil.	2,06,053	22,07,670	3,24,79,900	Nil.
Primary Land Mortgage Banks.						
Madras	20,38,688	Nil.	2,42,25,914	Nil.	8,000	Nil.

Province	Reserve Fund. (17)	Other Funds. (18)	Working capital. (19)	Profit *plus* and loss *minus* for the year. (20)	Usual rate of dividend on shares. (21)	Most usual rate of interest. Borrowings. (22)	Lendings. (23)
Central Land Mortgage Banks.	RS.	RS.	RS.	RS.			
Madras	13,94,825	3,25,543	3,77,42,691	(+) 3,42,674	9 per cent.	2 per cent.	3 per cent.
Primary Land Mortgage Banks.							
Madras	5,81,417	87,573	2,69,41,592	(+) 93,356 (—) 30,153	5 per cent.	5 per cent.	6 per cent.

STATEMENT C.—*Operations of Non-Agricultural Societies*, 1945–46.

Class of societies.	Number of societies.	Number of members. Societies.	Number of members. Individuals.	Loans made during the year to Individuals.		Loans made during the year to Banks and socie-ties.	Receipts from loans and deposits repaid during the year by Individuals.		Receipts from loans and deposits repaid during the year by Banks and socie-ties.	Loans due by Individuals.		Loans due by — Of which overdue.		Loans due by Banks and socie-ties.
(1)	(2)	(3)		(4)		(5)	(6)		(7)	(8)		(9)		(10)
		(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.
Non-Agricultural Societies.														
Class I (a)—Credit—Limited—														
(i) Urban Banks maintaining fluid resources.	184	..	145,960	1,49,09,209	78,56,972	..	1,36,69,303	66,60,732	..	71,21,429	1,01,93,393	9,56,857	15,31,171	..
(ii) Employees Societies.	545	..	149,607	59,17,596	1,22,11,637	..	57,31,257	1,21,48,288	..	44,43,875	1,22,30,352	2,32,355	7,37,267	..
(iii) Others	350	..	45,539	15,21,316	8,01,172	..	13,16,609	5,99,817	..	10,84,469	11,11,695	2,54,035	2,94,207	..
Class I (b)—Unlimited ..	106	..	9,880	1,72,102	1,26,755	..	1,59,594	1,41,262	..	1,35,004	2,23,069	40,690	1,04,482	..
Class II (a)—Purchase and Sale—Limited.	1,839	4,546	502,336	9,57,364	480	..	9,58,486	108	..	65,511	1,641	31,447	1,269	..
Class II (b)—Unlimited ..	3	..	233	..	..	..	..	60	..	98	169	98	169	..
Class IV (a)—Production and Sale—Limited.	300	107	46,221	76,465	616	..	47,840	1,005	..	44,250	3,600	13,374	3,440	..
Class V—Insurance—Limited.	4	203	24,689	..	..	..	..	..	..	..	..	..	..	..
Class VI (a)—Others—Limited.	226	474	13,499	27,404	5,03,590	..	15,358	5,27,181	..	25,951	21,22,059	8,597	1,24,089	..
Class VI (b)—Unlimited ..	14	..	1,259	25	869	..	350	1,975	..	1,769	1,722	1,769	1,389	..
Total ..	3,571	5,330	939,223	2,35,81,481	2,15,02,091	..	2,18,98,797	8,00,80,428	..	1,29,22,356	2,58,87,700	15,39,222	27,97,483	..
Total of previous year ..	3,452	4,758	845,312	1,83,30,201	1,89,09,049	..	1,74,48,942	1,88,13,579	..	1,14,60,488	2,45,21,744	13,85,356	30,67,179	..
Grand total ..	15,617	9,449	1,854,266	5,56,58,879	3,40,18,737	..	5,07,44,570	8,79,61,867	..	3,91,16,780	6,53,78,209	62,66,968	66,25,801	..
Grand total of previous year.	15,329	8,536	1,715,925	4,53,10,364	2,63,50,491	..	4,33,23,726	2,62,87,625	..	3,49,03,001	5,99,50,401	57,06,997	73,96,107	..

STATEMENT C.—*Operations of Non-Agricultural Societies*, 1945–46—cont.

Class of societies.	Loans and deposits received during the year from — Individuals. Members.	Individuals. Non-members.	Central Banks.		Primary societies.	Government.		Loans and deposits paid off during the year to — Individuals. Members.	Individuals. Non-members.	Central Banks.		Primary societies.	Government.	
	(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.
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Non-Agricultural Societies—cont.														
Class I (a)—Credit—Limited—														
(i) Urban Banks maintaining fluid resources.	2,67,68,038	5,80,35,186	1,06,10,524	4,49,421	44,950	..	..	2,59,06,032	5,65,01,441	1,07,18,647	1,92,647	26,950	..	..
(ii) Employees Societies.	34,94,139	27,16,379	6,42,181	3,14,814	..	..	..	25,98,675	28,61,176	6,94,927	2,94,096	..	..	..
(iii) Others	32,09,754	24,98,860	10,02,321	1,16,805	..	..	..	33,33,443	18,74,264	5,68,711	1,02,310	..	..	1,185
Class I (b)—Unlimited ..	36,562	2,999	53,365	34,732	..	..	..	25,225	9,193	52,568	49,539	..	..	..
Class II (a)—Purchase and Sale—Limited.	52,10,939	16,25,503	11,71,65,071	57,454	72,442	6,420	37,000	50,05,382	1,07,56,802	10,22,30,228	40,60,687	72,142	..	2,000
Class II (b)—Unlimited ..	188	..	9,545	..	..	..	..	..	..	4,185	..	..	..	..
Class IV (a)—Production and Sale—Limited.	3,42,321	65,347	18,86,268	2,07,826	39,200	..	1,000	3,08,188	84,675	24,60,974	2,16,923	21,803	..	108
Class V—Insurance—Limited.	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Class VI (a)—Others—Limited.	1,27,030	2,02,925	2,89,185	2,010	51,700	..	30,250	53,668	1,42,041	2,91,464	2,253	13,760	34,366	1,68,161
Class VI (b)—Unlimited ..	..	..	..	..	..	..	..	..	..	..	465	1,557	..	..
Total ..	3,91,88,971	6,51,47,199	13,16,58,460	11,83,062	2,08,292	6,420	68,250	3,72,30,613	7,22,29,592	11,70,21,704	49,18,920	1,36,212	34,366	1,71,454
Total of previous year ..	3,00,24,972	6,08,75,908	11,03,57,034	15,50,640	6,994	..	22,217	2,92,24,622	5,75,88,693	10,29,86,031	37,19,015	6,800	..	4,66,995
Grand total ..	4,15,65,977	6,98,01,931	17,05,41,866	1,17,82,857	3,92,978	4,12,545	3,08,666	3,93,69,111	7,64,34,941	15,38,07,742	1,20,23,313	3,17,257	2,31,381	2,44,702
Grand total of previous year.	3,21,84,483	6,48,42,972	14,83,41,349	79,90,859	1,25,388	3,25,508	2,44,586	3,12,21,897	6,18,59,403	14,05,34,612	1,03,28,727	93,402	40,223	10,21,204

STATEMENT C.—*Operations of Non-Agricultural Societies*, 1945-46—cont.

Class of societies.	Sale of goods to members. (21)	Purchase of members products. (22)	Cost o management. (23)	Share capital. Received during the year. (24)	Share capital. Paid off during the year. (25)	Share capital. Outstanding at the end of the year. (26)	Loans and deposits held at the end of the year from Members. (27)	Non-members. (28)	Societies. (29)	Provincial or Central Banks. (30) SHORT TERM.	Provincial or Central Banks. (30) LONG TERM.	Government. (31)
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
Non-Agricultural Societies—cont.												
Class I (*a*)—Credit—Limited—												
(i) Urban Banks maintaining fluid resources.	5,026	2,140	6,28,593	8,98,370	4,14,256	46,77,460	99,63,427	1,59,48,288	25,000	9,29,743	4,66,591	..
(ii) Employees Societies.	1,61,083	73,804	4,37,738	4,88,083	4,00,437	53,98,402	91,41,382	47,83,497	1,378	2,70,837	2,84,096	..
(iii) Others	18,15,367	7,86,658	1,16,072	2,43,599	1,44,056	8,97,468	7,00,243	13,07,718	..	3,56,146	1,98,917	9,674
Class I (*b*)—Unlimited ..	2,13,526	1,48,273	14,721	10,441	11,274	1,16,047	83,279	7,992	26	42,951	1,06,540	4,250
Class II (*a*)—Purchase and Sale—Limited	27,94,36,774	19,39,22,592	73,90,266	21,27,314	3,07,948	99,30,145	17,50,935	9,11,914	2,606	2,44,10,554	38,853	72,850
Class II (*b*)—Unlimited. ..	1,726	52,505	1,703	11	59	1,679	305	890	..	8,552	..	..
Class IV (*a*)—Production and Sale—Limited.	1,93,92,315	1,99,17,279	6,56,920	5,31,002	58,644	11,84,983	1,86,412	44,370	17,397	3,42,270	5,203	2,000
Class V—Insurance—Limited.	..	..	3,73,522	1,07,872	1,00,933	3,67,438	..	..	..	..	..	..
Class VI (*a*)—Others—Limited.	1,01,534	69,547	50,152	1,77,298	78,420	8,79,907	2,49,366	4,89,892	1,79,004	33,046	2,083	4,90,733
Class VI (*b*)—Unlimited ..	..	..	93	298	126	6,472	..	150	..	1,584	1,050	..
Total ..	30,11,27,351	21,49,72,798	96,69,785	45,84,288	15,16,153	2,34,60,001	2,20,75,349	2,34,94,711	2,25,411	2,63,95,683	11,03,433	5,79,507
Total of previous year ..	21,25,92,697	6,35,89,224	84,13,461	45,07,627	16,88,731	2,10,80,724	1,93,10,251	2,04,22,363	7,969	2,61,34,423	14,74,241	7,60,150
Grand total ..	31,62,82,184	22,43,23,778	1,19,21,942	65,88,065	21,82,547	3,37,93,310	2,39,89,896	2,69,23,473	3,09,005	4,81,63,085	3,56,79,556	16,27,254
Grand total of previous year.	22,56,49,857	7,63,28,239	1,03,55,652	59,51,590	23,60,954	3,01,98,282	2,11,52,735	2,34,05,235	76,425	4,70,35,697	3,25,50,138	14,84,485

STATEMENT C.—*Operations of Non-Agricultural Societies*, 1945-46—cont.

Class of societies.	Reserve fund. (32)	Other funds. (33)	Working capital. (34)	Interest collected. (35)	Profit and loss for the year. (36) Book profit. (*a*)	Divisible profit. (*b*)	Loss (excluding overdue interest from Profits—Profit and loss statement). (*c*)	Loss (including overdue interest in profits—Balance sheet). (*d*)	Usual rate of dividend paid on shares. (37)	Most usual rate of interest On borrowings. (38)	On lendings. (39)
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	PER CENT.	PER CENT.	PER CENT.
Non-Agricultural Societies—cont.											
Class I (*a*)—Credit—Limited—											
(i) Urban Banks maintaining fluid resources.	27,15,195	13,85,129	3,61,10,833	11,50,084	7,06,293	3,66,995	67,955	33,924	6¼	4	6¼
(ii) Employees Societies.	19,55,307	4,65,921	2,23,00,820	9,52,659	3,82,899	2,82,845	24,032	14,024	6¼	4	6¼
(iii) Others	3,73,971	1,86,611	40,30,748	1,31,155	1,88,608	82,168	23,483	10,897	6¼	5	7½
Class I (*b*)—Unlimited ..	99,493	46,843	5,07,421	25,573	41,292	9,913	36,651	16,213	6¼	5	7½
Class II (*a*)—Purchase and Sale—Limited.	32,01,621	57,36,420	4,60,55,898	26,380	69,49,239	69,48,291	5,96,718	5,96,570	6¼	..	..
Class II (*b*)—Unlimited ..	1,944	883	14,253	35	4,186	4,135	1,255	1,255	6¼	..	..
Class IV (*a*) Production and Sale—Limited.	483,041	7,68,912	30,34,688	1,404	30,38,429	30,37,765	64,628	64,598	6¼	..	..
Class V—Insurance—Limited.	62,141	28,97,805	33,27,384	..	..	..	..	..	..	..	..
Class VI (*a*)—Others—Limited.	3,58,054	1,71,559	28,53,644	1,16,231	1,03,061	82,040	40,153	38,395	6¼	4½	5½
Class VI (*b*)—Unlimited ..	856	132	10,244	727	316	265	2,535	2,280	6¼	5	7½
Total ..	92,51,623	1,16,60,215	11,82,45,933	24,04,248	1,14,14,323	1,08,14,417	8,57,410	7,78,156	6¼	5	6¼
Total of previous year ..	75,57,295	95,03,975	10,62,51,391	23,32,347	65,68,740	58,27,608	7,62,564	6,45,975	6¼	5	6¼
Grand total ..	1,97,67,856	1,81,84,776	20,84,38,211	61,38,039	1,44,28,909	1,19,91,665	26,36,992	18,01,638	6¼	5	6¼
Grand total of previous year.	1,75,49,090	1,55,08,380	18,89,60,457	59,74,421	98,62,509	71,79,834	24,57,519	14,23,434	..	..	..

STATEMENT D.—*Operations of Unions*, 1945–46.

1 Number of unions	263
2 Number of societies affiliated to unions	8,748
3 Total number of individual members in societies affiliated to unions	6,56,793
4 Total working capital of affiliated societies	Rs. 5,76,98,993
5 Expenditure in the year	Rs. 5,44,504
6 Percentage of expenditure to working capital	0·94
7 Number of supervising staff maintained by unions	448

STATEMENT E.—*Operations of Insurance Societies*—1945–46.*

Serial number.	Names of societies.	Number of members.	Amount of risk involved and number of policies.	Premia collected.	Supplementary contribution collected.	Number of lives Insured.	Number of lives Lost.	Claims paid.	Cost of management.	Funds on hand at the end of the year (Life Fund).	Amount of risk reinsured.	Premia paid for re-insurance.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
				RS.	RS.			RS.	RS.	RS.	RS.	RS.
1	The South Indian Co-operative Insurance Society.	21,631	15,489 / 1,74,51,501	3,69,051	1,43,185	4,939	97	89,066	3,20,231	25,45,024	50,000	9,015
2	Postal and R.M.S. Benefit Fund ..	3,048	3,134 / 30,73,274	1,22,396	46,118	345	86	74,104	21,231	10,38,847	..	..
3	Co-operative Fire and General Insurance Society.	203	4,030 / 6,52,66,367	2,10,945	..	..	..	5,368	32,060	..	1,84,46,052	79,304
4	The Madras Motor Vehicles Insurance Society. (Started only on 15th June 1946.);	10	..	..	..	..	..	..	..	..	..	..
	Total ..	24,892	22,653 / 8,57,91,142	12,02,392	1,89,303	5,284	183	1,68,538	3,73,522	35,83,871	1,84,96,052	88,319
	Total of previous year ..	20,289	19,447 / 5,53,75,091	8,91,431	1,08,645	2,916	123	1,40,642	2,18,599	29,40,150	92,07,645	46,426

* Upto 31st December 1945.

STATEMENT F.—*Operations of Re-insurance Societies*, 1945–46—Nil.

Government of Madras

DEVELOPMENT DEPARTMENT

G.O. No. 891, 1st March 1947

Administration Report—Co-operative Department—1945–46—Recorded.

READ—the following paper:—

From the Registrar of Co-operative Societies, dated 22nd November 1946, Letter No. 8659/46-

Order—No. 891, Development, dated 1st March 1947.

Recorded.

(By order of His Excellency the Governor)

R. M. SUNDARAM,
Additional Secretary to Government.

To the Registrar of Co-operative Societies.
,, Director of Agriculture.
,, Director of Industries and Commerce.
,, Director of Veterinary Service.
,, Board of Revenue.
,, Secretary to the Government of India, Department of Agriculture.
,, Secretary to the Reserve Bank of India, Agricultural Credit Department, Bombay.