

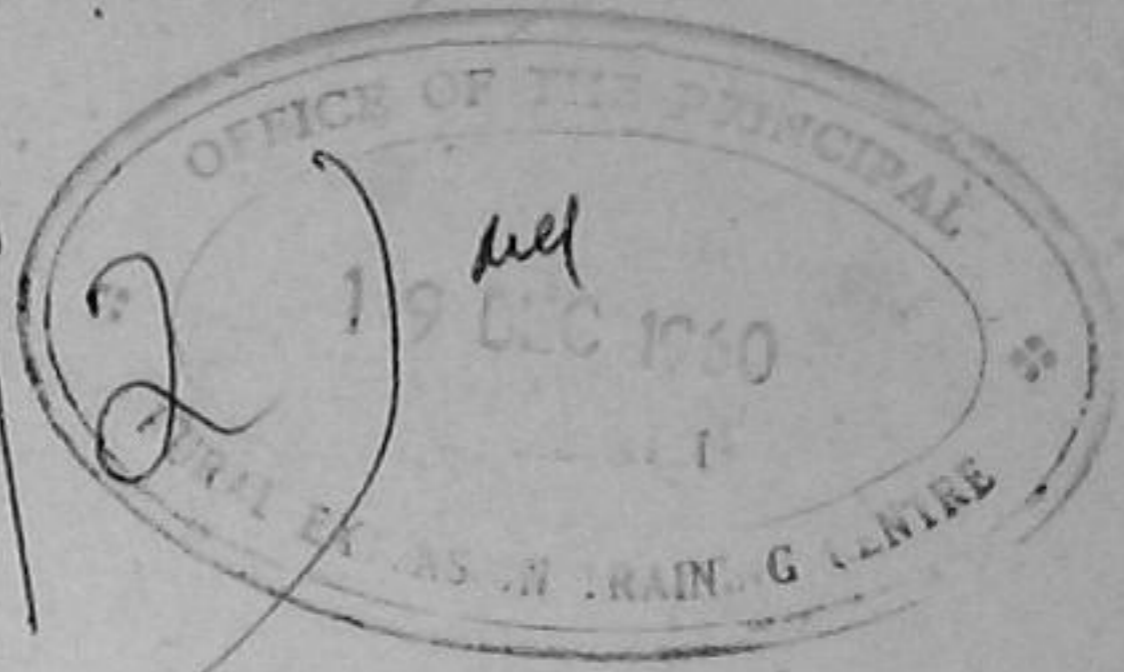
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Cooperation At A Glance

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MINISTRY OF COMMUNITY DEVELOPMENT
& COOPERATION

(DEPARTMENT OF COOPERATION)

GOVERNMENT OF INDIA

4 GOI



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COOPERATION AT A GLANCE

A Brief Note

1.1. Origin of the Cooperative Movement.—The cooperative movement in India is more than 55 years old as the first Cooperative Credit Societies Act was passed in 1904. The primary objective was the organisation of cooperative credit societies in rural areas to relieve indebtedness and promote thrift, self-help and mutual aid among the agriculturists, artisans and persons of small means.

1.2. The usefulness of cooperatives as an effective instrument for the promotion of the economic interest of their members not only in respect of their credit requirements but also in other fields such as purchase and sale of produce, consumer commodities, housing, etc., was soon recognised. The Cooperative Societies Act of 1912, passed by the Government of India, facilitated the formation of societies of various types. Since then the cooperative form of organisation has been widely adopted in India both in the rural and urban areas for the promotion of common economic interests. Since, however, agriculture is the mainstay of more than 70 per cent of the country's population, it is essentially among the agriculturists that the cooperative movement in India plays its main role.

2.1. Post Independence Period.—The progress of cooperation in the pre-independence era was slow. A large section of the rural population remained outside the membership of the agricultural societies. Cooperation gained new significance after the attainment of Independence. The building up of a cooperative sector as a part of planned development has been accepted as one of the central aims of National Policy. The importance of the cooperative method for implementation of developmental schemes especially in cultivation, marketing, cottage and village industries was emphasised in the First Plan which set a total target of Rs. 130 crores per annum for short, medium and long-term agricultural credit. Emphasising the role of cooperatives in increasing agricultural production, the Second Plan raised the target to Rs. 225 crores. The expansion and stabilisation of the movement will be more vigorously pursued in the Third Plan.

3.1. General Progress of the Movement.—As on 30th June, 1959, there were nearly 2·84 lakhs cooperative societies of various types in the country. Of these, over 2·23 lakhs were agricultural societies. Primary agricultural credit societies formed the bulk of these societies in as much as 1·83 lakhs societies of this type were functioning in the country by the end of June,

1959. They covered 60 per cent of the villages and 19 per cent of the rural population.

3.2. Programmes of cooperatives development in the Second Plan were generally based on the recommendations of the Rural Credit Survey Committee of the Reserve Bank. Following the suggestion of the Committee, a number of large-sized primary agricultural societies were organised during the first three years of the Second Plan.

3.3. The National Development Council which considered the question of the size of a primary village cooperative society decided that agricultural credit societies should be formed as far as possible with the village as the organisational unit. Where the villages are small, they could with the consent of the communities concerned be grouped together to cover a population of about 1000 with suitable adjustments in the light of local conditions. These societies should provide all the essential services required by the village community to function effectively as an agency for increasing agricultural production. These services should include, in addition to the provision of agricultural credit, supply of agricultural and other production requirements and marketing of agricultural produce. Service Cooperatives should also help in the formulation and implementation of plans of agricultural production.

3.4. It is expected that in course of time, most of the primary agricultural credit societies would adopt the pattern of service cooperatives and would, in addition to the supply of agricultural credit, undertake the work of supply of agricultural and other production requirements, distribution of essential commodities and the marketing of agricultural produce.

4. **Cooperative Credit Structure.**—The cooperative credit structure is a three tier organisation in this country. At the village level there are the primary or the service cooperatives. These are affiliated to Central Banks at the District level which meet the credit requirements of the affiliated primaries. At the State level, the district banks are federated into an apex bank. All these institutions are closely inter-related and provide a well-knit credit structure to the movement, which has been meeting the credit requirements of agriculturists in order to facilitate intensive agricultural production. The Apex or the State Cooperative Bank in its turn is closely linked with the Reserve Bank of India, which provides considerable financial assistance to the Cooperative Credit Structure by way of loans for agricultural operations, for marketing of crops etc.

5. **State Cooperative Banks.**—On the 30th June, 1959, there were 22 State Cooperative Banks in the country, with a share capital of over 10

crores and working capital of about 147 crores. They advanced loans to cooperatives and others including individuals to the extent of Rs. 153 crores during the year 1958-59, for agricultural as well as non-agricultural purposes. State-wise details regarding the working of these Banks are given in Statement No. 1.

6. Central Cooperative Banks.—There were 402 Central Cooperative Banks, and banking unions etc., functioning at the district or lower level. They had a share capital and working capital of Rs. 23 crores and Rs. 189 crores respectively as on the 30th June, 1959. The loans advanced by them to cooperatives and others both for agricultural and non-agricultural purposes during 1958-59 amounted to Rs. 210 crores. The statewise details of their working are indicated in Statement No. 2.

7.1. Primary Agricultural Credit Societies.—By the end of 1958-59, primary agricultural credit societies including the service cooperatives, numbered about 1.83 lakhs and had a membership of about 12 million. Their share capital, deposits and working capital amounted to about Rs. 37 crores, Rs. 10 crores and Rs. 170 crores respectively. The loans advanced by them to their members were of the order of over Rs. 125 crores, of which short-term loans accounted for about Rs. 110 crores and the balance were medium-term loans. The outstandings on account of medium and short loans as on 30th June, 1959, were about Rs. 135 crores of which Rs. 26.89 crores were overdue. The percentage of overdue to outstandings was 20 per cent. The statewise details regarding the working of primary Agricultural Credit Societies are in Statement No. 3.

7.2. Generally the State Cooperative Banks and the Central Cooperative Banks do not directly advance loans to individual agriculturists for farming operations. The loans are issued by the primary societies of which the farmers are members. Only in exceptional cases, are loans advanced by the State or Central Cooperative Banks to individual members for agricultural operations, where the Cooperative Societies are unable to meet their needs.

8.1. Long-term Credit.—Long-term credit required for permanent land improvement, purchase of agricultural machinery etc. is provided by Land Mortgage Banks. The Central Land Mortgage Banks raise resources for being advanced as long-term loans, mainly by issue of debentures. Primary Land Mortgage Banks obtain their financial requirements largely from Central Land Mortgage Banks.

8.2. At the end of 1958-59, there were sixteen Central Land Mortgage Banks functioning in all the States except in Madhya Pradesh and Jammu and Kashmir and 363 Primary Land Mortgage Banks. In Madhya Pradesh,

the State Cooperative Bank functioned as a Central Land Mortgage Bank through a separate land mortgage banking department. The bulk of the Primary Land Mortgage Banks were accounted for by Madras, Mysore, Andhra Pradesh, Maharashtra and Gujarat States. In 1958-59 the advances made by the Central and Primary Land Mortgage Banks to agriculturists were of the order of Rs. 6.35 crores.

9. **Adequacy of Rural Credit.**—The cooperative credit structure has been able to cover only nineteen per cent of the agricultural population. The extent of credit supplied by them cannot also be said to be adequate. The question of provision of adequate credit to the increasing membership of cooperative societies was examined by the Expert Committee on Cooperative Credit and its report has been accepted by the Government of India. Policy letter issued in this respect is at Appendix 'D'.

10.1. **Cooperative Marketing.**—It is realised that the development of cooperative credit can be successfully brought about only by effectively linking cooperative credit with the marketing of members' produce, through cooperative organisations. The work done in respect of cooperative marketing was, however, by no means significant at the beginning of the Second Five-Year Plan. Recognising the need for development of cooperative marketing, for development of cooperative credit on right lines and for ensuring better prices for the produce of members of cooperatives, the second plan laid special emphasis on the organisation of cooperative marketing societies. The need for adequate storage facilities was also emphasised. Accordingly, a target of 1900 marketing societies and 5500 godowns (including rural godowns) has been laid down in the Second Five-Year Plan.

10.2. On the 30th June, 1959, there were 2,380 primary agricultural marketing societies, with a membership of about 30,000 societies and over 9.00 lakhs individuals. This included 1,063 societies organised/revitalised in the first three years of the Second Five-Year Plan. The total working capital of these societies stood at Rs. 14.47 crores, of which about Rs. 3.69 crores represented their share capital. The total value of purchases made by these societies amounted to Rs. 15.60 crores. The value of sales conducted as owners amounted to Rs. 9.83 crores while sales as agents amounted to Rs. 16.50 crores. They owned 938 godowns and hired 1457 godowns.

10.3. In addition to marketing and storage of agricultural produce, marketing cooperatives also undertook distribution of agricultural requisites such as seeds, fertilisers, insecticides etc. and the value of such requisites distributed by them in the year 1958-59 was about Rs. 7.56

crores. Statement No. 4 gives the details regarding the working of marketing societies.

10.4. The processing of agricultural produce is an adjunct to co-operative marketing, if cultivators are to get a better price for their produce. Processing through cooperative societies has, therefore, been given considerable importance in the cooperative development plan. The most significant achievement has been in the sphere of sugarcane processing. During the year 1958-59, 21 cooperative sugar factories were in production and they produced 1.79 lakh tons of sugar, accounting for about nine per cent of the total production during that season. A number of other processing units have also been established. On 30th June, 1959, there were about 90 cotton ginning and pressing societies. Besides, over 775 other processing societies such as groundnut decorticating, rice mills etc. were functioning in the country. Operational statistics regarding the working of sugar factories are shown in Statement No. 5.

11.1 **Cooperative Farming Societies.**—The basic limitations impeding the growth of agricultural production and increase in the per-capita income of the producers, however, continue to be the extremely small units of production, uneconomic holdings of land and use of old and antiquated agricultural implements. The pooling of uneconomic units of cultivation into cooperative farms has, therefore, been engaging the attention of the country for the past few years. The Second Five-Year Plan envisaged the organisation of 3,000 cooperative farming societies.

11.2. At the end of 30th June, 1959, 3,619 societies were classified as cooperative farming societies. Of these about 2,000 were better farming societies and field labour societies in which land was cultivated individually. Cooperative farming as envisaged in the Second Five-Year Plan necessarily involved pooling of land and its joint management. There were 1,600 societies which fulfilled these conditions. Recently a working group was appointed by the Government of India to help in the Formulation of an action programme and pattern of financial assistance for the encouragement of cooperative farms. The line of action to be followed has been laid down by the Government of India and the policy letter in this regard is reproduced at Appendix 'E'.

12. **Non-Agricultural Credit Cooperatives.**—There were 11,071 non-agricultural credit societies on the 30th June, 1959, with a membership of 39.25 lakhs, which advanced loans to the extent of Rs. 107 crores.

13. **Weavers and Industrial Societies.**—As a part of the programme of economic development of the rural areas a policy of organising village, cottage and small scale industries including weaving on cooperative lines

is being pursued. Necessary financial and technical assistance is being granted to these societies through the agency of the Khadi and Village Industries Commission and other Boards. There were about 20,000 industrial cooperatives of various types by the end of 1957-58. These form the next important group of cooperatives after agricultural credit societies.

14. Other Types of Societies.—Consumers societies, cane supply societies, housing societies, etc. also form a part of the widening cooperative sector. There were about 7,000 consumers' Stores during the year 1958-59 and the value of their sales amounted to Rs. 42 crores during 1958-59. Government have taken a decision to strengthen and build up this sector as a part of the planned development in the Third Plan.

15.1. Training and Education.—A comprehensive programme for the training of officials of cooperative departments and employees of cooperative institutions is in operation. In addition to an All India Institution at Poona, there are 13 institutions run by the Government of India and the Reserve Bank of India under the supervision of a Central Committee which has been constituted for the purpose. (Constitution of the Committee—Appendix 'A'). The State Governments are also running about 60 Training Centres for junior cooperative personnel. The places at which these training centres are being run are enumerated in the Appendix 'B'. 29,000 employees of various categories have so far been trained by these institutions.

15.2. A movement which is essentially voluntary and non-official in character and rests mainly on the efforts of its members, can make sound and rapid progress only if the members have an understanding of the principles and working of the movement and of the purpose and structure of their institutions. The training and education of members and office-bearers of cooperative societies as well as potential members is, therefore, of vital importance and a scheme for educating them through peripatetic parties touring in the country-side has been launched since 1957 through the All India Cooperative Union and the State Cooperative Unions. By 1960-61, it is expected that almost every district will have two peripatetic units carrying out this programme. So far approximately four lakh members and office-bearers of societies have been trained and steps are being taken to speed up this programme.

16.1. National Cooperative Development and Warehousing Board.—For planning, promoting and rendering assistance to the programme of production, processing, marketing, storage, warehousing, export and import of agricultural produce through the cooperative movement,

the Government of India have constituted a Statutory Board *e.g.* "The National Cooperative Development and Warehousing Board" in the year 1956. (Constitution of the Board-Appendix 'C'). The Board grants financial assistance to the State Governments for schemes of cooperative development included in the Plan excepting those relating to cooperative farming and training. The Central Government makes available the requisite funds to this Board for this purpose. For the schemes relating to cooperative farming and training the Central Government makes the necessary funds available to State Governments directly.

16.2. Details regarding the scheme-wise details of expenditure on the schemes of cooperative development in the Second Plan and State-wise outlay on the schemes are given in Statements No. 6 and 7.

17.1. **Cooperative Law.**—Since the introduction of Montague Chelmsford Reforms in 1919, Cooperation became a "State subject" and all the States excepting Madhya Pradesh and U.P. have their own Acts. In Madhya Pradesh (Maha Koshal region) and U.P., however, the Cooperative Societies Act of 1912 (Central Act) has been adopted with certain amendments. The Cooperative Societies Acts in the various States, however, have retained the main structure of the 1912 Act and additions have been made in the light of local conditions. In the process, however, the Acts have tended to be somewhat rigid and complicated.

17.2. The question of simplification of Cooperative Laws and procedures has been engaging the attention of the Central and State Governments for quite sometime. The National Development Council in November 1958, emphasised that the restricted features of existing cooperative legislation should be removed and cooperative laws and rules modified so that they do not impede the development of cooperation as a popular movement. The State Governments have been examining their Acts, Rules and procedures in the light of the observations of the National Development Council.

APPENDIX A

CONSTITUTION OF THE CENTRAL COMMITTEE FOR THE COOPERATIVE TRAINING

Chairman

1. Shri V. L. Mehta, Chairman, All India Khadi & Village Industries Commission, Bombay-1.

Members

2. Prof. D. G. Karve, C/o Reserve Bank of India, Bombay.
3. Shri B. Venkatappiah, Deputy Governor, Reserve Bank of India, Bombay.
4. A representative of the Ministry of Community Development & Cooperation, (Department of Cooperation).
5. A representative of the Planning Commission.
6. The President, All India Cooperative Union.
7. Shri R. G. Saraiya, Navsari Chambers, Outram Road Fort, Bombay.
- 8 to 12. The Registrars of Cooperative Societies, Bombay, Madras, West Bengal, Uttar Pradesh and Punjab.

Member Secretary

13. The Chief Officer, Agricultural Credit Department, Reserve Bank of India, Bombay.

APPENDIX B

A LIST OF COOPERATIVE TRAINING CENTRES IN THE COUNTRY

Regional Cooperative Training Centres

1. Cooperative Training College, 5-B. J. Road, Poona (Maharashtra State).
2. Regional Cooperative Training Centre, 92-B, Mount Road, Teynampet, Madras.
3. Regional Cooperative Training Centre, Ranchi Central Cooperative Bank Building, Post Box No. 56, Ranchi (Bihar).
4. Regional Cooperative Training Centre, Fort, Indore (Madhya Pradesh).
5. Regional Cooperative Training Centre, Sabun Godown, Baghat Road, Meerut City (Uttar Pradesh).

Block Level Cooperative Officers' Training Centres

1. Block Level Cooperative Officers' Training Centre, Himayat-sagar, Hyderabad.
2. Block Level Cooperative Officers' Training Centre, 141-Nimmakayala Street, Tirupathi (Andhra Pradesh).
3. Block Level Cooperative Officers' Training Centre, Panwadi Building, Bhavnagar (Gujarat).
4. Block Level Cooperative Officers' Training Centre, Cooperative Institute Building, Kalyani, Distt. Nadia (West Bengal).
5. Block Level Cooperative Officers' Training Centre, Aerodrome Building, Faizabad (Uttar Pradesh).
6. Block Level Cooperative Officers' Training Centre, Brij Bilas Palace, Kotah (Rajasthan).
7. Block Level Cooperative Officers' Training Centre, Yatton Hall, Gopalpur-on-Sea (Orissa).
8. Block Level Cooperative Officers' Training Centre, Patiala (Punjab).

Junior Cooperative Training Centre

Andhra Pradesh

1. Central Cooperative Institute, Hyderabad.
2. Ramdas Cooperative Training Institute, Rajahmundry.

3. The Rayalseema Cooperative Institute, Anantapur.
4. Cooperative Training College, Gunfoundry, Hyderabad.

Assam

5. Cooperative Training Institute, Joysagar, Distt. Sibsagar.

Bihar

6. State Cooperative Training Institute, Ranchi.
7. Cooperative Training Institute, Pusa Distt. Darbhanga.
8. Cooperative Training Institute, Deoghar.

Gujarat

9. Gujarat Cooperative School, Dil-aram, Dutch Road, Nanpura, Surat.
10. Cooperative Training College, Bhavnagar.
11. Gujarat Cooperative Training School, Scout Headquarters, Patna.
12. Gujarat Cooperative Training School, Ashram Road, Nadiad (Distt. Kairo).

Himachal Pradesh

13. Cooperative Training Institute, Mashobra, Simla.

Kerala

14. Malabar Cooperative Institute Ltd., Calicut.
15. Departmental Cooperative Training Centre, Trivandrum.
16. Cooperative Training Centre, Chembukkara, Trichur-1.

Madhya Pradesh

17. Cooperative Training Institute, Nowgong, Chhatarpur Distt.
18. Madhya Bharat Cooperative Training Institute, Agar.
19. State Cooperative Training Institute, Hanumantal Ward, Jabalpur.

Madras

20. Central Cooperative Institute, Kilpauk, Madras-10.
21. Ramalingam Cooperative Institute Ltd., Jail Road, Coimbatore.
22. Samiappa Cooperative Institute Ltd., Tanjore.
23. Cooperative Training Institute, Madurai.
24. Nachiappa Cooperative Training Institute, Salem.
25. Kancheepuram Cooperative Training Institute, 93, Chetty Street, Kancheepuram.

Maharashtra

26. Maharashtra Regional Cooperative School, 10-B. J. Road, Tata Lodge, Poona-1.
27. Kolhapur Cooperative Training School, C/o, Shahaji Law College, Tophakhana Building, Kolhapur.
28. Marathwada Cooperative Training School, Bhadkal Darwaza, Aurangabad.
29. State Cooperative Training Institute, Marketing Society Building, Industrial Area, Ganesh Peth, Nagpur.
30. Jalgaon Cooperative Training School, Jilha Peth, Near Civil Courts, Jalgaon, East Khandesh.
31. Regional Cooperative Training School, Amravati.

Manipur

32. Manipur Cooperative Training Institute, Imphal.

Mysore

33. Karnatak Regional Cooperative School, Attikoll, Dharwar.
34. Government Cooperative Training Institute, Mercara.
35. Cooperative Training School, Mysore.

Orissa

36. Cooperative Training Institute, Cuttack.
37. Government Cooperative Training Institute No. 1, Gopalpur-on-Sea.
38. Cooperative Training Institute No. 2, Gopalpur-on-Sea.

Punjab

39. Cooperative Training Institute, Pepsu State Cooperative Bank Building, Patiala.
40. Cooperative Training Institute, Model Town, Jullundur City.

Rajasthan

41. Cooperative Training School, Jaipur.
42. Cooperative Training School, Pasta Area, Jodhpur.

Uttar Pradesh

43. Cooperative Training School, Billar (Distt. Moradabad).
44. Cooperative Training School, Lucknow.
45. Cooperative Training Institute, Peppaganj, Gorakhpur.
46. Cooperative Training Institute, (School No. 1), Varanasi.

47. Cooperative Training Institute, (School No. II), Varanasi.
48. Cooperative Training Institute, Hastinapur, Meerut Distt.
49. Cooperative Auditor's Training School, P.O. Johangirabad Raj
(Distt. Barabanki).
50. Cooperative Training Institute, Kurwar.
51. Cooperative Training Institute, Jabalpur.

West Bengal

52. Government Training Institute, Uttarpara.
53. Regional Training Institute, P.O. Barsul, Distt. Burdwan.
54. Cooperative Training Institute, Jhargram, Midnapur Distt.
55. Regional Cooperative Training Institute, Kalimpong, Darjeeling

Jammu & Kashmir

56. Cooperative Training Institute, Srinagar.

Delhi

57. Cooperative Training School, 8-A Kamla Nagar, Delhi.

APPENDIX 'C'

CONSTITUTION OF THE NATIONAL COOPERATIVE DEVELOPMENT AND WARE- HOUSING BOARD AS ON 15-7-1960

BOARD

Chairman

1. Shri S. K. Dey, Minister of Community Development and Co-operation.

Vice-Chairman

2. Shri B. B. Ghosh, Secretary, Ministry of Food & Agriculture (Department of Food).

Members

3. Shri G. D. Goswami, I.A.S. Cooperation Commissioner in the Department of Cooperation, Ministry of Community Development & Cooperation.
4. Shri A. Baksi, Joint Secretary, (in-charge of Internal Finance), Ministry of Finance, (Department of Economic Affairs).
5. Shri A. C. Bose, Joint Secretary, Ministry of Finance (Department of Expenditure).
6. Shri R. B. Lal, Additional Member (Commercial) Railway Board.
7. Shri H. P. Sinha, Consulting Engineering, Road Development, Ministry of Transport.
8. Shri H. Lal, ICS, Director General of Food, Ministry of Food and Agriculture, (Department of Food).
9. Shri Nagendra Bahadur, I.A.S., Joint Secretary, in charge of Small Scale Industries, Ministry of Commerce and Industry.
10. Shri A. Doraiswamy, Chairman, Forward Market Commission, Bombay.
11. Shri B. Venkatappiah, Deputy Governor, Reserve Bank of India.
12. Shri A. S. Nariman, Secretary and Treasure (on special duty), State Bank of India, Bombay.
13. Shri A. Q. Ansari, President, All India Cooperative Union, New Delhi.

14. Shri Sadasiv Misra, Professor, Ravenshaw College, Cuttack.
15. Shri G. Parameswaran Pillai, Chairman, State Cooperative Bank, Advisory Council, Trivandrum.
16. Shri R. G. Saraiya, Navsari Chambers, Outram Road, Bombay.
17. Prof. D. G. Karve, C/o. Reserve Bank of India, Bombay.
18. Dr. P. Natesan, General Secretary, Tamil Nadu Cooperative Union, Madras.
19. Shri Jagan Prasad Rawat, Chairman, U.P. State Land Mortgage Bank Ltd., Lucknow.
20. Shri Tarapado Chaudhuri, Chairman, West Bengal Provincial Cooperative Bank, Calcutta.

APPENDIX 'D'

POLICY LETTER CONTAINING THE DECISIONS OF THE GOVERNMENT OF INDIA
ON THE RECOMMENDATIONS OF THE EXPERT COMMITTEE ON COOPERA-
TIVE CREDIT.

No. 6-14/60-U.T.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT & COOPERATION
(Department of Cooperation)

'KRISHI BHAVAN',
New Delhi-2,
October 4, 1960.
Asvina 12, 1882.

From

Shri M. R. Bhide, I.C.S.,
Secretary to the Government of India.

To

The Secretaries in charge of Cooperation,
All State Governments/Union Territory Administrations.

SUBJECT.—*Cooperative Policy—Recommendations of the Committee on Co-
operative Credit.*

Sir,

I am directed to refer to this Department's letter No. F.1-12/59-Coop.1 dated 11th May, 1959 in which were communicated to state governments the broad decisions on cooperative policy and which they were requested to follow. In the Conference of State Ministers of Cooperation held in Mysore in July 1959 the question of agricultural credit came up for consideration and as recommended by the conference a committee under the chairmanship of Shri V. L. Mehta was appointed to go into the matter and to make concrete suggestions as to how to expand credit for agricultural production on a considerable scale.

2. The recommendations of the Mehta Committee were discussed at the Conference of State Ministers of Cooperation held at Srinagar in June 1960. Subsequently the recommendations of the Mehta Committee and the views of the Conference of State Ministers of Cooperation were examined and certain proposals were placed before the National Development

Council at its meeting on 3rd September 1960. The National Development Council approved of the proposals made. The important policy decisions which the Government of India would request the State Governments to follow are indicated in the Annexure to this letter.

3. The Government of India are in general agreement with the other recommendations made by the Mehta Committee and would urge their acceptance by the State Governments and the cooperative institutions concerned. In so far as the recommendations relate to the Reserve Bank of India, they will be considered by the Bank.

4. A further communication will follow regarding the manner in which the grants to be made to the cooperative institutions will be shared between the Central and the State Governments.

5. Three spare copies of this letter and Annexure are enclosed to enable the State officials concerned to deal with the subject expeditiously.

Yours faithfully,

M. R. BHIDE,

Secretary to the Govt. of India.

Copy to :

1. Registrars of Cooperative Societies All State Governments/Union Territories.
2. Planning Commission, Yojana Bhavan, New Delhi.
3. Ministry of Food & Agriculture, New Delhi.
4. Ministry of Finance, Department of Expenditure/Department of Economic Affairs.
5. Reserve Bank of India (A.C.D.), Bombay/State Bank of India, Bombay.
6. All officers and sections in the Ministry.
7. N.C.D.W. Board. 118/172 Jor Bagh, New Delhi-3.

ANNEXURE

COOPERATIVE POLICY—RECOMMENDATIONS OF THE COMMITTEE ON CO-OPERATIVE CREDIT.

(A) *Pattern of Organisation of Village Cooperative Societies.*

As decided by the National Development Council in November 1958, as a general rule, cooperatives should be organised on the basis of the village community as the primary unit. Where villages are too small, the number of villages to be covered by a society may, however, be increased in the interest of viability. The aim should be to ensure viability with the inclusion of the smallest number of villages necessary, so that the cooperative society achieves both viability and the essential characteristics of cooperation, namely, voluntary basis, close contact, social conclusion and mutual obligation. The extension should, however, be subject to the maximum limits of a population of 3,000 (*i.e.* 600 families, or about 500 cultivating families) and a distance of not more than 3 or 4 miles from the headquarters village.

The broad test of viability should be the ability on the part of a cooperative society to meet the requisite expenses without depending upon financial assistance from Government except for a limited period. Potential viability should be assessed in each case on the basis of a programme of fulfilling certain essential conditions, such as, bringing into the cooperative all rural families, effective implementation of the village agricultural production plan, linking credit with production and with marketing, supervision of the use of credit, undertaking the functions of distribution and supply and attracting local savings to the maximum possible extent as share capital and as deposits.

A population of 3,000 may ordinarily be too high for a primary village society. However, it is not desirable to lay down unduly rigid rules on the subject of organisation and size of cooperative societies. Within a broad framework of policy, cooperative societies should be allowed to develop on their own. Particular care should be taken to ensure that existing societies are not interfered with merely because they do not strictly comply with the pattern of organisation now envisaged. The aim should be to gradually fit them into the new arrangements.

(B) *State Partnership in the Share Capital of Primary Agricultural Credit Societies.*

The state may participate in the share capital of primary agricultural credit societies, the more important terms and conditions proposed being as follows :—

- (i) Share capital contributed by the state should not be more than the contribution made by the members of the society.
- (ii) The state should participate in the share capital of a primary society only if 60 per cent of its members desire it and the central bank to which the society is affiliated supports the proposal.
- (iii) State participation in primary societies should as a normal rule, be indirect *viz.*, through apex and central banks. In case the State Governments, for special reasons, prefer to participate in the share capital of primary societies directly, they may do so but in such cases they should not nominate directors to the board of directors of the primary societies. If however, it is not considered feasible or reasonable to do away with nomination altogether, the authority to nominate directors should be delegated to the central cooperative banks.
- (iv) The central bank which would hold shares in the primary society may nominate one-third of the members of the board of directors, subject to a maximum of three.
- (v) State contribution may be continued from the initial stage for a period of 5 to 8 years during which the society may be expected to reach the optimum level of share capital required. The state need not contribute to the share capital after this.
- (vi) The principal of retirement of state share capital should be accepted. After the optimum level of share capital is reached, the process of retirement should start and might be completed during the next five to eight years.
- (vii) The maximum contribution to be made by the state to the share capital of a primary society should ordinarily be limited to Rs. 5,000. In circumstances such as the following, however, the state contribution could go up to a maximum of Rs. 10,000.
 - (a) in the case of very large villages,

- (b) for backward areas where it may be necessary to relax the condition regarding the matching contribution period of retirement, etc. (These areas are predominantly inhabited by scheduled tribes and backward classes).
- (c) in selected areas coming under irrigation or large scale reclamation for the first time where a specific or rapid increase in agricultural credit is considered imperative in the interest of agricultural production.

In regard to state participation in share capital of societies with unlimited liability, the liability of the State Government cannot be unlimited in the same manner as that of the other members. Therefore, even if the Government takes shares in such societies, its liability will have to be limited to the capital actually contributed by it. The legal aspect of this question should be examined and necessary provision made in the Co-operative Societies Act.

The funds required for participation in share capital should be provided by State Governments from loans taken from the Long-Term Operations Funds of the Reserve Bank. The quantum of assistance available from the Fund for this purpose will depend upon the contributions which the Reserve Bank will make to the Fund in future years with the approval of the Central Government.

These are the broad indications of the policy to be followed in this connection. It may, however, be noted that there should be no rigidity in the matter of state contribution to share capital, the duration of partnership and the manner in which the share capital should be retired.

(C) Outright Grants to Primary Societies and Central Banks for Providing Special Bad Debt Reserves

In the interest of agricultural production, it is necessary that cooperative societies admit to their membership all classes of cultivators including marginal and sub-marginal cultivators, landless tenants etc. and provide them adequate credit on the basis of their production requirements and repaying capacity. In order that cooperative credit institutions are encouraged to do so, it is proposed that:

- (i) Government may make an outright contribution to the funds of each society at 3 per cent of the additional loans made during a year over those advanced by it in the preceding year.
- (ii) Government may also make an outright contribution of 1 per cent similarly to central cooperative banks in respect of the additional finance provided by them.

- (iii) The advance to be taken into account for the purpose of these contributions will be those made for financing agricultural production. Loans given against pledge of produce or jewels should be excluded for this purpose.
- (iv) The contribution recommended above may be made by Government in the year 1962-63 in respect of the increase in the loans given in the year 1961-62 over those advanced in 1960-61 and similarly in the next three years of the Third Plan period.
- (v) The contributions to be made to the primary societies and central banks are primarily by way of encouraging them to provide adequate credit for agricultural production in particular to the weaker sections of the community who are at present either getting no credit at all or getting inadequate credit. The continuance of this contribution should necessarily be contingent on this essential condition being fulfilled. A detailed procedure to assess the progress made by the primary societies in this respect will be determined later in consultation with State Governments.
- (vi) The contributions received by societies and central banks should be credited by them to "Special Bad Debt Reserves" which should be drawn upon with the permission of the Registrar and according to rules framed for this purpose. These "Reserves" will be in addition to the normal bad debt reserves created from profits.
- (vii) A primary society may withdraw money from this special reserve to cover the entire amount of loss incurred by it but the withdrawal by a central bank, may be only to the extent of $\frac{2}{3}$ of the loss, the balance being borne by the bank.
- (viii) Outright grants for contribution to special bad debt reserves should be available to all societies provided their audit classification is not D and E.

(D) *Grants to Primary Societies for Managerial Expenses.*

The management grant for new service cooperatives and for societies which take up approved programmes of revitalisation will continue at the present rate, namely, a maximum of Rs. 900 spread over a period of 3 to 5 years. It must, however, be ensured that the management grant is only given to societies which actually undertake various functions of service cooperatives namely, disbursement of credit, supply of production requisites like fertilisers, insecticides, agricultural implements, seeds etc., and arrange for the marketing of the members' produce etc.

APPENDIX 'E'

POLICY LETTER CONTAINING THE DECISIONS OF THE GOVERNMENT OF INDIA
ON THE RECOMMENDATIONS OF THE WORKING GROUP ON COOPERATIVE
FARMING.

No. F.5-14/60-F.&S.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT & COOPERATION
(Department of Cooperation)

NEW DELHI,

Dated the 23rd September, 1960.

1st Asvin, 1882.

From

Shri M. R. Bhide, I.C.S.,
Secretary to the Government of India.

To

The Secretaries in charge of Cooperation,
All State Governments/Union Territory Administrations.

SUBJECT.—*Cooperative Farming.*

Sir,

I am directed to refer to the report of the Working Group on Cooperative Farming which has already been circulated to State Governments and to say that the main recommendations, contained in the report, were discussed at length in the Conference of State Ministers of Cooperation held in Srinagar in June 1960. Subsequently, they were examined in consultation with the Planning Commission, Ministries of Finance and Food & Agriculture and the Reserve Bank of India and certain proposals were placed before the National Development Council which in its meeting held on 13th September, 1960 generally approved of them.

2. The various policy decisions which the Government of India would request the State Governments to follow are indicated in the Annexure to this letter. The pattern of assistance to cooperative farming societies is indicated in the Annexure under item (B) and (C). The manner in which the Centre and the State Governments will share the grants and loans will be decided shortly in consultation with the Planning Commission and the Ministry of Finance in the light of general orders that may be issued regarding the continuance of the system of matching grants during the Third Five-Year Plan period.

3. Three spare copies of this letter and Annexures are enclosed to enable the State Officers concerned to deal with the subject expeditiously.

Yours faithfully,
M. R. BHIDE,
Secy. to the Govt. of India.

No. F.5-14/60-F.&S.

New Delhi, the 23rd September, 1960
1st Asvin, 1882.

Copy to :

1. Registrars of Cooperative Societies, all State Governments/Union Territories.
2. Planning Commission.
3. Ministry of Food & Agriculture (Deptt. of Agriculture).
4. Reserve Bank of India.
5. All Officers and Sections in the Ministry (both Departments).

S. S. PURI,
Dy. Secy. to the Govt. of India.

No. 5-14/60-F&S.

New Delhi, the 23rd September, 1960.
1st Asvin 1882.

Copy also forwarded to :

- (1) Secretaries incharge of Agriculture, All State Governments/Union Territories.
- (2) The Directors of Agriculture, All State Governments/Union Territories Administrations.
- (3) All Development Commissioners.

N. N. VENKATESWARAN,
for Dy. Secy. to the Govt. of India.

ANNEXURE

(A) *Pattern of Organisation*

(i) **Voluntary character of membership.**—The general principle that there should be no compulsion in the organisation of co-operative farming societies is already part of the policy on co-operative farming and should be stressed.

In some States *e.g.* Uttar Pradesh and Bombay, there is legislation under which, in certain circumstances land belonging to individuals can compulsorily be pooled in cooperative farms. The question as to which of the specific clauses in the State legislation involving compulsion could be usefully retained in the interest of agricultural production etc., is at present under examination and a further communication will follow.

(ii) **Admission of absentee land owners as members.**—Membership of cooperative farming societies should be confined to those who are prepared to work on the farm or in its ancillary activities. Absentee land owners should not ordinarily be admitted as members. Persons who are prevented from participation in farm work on account of physical disability, government service, age, sex or owning land in more than one village may be admitted although they may not participate in farm work. The absentee land holders taken together as a group should not exceed 1/4th of the total membership of the society.

(iii) **Size of Cooperative Farms.**—For the purpose of special assistance from Government a minimum size in terms of membership and area may be prescribed by State Governments in the light of local conditions in order to ensure that such assistance is extended only to those societies as have a prospect of becoming viable. Societies below the minimum size in terms of membership and area may be registered but should not receive special assistance from Government. No maximum size need be prescribed. The approach in the five year plans to develop the village economy as a whole, should be kept in view in the development of co-operative farming.

(iv) **Withdrawal of membership.**—Land should be pooled by members for a minimum period of five years. Withdrawal during this period might be allowed in exceptional circumstances, *e.g.* a member leaving the village.

Each society might prescribe the terms and conditions on which a member might withdraw from the society.

(v) **Return for land.**—A co-operative farming society should from its income give a suitable return to its members for the land pooled by them. Whether such return should be paid out of the net income or the gross income should be left for decision by the individual society. The return, if paid out of the gross income, should, however, not exceed the limit for rent, fixed under the tenancy laws of the State concerned.

(vi) **Cattle, implements, etc. as share capital and deposits.**—Cattle, implements, etc. belonging to members may be taken over by the society to the extent they are required for its operations. Care should be taken to ensure fair valuation. The value of cattle, implements, etc. taken over should be treated to the extent necessary, as share capital and the balance as deposits of the member concerned. As regards cattle, implements, etc. not taken over by the society, it should help its members in their disposal.

(vii) **Consolidation of holdings.**—Consolidation of holdings need not be a condition precedent to cooperative farming but advantage may be taken of consolidation proceedings to encourage cooperative farming by adopting the following suggestions already made in the Second Plan:

(a) When operations for the consolidation of holdings take place, an effort should be made to educate the people in the advantages of cooperative farming so that, to the extent possible, those who wish to join together in cooperative farming societies may have their lands consolidated in one block or in a small number of compact blocks; and

(b) At the time of consolidation of holdings lands belonging to persons holding very small pieces of land should be located as near as possible to pooled lands so that cultivators who may not join a cooperative farm immediately may find it convenient to do so at a later stage.

(viii) **Authorisation to mortgage the land.**—In order to enable a cooperative farming society to raise the necessary medium and long-term finances, members of the society may be persuaded to authorise the society to mortgage the land pooled for raising loans for the common purpose of the society. Failing such authorisation the society may be enabled to create a charge on the pooled land on the lines of Section 24-A of the Bombay Cooperative Societies Act.

(B) *Pattern of Assistance*

(i) **Eligibility for normal assistance.**—Cooperative farming societies should be eligible for assistance on a priority basis under various schemes which provide for assistance to individual cultivators. For this purpose if necessary, the rules governing such assistance may be suitably revised.

(ii) **State participation in share capital.**—The recommendations made in the context of the report of the committee on cooperative credit are intended to bring about a general expansion of credit facilities for agriculture. Cooperative farming societies will generally need credit on a larger scale than individual cultivators as they are expected to take up more comprehensive production programmes. In the case of cooperative farming societies composed predominantly of landless cultivators and marginal and sub-marginal farmers, it will be specially necessary to ensure that they have the requisite borrowing power. The State may, therefore, participate in the share capital of such societies, subject to a ceiling of Rs. 2,000 for a society. As a general rule, the amount of share capital contributed by the State should not exceed the amount raised by the members of the society and the State's share capital should be retired over a period of ten years. Contributions to the share capital need not be accompanied by nomination of directors by government.

(iii) **Short-term credit for cooperative farming societies.**—It is necessary to ensure that policies for promoting cooperative farming and primary service cooperatives at the primary level do not cut across one another and at all stages cooperative farming is visualised as a stage in cooperative development and not as a programme isolated from the normal pattern of growth of the rural economy to be achieved through community development. It is, therefore, desirable that where a group of cultivators in a village form a cooperative farming society, the society should become a member of the primary service cooperative. The short-term credit required by a cooperative farming society should be made available either by the central bank direct or by the village service cooperative according to convenience and local facilities and resources available. The cooperative farming society should be able to take full advantage of the primary service cooperative in respect of supplies, marketing, etc. and thereby strengthen its activities.

(iv) **Managerial subsidy for cooperative farming society.**—A total subsidy not exceeding Rs. 1,200 may be given to a cooperative farming society over a period of three to five years towards its managerial expenses.

(v) **Assistance for godown-cum-cattle shed.**—A sum not exceeding Rs. 5,000 (25% subsidy and 75% loans) might be given to a cooperative farming society for construction of a godown-cum-cattle shed. In giving such assistance care should be taken to avoid duplication and overlapping between the construction of accommodation for the service cooperative and cooperative farming societies in the village.

(vi) **Medium and long-term loan.**—As regards long and medium-term loans, assistance should be provided by government where and to the

extent the societies are unable to secure their requirements from central cooperative banks or land mortgage banks. Government may provide on an average up to Rs. 4,000 to cooperative farming societies by way of loans for their programmes of development. To the maximum extent possible, additional requirements of cooperative farming societies should be met out of the provisions available in the agricultural sector of the plan and those in the schematic budget of the community development blocks.

(vii) **Guarantees to central banks.**—There is no need to give any guarantees to central cooperative banks in respect of short-term loans given by them to cooperative farming societies. The advances given to cooperative farming societies by central cooperative banks should, however, be taken into consideration for the purpose of the proposed government contribution to their special bad debt fund at one per cent of the additional loans given by them for agricultural production over and above the loans given in the preceding year. These grants should be shared equally by the State Government and the Government of India.

(C) *Administrative Arrangements*

(i) **District Unions.**—District cooperative unions should look after cooperative farming societies along with other types of cooperative societies in the districts and at this stage separate unions of cooperative farming societies need not be established.

Cooperative Farming Board.—(ii) A separate agency may be established at the centre for promotion of cooperative farming. This may be in the shape of a new Board or as a sub-committee of the National Cooperative Development and Warehousing Board. As regards the recommendation of the Working Group that there should be cooperative farming boards at the state level, this may be left to the State Governments.

(D) *Education and Training*

Training in cooperative farming should be provided by expanding the existing arrangements for training so as to cover training for cooperative farming also.

(E) *Physical Targets*

(i) **Pilot projects.**—A programme of organising 3,200 cooperative farms under pilot projects should be undertaken as recommended by the Working Group.

(ii) **Farms outside pilot projects.**—At this stage, apart from the pilot projects, it is not necessary or desirable to lay down specific targets for the number of cooperative farming societies to be set up during the

Third Plan. As stated in the Second Plan, the objective is to built up sound foundations for the development of cooperative farming so that, over the next ten years or so, a substantial proportion of the agricultural lands are cultivated on cooperative lines. This objective should be stressed and keeping it in view, plans for cooperative farming should be drawn up in the States in a realistic manner and the tentative targets which emerge should be examined and the financial provisions needed considered at the time of finalising the plan. For this purpose, a lump provision may be made for societies outside pilot projects.

(iii) Assistance to farms outside and under the pilot projects.—The various items of assistance should apply equally to the cooperative farming societies taken up in the pilot projects programme and other cooperative farming societies which are formed except that, at the present stage, state participation in the share capital should be confined to cooperative farming societies composed predominantly of landless cultivators and marginal and sub-marginal farmers and which are developed as part of the pilot projects programme.

STATEMENT NO. I

State Co-operative Banks

Statewise details for the year 1958-59.

(Rupees in Thousands)

State	No. of Banks	Share Capital	Statutory reserves and other funds	Deposits	Other borrowings	Working Capital	LOANS				
							Advanced	Recovered	Outstanding	of which over-dues	of which bad and doubtful
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Andhra Pradesh	2	1,16,72	52,03	2,36,27	12,45,14	16,50,16	26,37,08	23,40,51	14,29,63	32,46	7,81
Assam	1	37,27	11,44	3,06,68	2,35,00	5,90,39	6,28,39	5,85,28	3,71,91	1,07,90	3,03
Bihar	1	44,34	17,13	2,42,65	59,15	3,63,27	1,38,19	1,31,25	1,32,06	45,12	14
Bombay	3	2,23,01	87,44	22,80,90	18,58,36	44,49,71	56,99,79	53,33,74	26,62,32	1,02,03	35,69
J. & K.	1	15,73	3,58	12,45	88,18	1,19,94	1,66,15	1,38,51	82,67	4,09	..
Kerala	1	27,51	1,83	57,35	1,28,90	2,15,59	2,30,17	1,85,46	1,51,24	92	29
M. P.	1	87,81	17,55	2,05,00	5,30,07	8,40,43	9,30,47	6,58,32	6,70,72	12,32	4,21
Madras	1	91,51	47,62	6,21,16	12,18,80	19,79,09	15,08,65	8,51,53	16,16,78	1,13	1,13
Mysore	1	65,62	13,27	2,91,49	6,14,22	9,84,60	9,82,17	7,42,77	7,19,79	10,39	..
Orissa.	1	18,89	6,56	1,36,64	67,04	2,29,13	1,63,14	1,33,89	1,46,84	34	34
Punjab	1	57,36	9,26	2,40,68	4,81,54	7,88,84	6,39,02	4,30,28	5,99,89	7,20	1,50
Rajasthan	1	41,04	1,37	39,35	2,42,75	3,24,51	2,65,43	1,41,70	2,54,30	..	..
U. P.	1	1,43,68	26,28	6,93,85	4,88,98	13,52,79	9,61,68	7,23,21	8,27,77	42,87	3,50
W. B.	1	56,74	1,31,16	3,29,68	1,69,83	6,87,41	1,86,27	1,33,18	3,37,50	1,89,70	1,73,29
U. Ts.	5	29,08	9,59	1,50,18	12,20	2,01,05	2,03,87	1,72,68	1,18,56	33,91	2,79
TOTAL	22	10,56,31	4,36,11	58,44,33	74,40,16	1,47,76,91	1,53,40,47	1,27,02,31	1,01,21,98	5,90,38	2,33,72



STATEMENT No. I

State Co-operative Banks

Statewise details for the year 1958-59.

(Rupees in Thousands)

State	No. of Banks	Share Capital	Statutory reserves and other funds	Deposits	Other borrowings	Working Capital	LOANS				
							Advanced	Recovered	Outstanding	of which over-dues	of which bad and doubtful
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Andhra Pradesh	2	1,16,72	52,03	2,36,27	12,45,14	16,50,16	26,37,08	23,40,51	14,29,63	32,46	7,81
Assam	1	37,27	11,44	3,06,68	2,35,00	5,90,39	6,28,39	5,85,28	3,71,91	1,07,90	3,03
Bihar	1	44,34	17,13	2,42,65	59,15	3,63,27	1,38,19	1,31,25	1,32,06	45,12	14
Bombay	3	2,23,01	87,44	22,80,90	18,58,36	44,49,71	56,99,79	53,33,74	26,62,32	1,02,03	35,69
J. & K.	1	15,73	3,58	12,45	88,18	1,19,94	1,66,15	1,38,51	82,67	4,09	..
Kerala	1	27,51	1,83	57,35	1,28,90	2,15,59	2,30,17	1,85,46	1,51,24	92	29
M. P.	1	87,81	17,55	2,05,00	5,30,07	8,40,43	9,30,47	6,58,32	6,70,72	12,32	4,21
Madras	1	91,51	47,62	6,21,16	12,18,80	19,79,09	15,08,65	8,51,53	16,16,78	1,13	1,13
Mysore	1	65,62	13,27	2,91,49	6,14,22	9,84,60	9,82,17	7,42,77	7,19,79	10,39	..
Orissa.	1	18,89	6,56	1,36,64	67,04	2,29,13	1,63,14	1,33,89	1,46,84	34	34
Punjab	1	57,36	9,26	2,40,68	4,81,54	7,88,84	6,39,02	4,30,28	5,99,89	7,20	1,50
Rajasthan	1	41,04	1,37	39,35	2,42,75	3,24,51	2,65,43	1,41,70	2,54,30	..	..
U. P.	1	1,43,68	26,28	6,93,85	4,88,98	13,52,79	9,61,68	7,23,21	8,27,77	42,87	3,50
W. B.	1	56,74	1,31,16	3,29,68	1,69,83	6,87,41	1,86,27	1,33,18	3,37,50	1,89,70	1,73,29
U. Ts.	5	29,08	9,59	1,50,18	12,20	2,01,05	2,03,87	1,72,68	1,18,56	33,91	2,79
TOTAL	22	10,56,31	4,36,11	58,44,33	74,40,16	1,47,76,91	1,53,40,47	1,27,02,31	1,01,21,98	5,90,38	2,33,72

STATEMENT No. 2.

Central Co-operative Banks, Statewise details for the year 1958-59.

(Rupees in thousands.)

State	No. of Banks.	Share Capital	Statutory reserves and other funds	Deposits	Other borrowings	Working capital	LOANS				
							Advanced	Recovered	outstanding	of which over-dues	of which bad and doubtful
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
A. P.	26	2,57,76	1,02,56	5,62,63	13,40,34	22,64,96	25,10,42	21,80,66	19,01,44	1,74,75	32,15
Assam	9	28,75	1,27	2,17	1,69,25	2,01,44	1,03,16	52,42	1,77,44	76,01	64
Bihar	47	51,70	19,65	1,17,85	1,33,14	3,22,36	1,25,79	1,16,30	2,05,48	1,02,38	2,68
Bombay	54	5,40,23	2,25,97	28,37,77	14,31,87	50,26,85	67,83,21	61,44,21	30,38,44	3,13,85	18,44
J. & K.	4	4,49	5,24	11,37	61,59	82,69	1,47,10	1,21,76	73,93	22,27	83
Kerala	6	42,84	10,85	1,74,08	1,43,37	3,71,14	4,47,24	3,38,80	2,67,06	17,59	66
M. P.	46	2,18,97	95,04	6,18,37	6,60,17	15,92,56	13,53,74	10,83,65	11,80,67	1,20,40	8,33
Madras	15	1,87,89	97,87	8,08,50	15,17,51	26,11,77	35,18,52	27,21,99	21,83,83	18,54	14,80
Mysore	23	2,22,45	53,20	7,90,28	7,60,39	18,26,38	27,06,93	24,02,28	12,43,41	1,40,54	2,79
Orissa	17	71,63	22,61	1,94,85	1,70,44	4,59,85	2,41,99	2,17,15	3,54,62	59,35	10,00
Punjab	36	1,44,65	1,00,81	7,65,56	6,33,53	16,44,57	8,92,21	7,85,38	9,10,00	1,96,43	26,59
Rajasthan	27	74,15	20,09	1,68,63	2,58,12	5,21,00	3,84,78	3,14,73	2,81,56	60,82	7,55
U. P.	57	4,22,23	60,02	5,74,45	5,72,41	16,32,54	15,14,44	12,57,83	10,27,77	89,97	7,38
W. B.	35	46,14	42,83	1,71,00	1,44,85	4,04,04	2,86,82	2,26,43	2,37,66	99,86	26,85
TOTAL	402	23,13,88	8,58,01	77,97,51	79,96,98	1,89,62,15	2,10,16,35	1,79,63,59	1,30,83,31	14,92,74	1,59,69

STATEMENT No. 3

Primary Agricultural Credit & Multipurpose Societies (Large & Small, Sized)

Statewise details for the year 1958-59 .

(Rupees in thousands).

State	Number of societies			Member-ship in thousands	Share capital	Deposits	Working capital	Number of villages		Population in '000'		Credit Operations					No. of godowns		Audit classification for the year 1957-58			
	Limited	Unlimited	Total					Total	Served by societies	Total	Covered by Societies	Loans advanced	Loans recovered	Loans outstanding	Of which overdue	Of which bad & doubtful	Owued	Hired	A & B class	C, D & E class	Unclassifying	Unaudited
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
A.P.	582	10,720	11,302	11,15	2,96,16	77,94	19,08,16	26,450	18,262	2,58,21	55,75	14,29,60	10,88,65	15,59,39	2,74,46	3,48	120	40	1,098	8,984	156	443
Assam	297	2,773	3,070	1,5	32,70	2,57	2,31,01	25,825	10,838	91,14	7,95	1,36,50	83,84	1,94,29	90,90	81	35	..	1,825	854	25	275
Bihar	14,197	1,569	15,766	6,20	74,35	8,56	2,76,33	70,000	26,051	3,89,42	31,00	92,19	78,86	1,75,65	1,01,39	1,77	53	29	390	7,344	1,065	4,023
Bombay	9,616	10,915	20,531	17,77	12,03,03	1,97,38	50,27,40	54,281	46,633	3,46,15	88,85	40,62,04	31,06,18	41,14,22	7,42,59	7,65	239	563	7,942	8,808	69	1,535
J. & K.	499	748	1,247	2,22	21,35	3,18	1,34,18	6,313	4,471	26,75	11,10	1,29,09	88,16	1,04,12	23,34	..	..	499	477	..	..	878
Kerala	1,086	1,134	2,220	5,57	1,17,01	65,32	441,67	1,633	1,619	1,31,74	27,85	2,78,35	1,86,58	2,97,68	72,94	81	25	2	517	1,028	165	362
M.P.	2,596	17,022	19,618	7,05	2,11,91	42,05	14,16,86	69,705	41,909	2,29,59	35,25	10,41,66	7,93,41	11,85,14	1,74,90	6,00	180	3	831	13,807	1,609	503
Madras	406	8,037	8,443	13,04	2,43,91	87,86	17,66,23	15,838	13,969	2,28,00	65,20	13,18,13	9,97,46	14,38,57	1,81,67	1,92	156	36	1,942	6,175	4	61
Mysore	3,322	3,894	7,216	9,37	3,13,13	92,91	14,03,88	25,897	20,119	1,49,48	36,85	9,56,29	7,33,94	11,01,87	3,09,66	2,48	170	163	3,195	3,617	275	177
Orissa	734	5,617	6,351	3,42	80,15	11,71	3,84,95	48,398	20,497	1,40,52	17,10	1,85,96	1,57,00	2,93,03	77,19	78	75	16	219	5,183	25	824
Punjab	1,005	14,618	15,623	9,27	3,62,80	2,88,15	13,94,73	20,898	16,794	1,30,68	46,35	8,64,07	6,94,07	11,62,84	2,99,59	30	365	70	3,774	7,570	2,544	314
Rajasthan	1,569	5,675	7,244	3,63	93,60	13,66	3,84,76	31,704	12,115	1,30,15	18,15	2,73,76	2,10,30	2,59,19	62,88	50	183	193	1,742	3,516	600	305
U.P.	48,559	1,574	50,133	21,94	5,61,29	66,86	18,08,96	1,12,208	72,570	6,32,16	1,09,70	14,98,83	12,04,23	12,72,76	1,45,91	32	53	36	133	31,762	..	12,165
W. B.	1,201	11,667	12,868	5,65	63,57	13,41	3,61,45	38,471	21,261	2,00,21	38,25	2,26,67	1,61,12	2,65,63	1,15,38	8,41	49	8	48	10,250	1,241	1,052
U.T.	1,081	192	1,273	1,14	43,10	16,46	1,53,10	22,720	15,599	35,36	5,70	56,90	35,06	75,53	16,91	7	86	77	124	788	179	131
TOTAL	86,750	96,155	1,82,905	1,19,01	37,18,06	9,88,02	1,70,93,67	5,70,341	3,42,707	31,19,56	5,95,05	1,25,50,04	96,18,86	134,99,91	26,89,71	35,30	1,789	1,735	24,257	1,09,686	7,957	23,048

STATEMENT No. 3

Primary Agricultural Credit & Multipurpose Societies (Large & Small, Sized)

Statewise details for the year 1958-59 .

(Rupees in thousands).

State	Number of societies			Member-ship in thousands	Share capital	Deposits	Working capital	Number of villages		Population in '000'		Credit Operations					No. of godowns		Audit classification for the year 1957-58			
	Limited	Unlimited	Total					Total	Served by societies	Total	Covered by Societies	Loans advanced	Loans recovered	Loans outstanding	Of which overdues	Of which bad & doubtful	Owned	Hired	A & B class	C, D & E class	Unclassifying	Unaudited
	(1)	(2)	(3)					(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
A.P.	582	10,720	11,302	11,15	2,96,16	77,94	19,08,16	26,450	18,262	2,58,21	55,75	14,29,60	10,88,65	15,59,39	2,74,46	3,48	120	40	1,098	8,984	156	443
Assam	297	2,773	3,070	1,5	32,70	2,57	2,31,01	25,825	10,838	91,14	7,95	1,36,50	83,84	1,94,29	90,90	81	35	..	1,825	854	25	275
Bihar	14,197	1,569	15,766	6,20	74,35	8,56	2,76,33	70,000	26,051	3,89,42	31,00	92,19	78,86	1,75,65	1,01,39	1,77	53	29	390	7,344	1,065	4,023
Bombay	9,616	10,915	20,531	17,77	12,03,03	1,97,38	50,27,40	54,281	46,633	3,46,15	88,85	40,62,04	31,06,18	41,14,22	7,42,59	7,65	239	563	7,942	8,808	69	1,535
J. & K.	499	748	1,247	2,22	21,35	3,18	1,34,18	6,313	4,471	26,75	11,10	1,29,09	88,16	1,04,12	23,34	..	..	499	477	..	..	878
Kerala	1,086	1,134	2,220	5,57	1,17,01	65,32	4,41,67	1,633	1,619	1,31,74	27,85	2,78,35	1,86,58	2,97,68	72,94	81	25	2	517	1,028	165	362
M.P.	2,596	17,022	19,618	7,05	2,11,91	42,05	14,16,86	69,705	41,909	2,29,59	35,25	10,41,66	7,93,41	11,85,14	1,74,90	6,00	180	3	831	13,807	1,609	503
Madras	406	8,037	8,443	13,04	2,43,91	87,86	17,66,23	15,838	13,969	2,28,00	65,20	13,18,13	9,97,46	14,38,57	1,81,67	1,92	156	36	1,942	6,175	4	61
Mysore	3,322	3,894	7,216	9,37	3,13,13	92,91	14,03,88	25,897	20,119	1,49,48	36,85	9,56,29	7,33,94	11,01,87	3,09,66	2,48	170	163	3,195	3,617	275	177
Orissa	734	5,617	6,351	3,42	80,15	11,71	3,84,95	48,398	20,497	1,40,52	17,10	1,85,96	1,57,00	2,93,03	77,19	78	75	16	219	5,183	25	824
Punjab	1,005	14,618	15,623	9,27	3,62,80	2,88,15	13,94,73	20,898	16,794	1,30,68	46,35	8,64,07	6,94,07	11,62,84	2,99,59	30	365	70	3,774	7,570	2,544	314
Rajasthan	1,569	5,675	7,244	3,63	93,60	13,66	3,84,76	31,704	12,115	1,30,15	18,15	2,73,76	2,10,30	2,59,19	62,88	50	183	193	1,742	3,516	600	305
U.P.	48,559	1,574	50,133	21,94	5,61,29	66,86	18,08,96	1,12,208	72,570	6,32,16	1,09,70	14,98,83	12,04,23	12,72,76	1,45,91	32	53	36	133	31,762	..	12,165
W. B.	1,201	11,667	12,868	5,65	63,57	13,41	3,61,45	38,471	21,261	2,00,21	38,25	2,26,67	1,61,12	2,65,63	1,15,38	8,41	49	8	48	10,250	1,241	1,052
U.T.	1,081	192	1,273	1,14	43,10	16,46	1,53,10	22,720	15,599	35,36	5,70	56,90	35,06	75,53	16,91	7	86	77	124	788	179	131
TOTAL	86,750	96,155	1,82,905	1,19,01	37,18,06	9,88,02	1,70,93,67	5,70,341	3,42,707	31,19,56	5,95,05	1,25,50,04	96,18,86	1,34,99,91	26,89,71	35,30	1,789	1,735	24,257	1,09,686	7,957	23,048

Primary Agricultural Marketing Societies
State wise details for the year 1958-59.

(Rupees in thousands)

State	Number	Membership		Share capital	Working capital	Societies declaring profits		Societies declaring loss		No. of societies without profit or loss	Number of Godowns		Sales as owners					Sales as agents				Agricultural requisites distributed					
		Societies	Individuals			Number	Amount	Number	Amount		Owned	Hired	Purchases	Food-grains	Cotton	Oil-seeds	Misc.	Total	Food-grains	Cotton	Oil-seeds	Misc.	Total	Seeds	Manure & fertilizer	Others	Total
A. P.	173	3,075	1,51,635	49,52	2,49,29	83	6,48	82	3,29	8	82	124	1,44,61	3,06	2	29	1,74,79	1,78,16	..	..	1,82	46,29	48,11	17	1,60,24	14,04	1,74,45
Assam	75	357	8,523	8,15	15,64	29	2,37	27	20	19	28	21	70,37	28,11	..	16	4,80	33,07	38,62	..	1	39	39,02	8	1,04	..	1,12
Bihar	113	3,645	75	16,07	30,58	63	1,10	29	34	21	44	25	10,93	1,33	6	7	1,56	3,02	18,45	23	6	6,62	25,36	10	2,16	13	2,39
Bombay	213	527	59,686	39,72	1,94,57	126	4,67	47	47	40	23	43	74,90	3,26	58,02	6,42	38,48	1,06,18	5,60	1,73,09	12,90	96,85	2,88,44	14,58	23,00	9,57	47,15
J. & K.	34	487	6,974	4,74	25,50	31	74	3	6	..	..	34	46,06	14,32	..	..	33,81	48,13	..	..	..	7,41	7,41	29	3,51	..	3,80
Kerala	66	225	15,857	6,85	19,67	24	88	39	2,44	3	8	9	21,75	18,11	..	32	5,28	23,71	14	..	..	7,19	7,33	12	1,25	18	1,55
M. P.	127	2,506	36,422	35,30	96,28	66	2,69	33	1,38	28	59	85	1,29,17	67,14	2,35	5,35	38,00	1,12,84	39,97	8,83	2,22	8,33	59,36	3,16	21,83	3,50	28,49
Madras	109	4,739	1,58,653	29,14	1,98,82	61	8,02	41	3,54	7	251	257	1,02,04	3,94	30	1,71	16,17	22,12	13,89	35,02	63,46	1,13,25	2,25,62	1,97	76,63	81,61	1,60,21
Mysore	229	4,739	97,458	54,65	2,65,57	142	12,48	33	68	54	140	229	3,36,07	20,98	11,48	5,82	1,28,08	1,66,36	26,27	2,68,00	45,43	3,24,91	6,64,61	22,64	1,55,64	46,72	2,25,00
Orissa	55	1,453	12,364	12,40	39,78	34	1,81	14	1,51	7	27	82	77,53	11,95	..	62	14,58	27,15	2,14	..	..	26,11	28,26	..	53,11	67	53,78
Punjab	121	3,137	17,159	31,98	69,76	72	2,30	32	49	17	158	307	2,72,40	30,96	5,67	3,52	47,27	87,42	1,21,49	23,72	10,00	17,94	1,73,15	7,54	22,77	97	31,28
Rajasthan	85	2,907	6,759	10,49	36,81	49	1,91	20	18	16	27	45	41,22	20,73	9	1,24	6,27	28,33	19,14	1,16	6,35	7,36	34,01	4,33	49	40	5,22
U.P.	620	1,431	3,14,092	49,19	1,30,94	455	6,05	45	15	120	11	129	1,58,16	78,28	..	2	4,55	82,85	73,50	..	..	4,16	5,87	6	15,78	15	16,00
W. Bengal	260	811	45,671	15,53	58,43	86	1,40	118	2,18	56	66	48	50,69	19,92	1,84	3	21,85	43,63	1,71	..	7	2,51	8,13	97	5,73	..	6,40
U. T.	100	485	6,387	5,50	15,64	39	47	24	19	7	14	19	24,17	7,58	13	30	12,41	20,43	5,57	..	..	..	..	..	..	..	..
TOTAL	2,380	30,524	9,37,715	3,69,23	14,47,28	1,360	53,37	587	1,710	403	938	1,457	15,60,09	3,29,67	79,96	25,87	5,47,90	9,83,40	3,66,49	5,10,05	1,42,44	6,69,43	16,88,41	55,71	5,43,18	1,57,94	7,56,84

STATEMEN No. 5

Cooperative Sugar Factories—Statewise details for the year 1957-58 and 1958-59

(Rs in lakhs.)

State	Number Membership		Total share Capital		Govt. Share	Contribution to Capital	1957-58 Season			1958-59		1959-60					
	As on 30-6-58	As on 30-6-59	As on 30-6-58	As on 30-6-59			As on 30-6-58	As on 30-6-59	No. of Factories under production	Cane 000 tons	Sugar produced 000 tons	No. of Factory under production	Cane crushed 000 tons	Sugar produced 000 tons	No. of Fact. under production	Cane crushed 000 tons	Sugar produced 000 tons
I	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Andhra	6	6	1715	12944	85.3	103.3	36.0	38.0	1	79.38	7.14	1	60.22	5.47	2	125.32	11.88
Assam	1	1	5677	6220	30.2	39.1	20.0	27.0	—	—	—	1	23.16	1.78	1	57.68	4.23
Bihar	1	1	2273	2779	0.9	14.3	Nil	5.0	—	—	—	—	—	—	—	—	—
Bombay	17	17	21106	23316	416.1	513.3	167.0	177.0	9	1058.76	114.78	14	1194.52	135.83	15	1696.95	198.62
Madras	3	3	2680	4096	71.2	85.1	35.0	40.0	—	—	—	—	—	—	—	—	—
Mysore	3	3	6961	8246	59.8	68.6	35.0	40.0	1	7.76	0.48	1	68.53	7.67	2	154.91	17.16
Orissa	1	1	2079	2079	13.1	13.1	10.0	10.0	—	—	—	—	—	—	—	—	—
Punjab	5	5	49318	49031	196.8	197.6	82.0	82.0	3	300.03	27.23	3	295.91	24.31	3	422.88	38.29
Uttar Pradesh	3	3	4466	6317	65.1	77.6	30.0	30.0	—	—	—	1	40.65	3.85	1	173.06	15.36
TOTAL	40	40	105775	115028	946.6	1102.0	415.0	449.0	14	1445.93	149.65	21	1682.99	178.91	24	2630.80	285.54

STATEMENT No. 6

Second Plan Progress

Schemewise details of expenditure (All India)

(Rupees in lakhs)

SCHEME	Plan provision (1956-61)	EXPENDITURE				Revised estimates for 1959-60	Provision for 1960-61
		1956-57	1957-58	1958-59			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1. Managerial staff of credit institutions	383.61	13.81	44.56	68.51	131.65	218.90	
2. Share capital contribution to marketing societies	736.86	78.49	111.04	104.64	219.87	154.00	
3. Loans and subsidies for construction of godowns	685.97	68.30	155.90	146.30	245.51	151.88	
4. Managerial staff of marketing societies	120.64	4.37	9.57	15.67	19.02	31.86	
5. Contribution to funds	350.77	13.31	30.53	11.45	12.50	9.00	
6. Share capital to state warehousing corporation	388.11	10.00	59.60	37.40	28.50	23.00	
7. Departmental staff	645.55	23.08	66.77	109.72	209.47	314.00	
8. Training and Education*	308.82	25.00	34.14	38.32	87.30	138.12	
9. Co-operative Farming	145.38	5.85	17.39	18.72	70.63	40.11	
10. Other Development Schemes	83.50	10.56	6.87	23.44	56.34	60.56	
11. Sugar factories	500.00	97.10	21.50	25.50	100.00	220.00	
12. Share capital to central warehousing corporation	392.00	40.00	40.00	..	40.00	40.00	
TOTAL	4741.21	389.87	597.87	599.67	1210.79	1401.43	
UNION TERRITORIES	129.52	3.28	11.21	18.66	28.66	27.42	
GRAND TOTAL	4870.73	393.15	609.08	618.33	1239.45	1428.85	

*Includes direct expenditure by Government of India also.

STATEMENT No. 7

Second—Plan Progress

Statewise Outlay and expenditure (acc. to States)

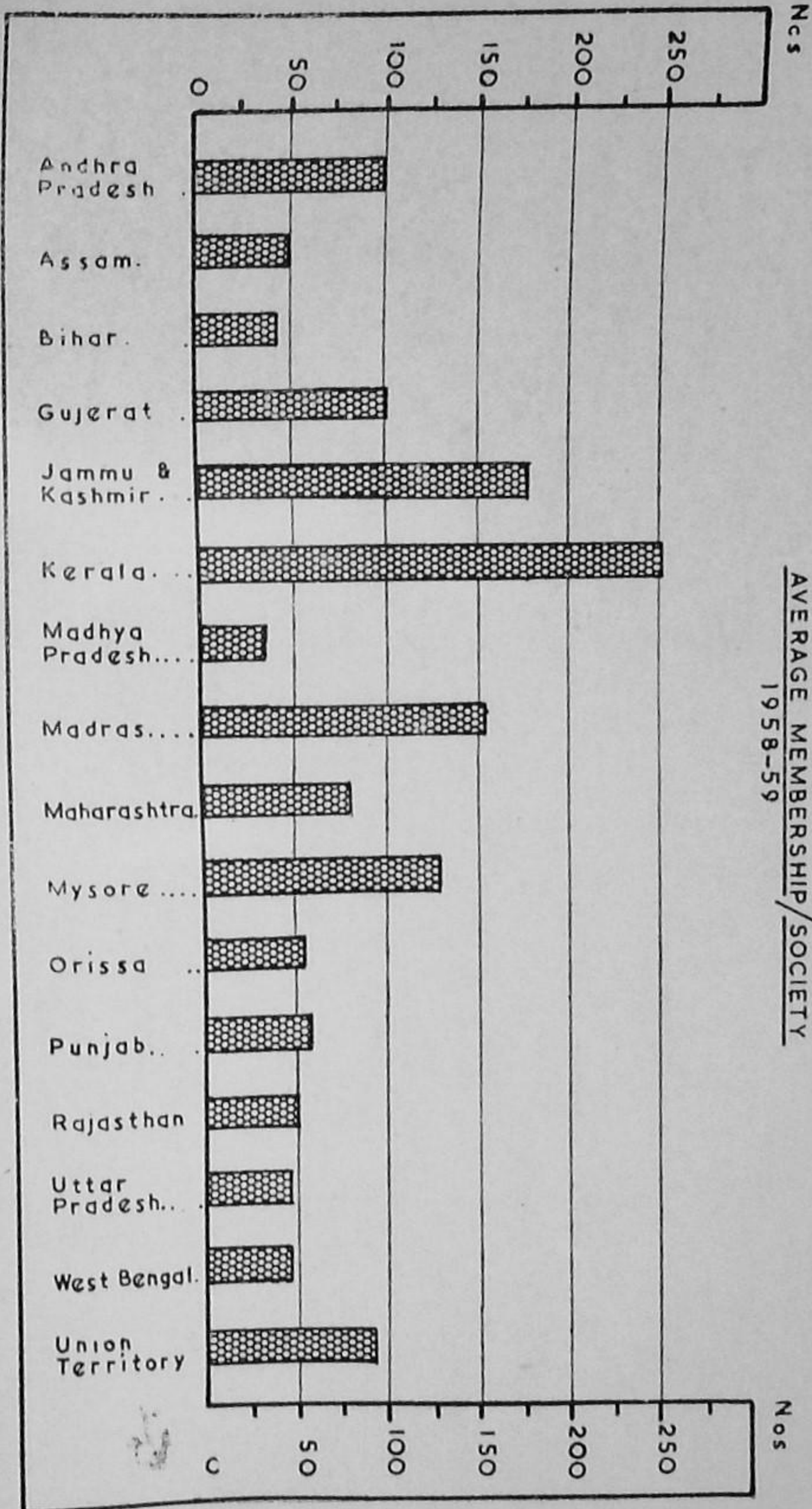
State	Expenditure					Provi- sion for 1960-61	Remarks
	1956-57	1957-58	1958-59	Revised estimates 1959-60	(7)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Andhra Pradesh	474.41	16.86	25.77	58.55	170.64	137.86	*Excludes a provision of Rs. 220 lakhs which is being made for central assistance to Co-operative Sugar Factories during 1960-61. This includes provision for factories that will be licenced now against the IIIrd Plan target. As the State-wise distribution of co-operatives that will be licenced against 3rd Plan target has not been finalised the Statewise allocation of this amount of Rs. 220 lakhs has not yet been determined.
Assam	164.00	20.33	29.74	38.33	54.35	54.46	
Bihar	374.87	44.11	42.83	43.89	101.28	63.89	
Bombay	614.94	61.92	94.92	108.85	237.04	260.79	
Jammu & Kashmir	32.13	8.57	3.44	3.17	4.20	6.28	
Kerala	115.86	3.50	7.59	10.42	22.55	30.22	
Madhya Pradesh	406.80	25.75	62.40	56.90	65.63	75.93	
Madras	271.88	32.83	40.94	34.64	53.88	41.27	
Mysore	320.98	15.41	32.64	40.61	113.94	73.44	
Orissa	162.56	15.29	27.16	22.07	38.00	22.67	
Punjab	326.00	53.46	34.38	31.38	45.54	67.29	
Rajasthan	172.00	2.90	27.64	20.96	81.22	89.61	
Uttar Pradesh	549.38	32.66	86.29	101.15	124.05	135.65	
West Bengal	255.00	8.31	32.68	19.48	48.47	63.07	
Union Territories	169.52	3.28	11.21	18.66	28.66	27.42	
TOTAL	4410.33	345.18	559.63	609.06	1189.45	149.85	
Contribution to share capital of C.W.C.	392.00	40.00	40.00	..	40.00	40.00	
Training & Education (direct expenditure by Government of India)	68.40	7.97	9.45	9.27	10.00	19.00	
GRAND TOTAL	4870.73	393.15	609.08	618.33	1239.45	1208.85*	

Graphs regarding working of Primary Agricultural Credit Societies (Comparative statewise position)

Primary Agricultural Credit & Multipurpose Societies.

GRAPH I

AVERAGE MEMBERSHIP/SOCIETY
1958-59

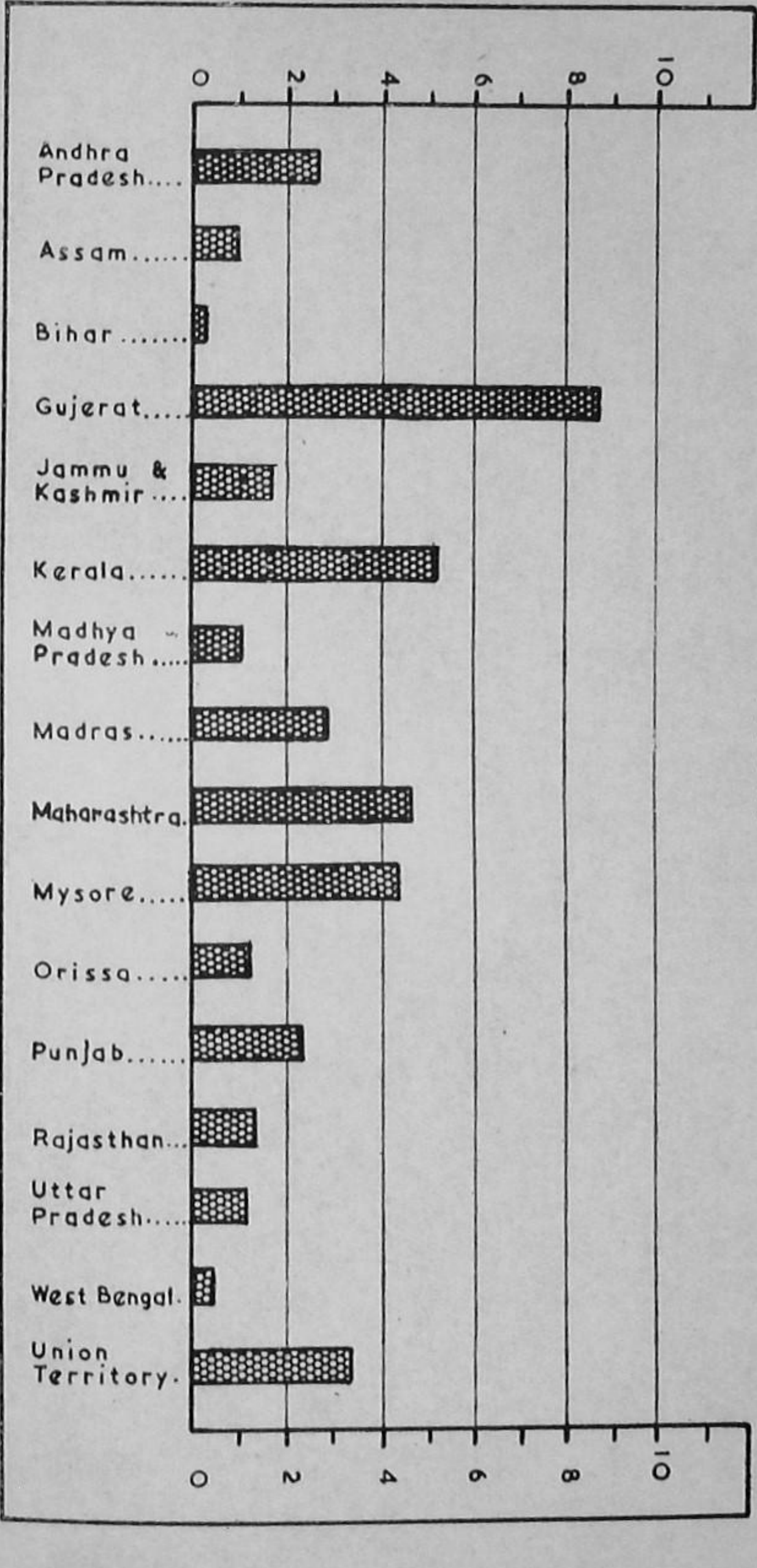


Primary Agricultural Credit & Multipurpose Societies.

GRAPH 2

AVERAGE SHARE CAPITAL / SOCIETY
1958-59

Rs. Thousand.



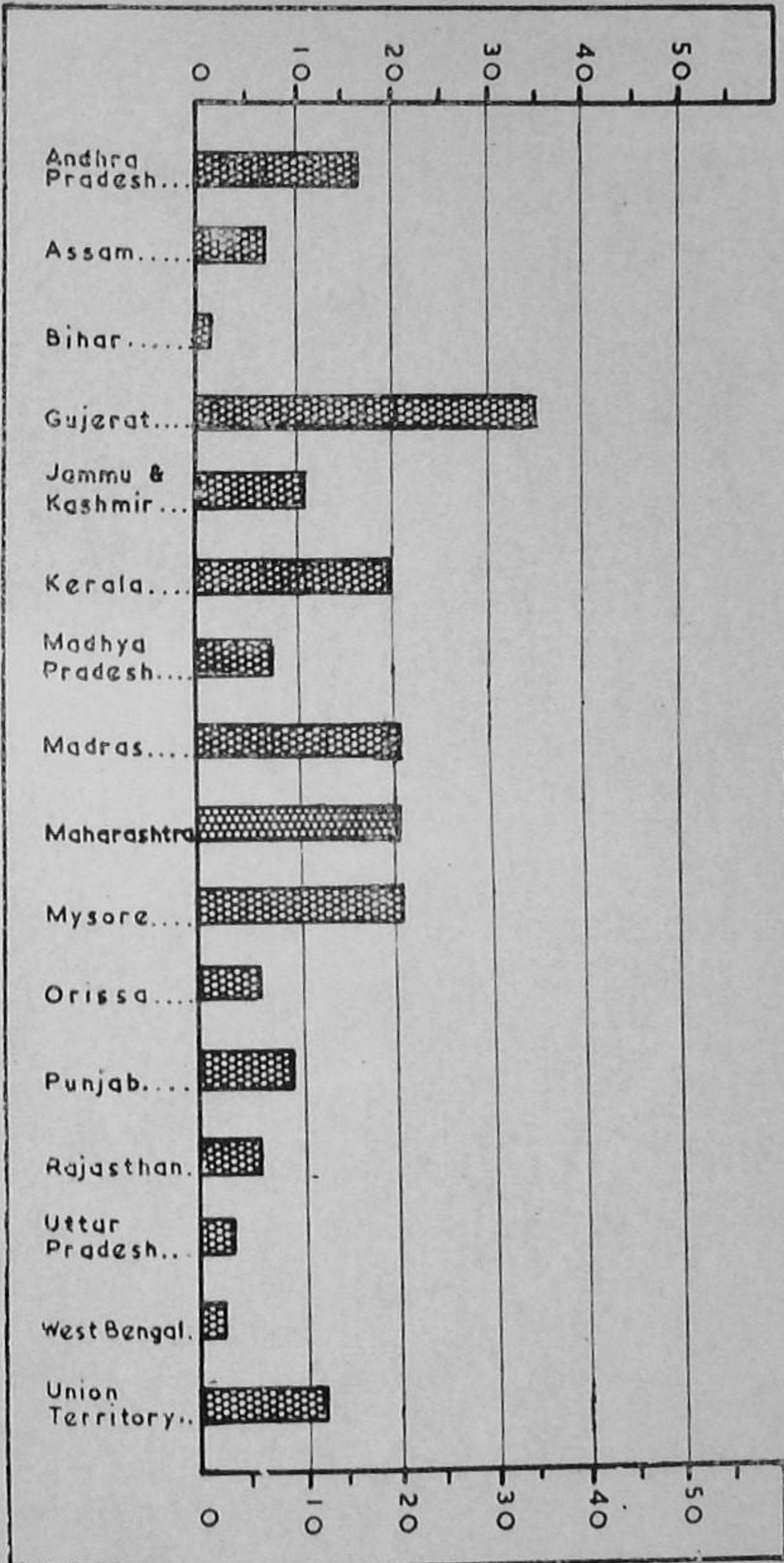
GRAPH 3

Primary Agricultural Credit & Multipurpose Societies.

Rs. Thousand.

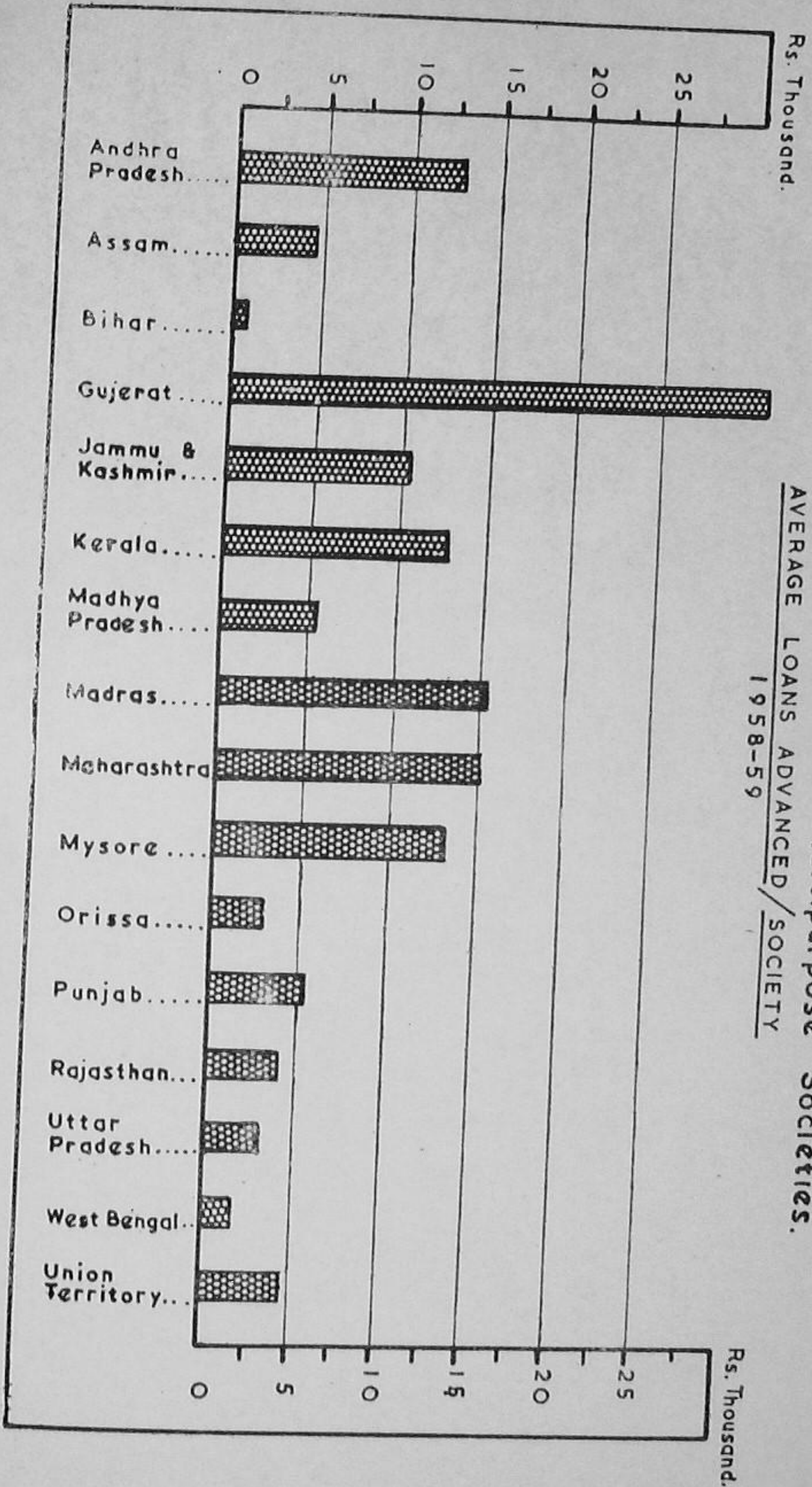
AVERAGE WORKING CAPITAL / SOCIETY
1958-59

Rs. Thousand



GRAPH 4

Primary Agricultural Credit & Multipurpose Societies.
 AVERAGE LOANS ADVANCED / SOCIETY
 1958-59



GRAPH 5

Primary Agricultural Credit & Multipurpose Societies.

AVERAGE LOANS ADVANCED / MEMBER
1958-59

