

REPORT OF THE STUDY TEAM  
ON  
AGRICULTURAL CREDIT INSTITUTIONS  
IN  
MADHYA PRADESH



RESERVE BANK OF INDIA

*First Published April 1977*

**HINTS FOR READING THE REPORT**

*References :* page 436

*Abbreviations :* full forms — page 436

*Glossary :* page 437

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# C O N T E N T S

Chapter	Page
<b>INTRODUCTION</b>	
2 Composition of the Study Team	1
3 Terms of reference	3
4 Plan of work	5
5 Collection of data	5
6 Field studies	5
7 Special studies	6
8 Zonal discussions	6
9 Meetings of the Study Team	7
10 Pattern of the report	7
11 Acknowledgements	7
<b>1 AGRICULTURAL PROFILE AND CREDIT POTENTIAL</b>	
1·03 Population	9
1·05 Geo-physical and climatic conditions	10
1·06 Principal zones	11
1·08 Land use	13
1·09 Size of holdings	13
1·10 Irrigation facilities	15
1·12 Cropping pattern	16
1·16 Intensive cultivation schemes	18
1·18 Consumption of fertilizers	19
1·19 Major irrigational and agricultural development schemes	20
1·21 Future outlook	21
1·22 Credit potential	22
<b>2 STATE CO-OPERATIVE BANK</b>	
2·02 Management	25
2·06 Cadre for key personnel for ccbs	26
2·09 Financial position	28
2·10 Owned funds	29
2·12 Deposits	30
2·16 Borrowings	31
2·23 Patta fund	36
2·24 Loans and advances	36
2·29 Overdues	40
2·30 Net profit	40
2·31 Supervision	40
2·32 Role as an apex institution	40
<b>3 CENTRAL CO-OPERATIVE BANKS—PERFORMANCE AND PROSPECTS</b>	
3·02 Number of banks	43
3·03 Financial position	43
3·10 Relative performance	46
3·11 Viability	47

	<b>Page</b>
3·20 Efficiency	52
3·24 (i) Size of owned funds	53
(ii) Size of deposits	54
(iii) Extent of reliance on external borrowings	55
(iv) Size of working capital	55
(v) Total loans outstanding	55
(vi) Performance in meeting demand for short-term agricultural credit	55
(vii) Level of overdues	55
(viii) Proportion of chronic defaults	55
(ix) Coercive steps taken for recovery	56
(x) Defaults in repayment to the apex banks	56
(xi) Defaults in maintaining the prescribed percentage of liquid assets	56
(xii) Rate of dividend	56
(xiii) Coverage of pacs	56
(xiv) Size of loan business of pacs	56
(xv) Proportion of pacs with full-time paid managers	56
3·26 Future course of action	57
3·27 Banks in category I	59
3·30 Banks in category II	61
3·37 Banks in category III	67
3·38 Periodical review	67
3·39 Concluding observations	68
<b>4 INSTITUTIONAL ARRANGEMENTS FOR MEETING CREDIT GAPS</b>	
4·03 Co-operative banking sector	69
4·04 Commercial Banks	70
4·05 Branch net-work	71
4·09 Advances	73
4·10 Agricultural advances	74
4·13 Overdues	75
4·14 Financing of agriculture through pacs	76
4·22 Estimate of resources	80
4·24 Future lines of development	81
4·32 Compulsory disaffiliation	86
4·34 Consortium/participation arrangement	87
(a) Selection of societies/areas for financing under the arrangement	87
(b) Credit appraisal, sanction of limits and disbursements	88
(c) Method of sharing the lendings and recoveries	88
(d) Supervision over societies	89
(e) Dealings/transactions only with the 'leader bank'	89
(f) Documentation	89
4·38 Regional rural banks	91
4·40 Role of the state co-operative bank	92
4·41 Direct lending	93
4·43 Concluding remarks	93



	<b>Page</b>
<b>5 INSTITUTIONAL ARRANGEMENTS IN TRIBAL AREAS</b>	
5·02 Tribal population	95
5·03 Special features and economic attitudes of tribals	96
5·06 Tribal Development Agencies	98
5·12 Needs of Tribals	101
5·16 Type of base level organization	103
5·17 Size of society	104
5·21 Sub-Plan for tribal areas	105
5·25 Longer gestation period	108
5·26 District level organization for credit business	109
5·29 Higher level organization for non-credit business	111
5·31 Co-ordination	112
5·33 Conclusion	112
<b>6 STRUCTURE AT THE PRIMARY LEVEL</b>	
SEC. I : PRIMARY AGRICULTURAL CREDIT SOCIETIES	
6·05 Coverage	116
6·07 Internal and borrowed resources	117
6·08 Loan business	118
6·12 Overdues	120
6·16 Full-time paid managers	123
6·18 General observations	124
SEC. II : ON-THE-SPOT STUDIES	
6·20 Coverage	125
6·25 Effective coverage	131
6·27 Loan business	132
6·32 Conversion facilities	136
6·33 Overdues	137
6·35 Overdues in relation to size of holdings of defaulters	138
6·38 Full-time paid secretaries	141
6·39 Summary of findings	142
SEC. III : BLOCK-WISE PLAN FOR RE-ORGANIZATION	144
6·57 Concluding observations	154
<b>7 PROBLEM OF OVERDUES</b>	
7·04 Magnitude and dimensions of the problem	155
7·13 Causes of overdues	160
7·15 Special studies	161
7·16 Study in Rewa district	162
7·20 Study in Bastar district	164
7·25 Study in Jhabua district	166
7·26 Future course of action	167
7·28 Non-wilful defaults	167
7·35 Financial arrangement—Non-wilful defaults	173
7·38 Assessment of chronic defaults	174

	Page
7·40 Conversion of taccyi dues into long-term loans	174
7·44 Rehabilitation of weak ccbs	177
7·47 Chronic defaults—Identification of areas/institutions	178
7·49 Chronic defaults—nature and extent of relief	179
7·50 Districts in category I	180
7·56 Districts in category II	182
7·58 Chronic defaults—Financial arrangements	184
7·61 Follow-up action	186
7·62 Study in Ujjain district	186
7·65 Wilful defaults	188
7·67 Study in Raipur district	189
7·68 Ban on sale of lands of small farmers	190
7·72 Future course of action	192
7·74 Concluding remarks	192
<b>8 MANAGERIAL AND OPERATIONAL ASPECTS</b>	
<b>SEC. I : MANAGERIAL ASPECTS</b>	
8·03 Cadre for secretaries	193
8·05 Secretaries Cadre Fund	194
8·08 Arrangements for training	199
8·09 Avenues for promotion	199
8·10 Strength of secretaries and recruitment policy	200
8·12 Economics of the scheme	201
8·18 Supervisors of the ccbs	203
8·20 Cadre of key personnel for ccbs	204
8·21 Operational difficulties	204
8·22 Strength of key officers	204
8·24 Cadre committee	205
8·25 Grades of the key personnel	206
8·27 Key Personnel Cadre Fund	206
8·29 State co-operative bank	207
8·34 Co-operative Department	209
<b>SEC. II : OPERATIONAL ASPECTS</b>	
8·39 Deposit mobilization	211
8·44 Interest margin	215
8·45 Interest receivable	215
8·46 Financing of small/marginal/economically weak farmers	216
8·50 Consumption finance	218
8·53 Audit classification of ccbs	219
8·56 Tasks ahead	221
8·57 Review of action on the recommendations	222
<b>SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS</b>	223
<b>ANNEXURES 1 to 54</b>	279
<b>REFERENCES</b>	436

## INTRODUCTION

MADHYA PRADESH, the largest of the states in India, is preponderantly agricultural and yet in the development of agriculture and allied activities it lags behind several other states. The state has also the largest tribal population in the whole country. The development of agriculture would call for substantial working as well as durable capital investment in land. The co-operative credit agencies have been operating in the state almost since the introduction of the co-operative movement in the country. However, their performance in meeting the credit needs has been relatively low *vis-a-vis* some co-operatively well developed states. Ever since their nationalization the commercial banks have been paying much more attention than what they used to financing agriculture. They have also not made much headway during the short period after nationalization. The problems of the tribal population in the matter of credit are somewhat different from the rest of the population. Against this background it was considered appropriate to study in depth the arrangements for institutional credit for agriculture in general and for the tribals in particular so that the vast potential for agricultural development in the state and the needs of the tribal population are adequately served. A suggestion to this effect made during the course of the discussions the Executive Director, Reserve Bank of India (RBI) had with the representatives of the Government of Madhya Pradesh (GOMP) in April 1975 was welcomed by the state's representatives.

### *Composition of the Study Team*

2 Accordingly, the Governor of the Reserve Bank of India, in consultation with the Government of India (GOI) and the GOMP, set up a Study Team on Agricultural Credit Institutions in Madhya Pradesh in May 1975. The composition of the Study Team was as follows :

- |   |  |          |
|---|--|----------|
| 1 | Dr C. D. Datey<br>Executive Director<br>Reserve Bank of India                | Chairman |
| 2 | Shri L. P. Bhargava<br>Chairman<br>Madhya Pradesh State<br>Co-operative Bank | Member   |

## INTRODUCTION

- |   |  |                  |
|---|--|------------------|
| 3 | Shri Sardar Singh<br>Member of Legislative Assembly<br>Madhya Pradesh  | Member           |
| 4 | Shri S. C. Varma <sup>1</sup><br>Production Commissioner<br>Government of Madhya Pradesh   | Member           |
| 5 | Shri S. C. Behar<br>Special Secretary<br>Co-operation Department<br>Government of Madhya Pradesh   | Member           |
| 6 | Shri N. B. Lohani <sup>2</sup><br>Registrar<br>Co-operative Societies<br>Madhya Pradesh  | Member           |
| 7 | Shri R. Srinivasan<br>Director (Credit)<br>Government of India<br>Ministry of Agriculture &<br>Irrigation<br>Department of Rural Development | Member           |
| 8 | Shri P. N. Khanna<br>Chief Officer<br>Department of Banking Operations<br>& Development<br>Reserve Bank of India                             | Member           |
| 9 | Shri R. R. Pradhan<br>Joint Chief Officer<br>Agricultural Credit Department<br>Reserve Bank of India   | Member-Secretary |

Shri S. C. Behar left India in August 1975 for training abroad. Shri N. B. Lohani succeeded him as Special Secretary, Co-operation Department and continued to be the member of the Team in that capacity. Shri K. J. S. Bhatia who took over from Shri Lohani as the Registrar of Co-operative Societies (RCS) was nominated as a member of the Team in September 1975. Shri R. P. Satpute, Managing Director (MD),

<sup>1</sup> Shri Varma assumed charge also as the Chief Secretary to the Government of Madhya Pradesh in June 1975.

<sup>2</sup> Shri Lohani took over as Special Secretary, Co-operation Department in September 1975.

## INTRODUCTION

Madhya Pradesh Rajya Sahakari Bank Maryadit (MPSCB) and Sarvashri J. S. Sethi and D. Gupta, the respective Deputy Chief Officers-in-charge of the regional offices of the Reserve Bank's Agricultural Credit Department (ACD) and the Department of Banking Operations and Development (DBOD) at Indore and Bhopal as also Shri R. L. Gargava, Deputy Secretary, Co-operation Department, GOMP attended the discussions and meetings of the Study Team as special invitees. Shri Dilip Singh Bhuriya, Chairman, Jhabua District Central Co-operative Bank and Dr B. D. Sharma, Joint Secretary, Tribal Welfare Department in the Union Ministry of Home Affairs participated in the discussions/meetings of the Team relating to the problems of the tribals and gave the benefit of their views.

### *Terms of reference*

3 The terms of reference of the Study Team are reproduced below :

(i) to examine the financial and organizational position of the state and central co-operative banks in Madhya Pradesh and to suggest a unit-wise programme for re-organization and rehabilitation where necessary;

(ii) to identify, district-wise, areas of agricultural development and examine generally the co-operative credit structure in those areas which will be in a position in the near future to meet the requirements of agricultural credit and if not, to suggest alternative institutional arrangements in this behalf which may include: (a) the state co-operative bank or commercial banks financing primary agricultural credit societies, by-passing the central co-operative banks; (b) central co-operative banks financing the individual agriculturists directly, by-passing the primary agricultural credit societies and (c) the state co-operative bank or the commercial banks financing individuals directly through their branches and also identify, district-wise, the areas where one or more of these alternatives may be adopted;

(iii) to examine whether there is at all any justification for continuing the intermediate level institutions of the three-tier structure of the co-operative credit system in the state and if such a step is not considered advisable and necessary for the state as a whole, whether in any particular district it may be advantageous to eliminate the central co-operative bank and in that case suggest the steps necessary to enable the state co-operative bank or the commercial banks to take the place of the central bank and to discharge the responsibility more effectively and efficiently than the latter;

## INTRODUCTION

(iv) to review the working of the scheme of financing agriculture by commercial banks through primary agricultural credit societies and suggest, if necessary, measures for the extension of the scheme, streamlining the procedure and/or overcoming the short-comings, if any;

(v) to study the financial position and working of primary agricultural credit societies with a view to suggesting measures to make each one of them a viable unit which may include the societies undertaking the function of providing long-term agricultural credit in addition to short-term and medium-term credit facilities as also the identification of areas suitable for organization of farmers service societies;

(vi) to examine the position of overdues at the various levels of the co-operative credit structure with a view to considering the feasibility of, and the financial assistance required for, re-scheduling the overdues in respect of non-wilful defaulters so that the line of credit to institutions and individuals is reopened and to suggest measures including administrative arrangements necessary for recovery of the overdues from wilful defaulters;

(vii) to examine the lending policies of the state and central co-operative banks in regard to the provision of production and investment credit and to suggest modifications where necessary in the interests of ensuring soundness and adequacy of credit facilities *vis-a-vis* the developmental programmes in the state;

(viii) to examine the arrangements for the management of, and supervision over, primary agricultural credit societies and suggest arrangements which will ensure efficient management of, and effective supervision over, the societies;

(ix) to study in greater detail the problems of the tribal areas and the credit institutions, laws, etc., operating in such areas and suggest, if necessary, special financial assistance and a different organizational pattern for such areas;

(x) to suggest the nature and extent of financial and administrative assistance that may be necessary from the state government, the Government of India and the Reserve Bank of India in the matter of re-organization and rehabilitation of the co-operative credit structure in the state; and

(xi) to make any other recommendations which are incidental or related to the above terms of reference.

The terms of reference did not mention about the regional rural banks (rrbs) as possible alternative credit agencies as the policy of

## INTRODUCTION

organizing such banks in the country was announced by the Union Finance Minister in July 1975, i.e., subsequent to the appointment of the Team and finalization of its terms of reference. The Team, however, decided to take this important development into account for the purpose of its work.

### *Plan of work*

4 While considering the scope of its work at the first meeting, it was agreed that the terms of reference would not require the Team to go into the fundamentals of accepted policies. The Team should, therefore, study the various problems faced by the agricultural credit institutions in Madhya Pradesh within the framework of the accepted policies and offer solutions keeping in view that its approach would have to be action-oriented. Besides, the Team decided on a certain plan of work and fixed a time schedule therefor with a view to expediting the completion of its report within as short a time as possible.

### *Collection of data*

5 The terms of reference of the Team being very comprehensive necessitated collection of data from different sources about the overall, district-wise, and in a few cases, block-wise position prevailing in the state and, therefore, the Team approved three sets of proformas prepared by the Member-Secretary which were circulated amongst the concerned institutions and the state government departments. Following the zonal discussions referred to in paragraph 8 later, certain additional data were collected for classification of overdue of co-operative credit institutions at the primary level.

### *Field studies*

6 It was decided at the first meeting that on-the-spot studies of about 450 select primary agricultural credit societies (pacs) might be undertaken at the rate of one society from each of the 457 blocks in the state so as to enable the Team to take a view on the terms of reference relating to the institutional structure at the primary level. These studies were taken up mainly to assess the performance of the pacs in the matter of extent of coverage of rural population especially the small farmers and the scheduled castes and tribes, proportion of indebted and defaulting membership, ability to meet the credit needs of the area served and provide assistance in times of natural calamity, recovery performance, etc. The Member-Secretary devised suitable proformas and guidelines for undertaking these studies which were entrusted to the officers of the Reserve Bank's regional office of the ACD at Indore, the MPSCB, the central co-operative banks (ccbs) and

## INTRODUCTION

the Co-operative Department in the state. With a view to making these studies meaningful, the Member-Secretary and the officers of the secretariat of the Study Team and the MD, MPSCB briefed the officers entrusted with these studies at meetings specially convened for the purpose at different centres in the state.

### *Special studies*

7 The Team decided on the following special studies to have a first hand knowledge of the nature and dimensions of some specific problems so that suitable recommendations could be made to overcome them :

(i) study of the problems of tribal areas and of credit institutions in such areas in the districts of Bastar, Jhabua and Sidhi;

(ii) study of co-operative marketing societies having rice mills in Raipur district;

(iii) study of the state of development of co-operative credit movement in the relatively underdeveloped district of Rewa;

(iv) study of the state of development of co-operative credit movement in the relatively developed district of Ujjain.

These studies were entrusted to the officers of the secretariat of the Study Team and were personally supervised and guided by the Member-Secretary.

### *Zonal discussions*

8 In view of the wide scope of its terms of reference some of which needed very detailed examination, the Team decided to benefit from the experience of those associated with the management and day-to-day working of the agricultural credit institutions in the state by eliciting their views on the terms of reference and other allied problems. For this purpose, five zonal meetings were arranged at which officials and non-officials from the field representing the ccbs, primary land development banks (pldb), pacs, co-operative and agriculture departments of the state government, commercial banks, etc., from the concerned zone were invited. These meetings were held as follows :

Zone	Place	Date
Bhopal-Indore	Bhopal	12 August 1975
Chhatisgarh	Raipur	9 November 1975
Gwalior	Gwalior	15 January 1976
Vindhya	Tikamgarh	16 January 1976
Jabalpur	Jabalpur	13 March 1976



## INTRODUCTION

The Team also visited Bastar district between 10 and 12 November 1975 and Mandla district on 14 March 1976 to study the problems of tribals and of the institutions operating in the tribal areas and held discussions with the concerned officials and non-officials. Besides, a meeting of the representatives of the commercial banks operating in the state was also convened at Bhopal on 2 April 1976 to ascertain their views on the role of the commercial banks in the field of agricultural credit.

### *Meetings of the Study Team*

9 The Team held in all four meetings. The first meeting was held on 18 July 1975 at Bhopal and the second at Raipur on 9 November 1975. The third meeting was held on 2 and 3 April 1976 again at Bhopal when the Team considered the draft report prepared by the Member-Secretary. In the light of the discussions held and decisions taken in this meeting, a final draft of the report was submitted for consideration of the Team at the fourth meeting held on 24 April 1976 at Bombay. The report was finalized at this meeting and signed by the members.

### *Pattern of the report*

10 The report consists of eight chapters as under:

- |           |  |
|-----------|--|
| Chapter 1 | Agricultural profile and credit potential              |
| Chapter 2 | State Co-operative Bank                                |
| Chapter 3 | Central co-operative banks — performance and prospects |
| Chapter 4 | Institutional arrangements for meeting credit gaps     |
| Chapter 5 | Institutional arrangements in tribal areas             |
| Chapter 6 | Credit structure at the primary level                  |
| Chapter 7 | Problem of overdues                                    |
| Chapter 8 | Managerial and operational aspects                     |

The above chapters are followed by a summary of conclusions and recommendations.

### *Acknowledgement*

11 We are extremely grateful to the officers of the state government, the chairmen and the chief executives of the ccbs, pldb and other non-official co-operators and the representatives of commercial banks who made it convenient to meet us for discussions and offered their valuable suggestions on the terms of reference and allied problems which

## INTRODUCTION

enabled us to get an insight into the various difficulties faced in the dispensation of agricultural credit and recovery thereof.

12 We are grateful to the MPSCB, Madhya Pradesh State Co-operative Land Development Bank (MPSLDB), ccbs, pldb, commercial banks, co-operation and agriculture departments of the state government and the regional offices of the Reserve Bank's ACD and DBOD in the state for their active co-operation in furnishing the data sought for from them and to the officers of the co-operation department of the state government, the MPSCB, the ccbs and the Reserve Bank's ACD at Indore for undertaking on-the-spot studies of pacs. We would specially like to place on record our appreciation of the hard work done by the officers and staff of the MPSCB and the Registrar's office and in particular, Shri R. P. Satpute, MD, MPSCB and Shri Y. P. Kumar, Joint RCS who rendered valuable assistance in the collection of data from various sources and in the selection of pacs to be covered by the on-the-spot studies.

13 Sarvashri B. K. Godbole, Assistant Chief Officer, A. G. Sule, Rural Credit Officer, H. N. Bhobe and Smt. S. Aiyer, Staff Officers of the Reserve Bank's ACD at Bombay who constituted the secretariat of the Team deserve our sincere appreciation for the extraordinary zeal with which they undertook the various studies, tabulated the vast mass of data, analysed the same and prepared drafts of chapters of the report.

14 Rest of us would like to place on record our thanks to Shri R. R. Pradhan, Joint Chief Officer of the Reserve Bank's ACD and Member-Secretary of the Team for the able manner in which he directed the work of the secretariat which made it possible for us to complete our work in such a short period of time.

## CHAPTER 1

### AGRICULTURAL PROFILE AND CREDIT POTENTIAL

1.01 MADHYA PRADESH as re-organized on 1 November 1956 came into existence with the integration of erstwhile Part B states of Madhya Bharat (excluding Sunel enclave of Mandsaur district then transferred to Rajasthan), Vindhya Pradesh and Bhopal, the Mahakoshal and Chhatisgarh regions of the old Madhya Pradesh (known prior to independence as Central Provinces and Berar) and the Sironj Sub-Division from Kota district of Rajasthan. As its name indicates the state is in the centre of the country and rightly called the heart of India. It is encircled by seven states of the Indian Union, viz., Uttar Pradesh in the north, Maharashtra and Andhra Pradesh in the south, Bihar and Orissa in the east and Gujarat and Rajasthan in the west. For administrative purposes, the state is divided into eight revenue divisions including the new Sagar division formed on 26 January 1973 and forty-five districts. The state had forty-three districts until 2 October 1972 when the erstwhile Sehore district was bifurcated into two districts, viz., Sehore and Bhopal and again on 26 January 1973, the former Durg district was split up into two new districts, viz., Durg and Rajnandgaon raising the total for the state to forty-five. The forty-five districts in the state are further divided into 190 *tehsils*, 457 development blocks and 14027 village and *adimjatiya panchayats*. The state comprises 250 towns and 76914 villages of which 6031 are uninhabited.

1.02 With an area of 4.43 lakh sq. kms, Madhya Pradesh (MP) is the largest state in the country. Most of the territories merged into the state formed, prior to independence, parts of the erstwhile princely states and have, therefore, witnessed diverse stages of development in the field of agriculture and co-operation. For instance, co-operative movement was launched by the former Scindia and Holkar Rulers in their respective areas well before 1920 simultaneously with the beginning of the movement in the British India, whereas it originated in districts which formed part of Vindhya Pradesh, in the post independence era. The state, therefore, presents a picture of regional disparities in various fields and the flow of institutional agricultural credit is not an exception in this respect.

#### *Population*

1.03 The total population of the state as per 1971 Census is 417 lakhs and in terms of population it ranks sixth among the states in India. Thus,

## AGRICULTURAL PROFILE

the state is relatively sparsely populated with a density of population of 94 per sq. km. as against 182 for the country as a whole. A statement at Annexure 1 indicates the district-wise position of the total population with density per sq. km., the rural population, the population of scheduled castes and tribes and the classification of working population. The rural population of the state is 349 lakhs and forms 84 per cent of the total population. The state has 81 lakh cultivators and 41 lakh agricultural labourers and together they account for four-fifths or about 80 per cent of its working population at 153 lakhs. Thus, agriculture is the backbone of the economy of the state and along with allied activities it contributes 55.4 per cent of the state's total income.

1.04 A very important socio-economic problem in the state is how to raise the incomes and the standard of living of the scheduled castes and tribes which together form one-third of the state's population. The scheduled tribe population in the state at 83.9 lakhs forms 20 per cent of the state's population and about 22 per cent of the total tribal population in the country. The state has the largest tribal population amongst all the states in India. The scheduled caste population at 54.4 lakhs is also sizeable forming 13 per cent of the state's total population. The scheduled castes on account of certain traditional disabilities and the scheduled tribes mainly because of their geographical isolation have not so far been able to derive in full measure the benefits of planned economic development. A new strategy has, therefore, been adopted under the Fifth Five Year Plan for the uplift of the scheduled castes and tribes. Agricultural credit institutions in MP will have to fall in line and assume greater responsibility for amelioration of the lot of these economically under privileged.

### *Geo-physical and climatic conditions*

1.05 Physically, MP can be broadly divided into three parts by the two parallel mountain ranges of Vindhya and the Satpuda which run through the middle of the state. The entire state is subject to varying climatic conditions. While the maximum temperature is around 45°C, the minimum temperature ranges between 2°C (Bhind, Gwalior and Morena districts) and 10°C (Rewa and Sagar revenue divisions). The normal annual rainfall in the eastern part of the state is about 140 to 165 cms whereas it ranges between 70 and 100 cms in the western districts which form the Malwa plateau. The normal rainfall for the state as a whole is about 122 cms mostly from the south-west monsoon during the period June to September. A variety of soils ranging from rich black cotton to stony skeletal is found in the state. However, the main soil types found in the state are alluvial, deep black, medium black, shallow black and mixed red and black. The main rivers of the state are the Chambal, Betwa, Sone, Narmada, Tapti, Mahanadi and the Indravati.

## PRINCIPAL ZONES

The rivers north of the Vindhya ranges flow northwards to join the water system of the Gangetic Doab. Whereas the Indravati joins the Godavari, the Narmada and Tapi flow westwards to the Gulf of Cambay and the Mahanadi alone flows eastwards to the Bay of Bengal. The large geo-physical and climatic variations noticed in the state have their impact on the agricultural situation inasmuch as the state grows a variety of crops, although rice in the eastern part and wheat and jowar in the western part are the most important, with district-wise average yields exhibiting wide differences.

### *Principal zones*

1.06 On the basis of soil, rainfall, temperature and cropping pattern, the state which lies in the central hills and plateau region of the country has been divided by the Agriculture Department of the GOMP into 10 agro-climatic zones, viz., (1) Malwa Plateau, (2) Nimar Plateau, (3) Vindhya Plateau, (4) Narmada Valley, (5) Gird region Plateau, (6) Bundelkhand, (7) Satpuda Plateau, (8) Kymore Plateau, (9) Chhatisgarh plains and (10) Chhatisgarh Plateau and other adjoining area. For the purpose of our work, however, the state of development of agricultural credit institutions, the similarity in their problems and the problems of the rural population served by them will be obviously the major consideration. We have, therefore, after giving due weightage to these aspects primarily, but taking into account also the factors like agro-climatic conditions, cropping pattern and contiguity of the area, divided the state into five principal zones for analysis of the data, consideration of the issues before us and presentation of our views thereon with possible solutions. These zones are as under :

Bhopal-Indore zone	The districts falling within Bhopal and Indore revenue divisions with the exception of six districts forming part of the former princely state of Gwalior, i.e., in all 11 districts.
Chhatisgarh zone	Eight districts mainly located in the Chhatisgarh plains.
Gwalior zone	Twelve districts which, by and large, formed the erstwhile Gwalior state.
Jabalpur zone	All districts in the Jabalpur revenue division barring Balaghat, and the districts of Damoh and Sagar, i.e., in all 7 districts.
Vindhya zone	: All districts forming part of the former Part B state of Vindhya Pradesh barring Datia, i.e., in all 7 districts.

## AGRICULTURAL PROFILE

However, our terms of reference require us to examine the problems of tribals and of institutions operating in the tribal areas and suggest measures to overcome them. It will be observed from Annexure 1 that in as many as 12 districts, the tribal population exceeds 30 per cent of the total population of the respective districts and the relevant percentage is less than the state average of 20 in the remaining districts. Out of these 12 districts, in seven districts, viz., Bastar, Dhar, Jhabua, Mandla, Raigarh, Shahdol and Surguja, the tribal population exceeds 45 per cent of the total population of the respective districts. In one of the above seven districts, viz., Raigarh, the tribals are concentrated only in the northern blocks whereas the southern half of the district is completely non-tribal. In the remaining six districts, however, the tribals are spread over the entire district in each case. In view of this position and the fact that we may have to consider a special organizational pattern at the levels of both the credit institutions and the extension wing at least in respect of these six wholly tribal districts, we have segregated them from their respective zones and classified them under a separate zone, which may be called the Tribal zone (TZ), for the purpose of presentation of the data and consideration of their problems although geographically they are not contiguous. Thus, for the purpose of our study, the forty-five districts in the state stand divided into six principal zones as given in Table 1.

TABLE 1

Zone	Districts	
	Names	No.
Bhopal-Indore (BZ)	Betul, Bhopal, Dewas, Hoshangabad, Indore, Khandwa, Khargone, Raisen and Sehore	9
Chhatisgarh (CZ)	Balaghat, Bilaspur, Durg, Raigarh, Raipur and Rajnandgaon	6
Gwalior (GZ)	Bhind, Datia, Guna, Gwalior, Mandsaur, Morena, Rajgarh, Ratlam, Shajapur, Shivpuri, Ujjain and Vidisha	12
Jabalpur (JZ)	Chhindwara, Damoh, Jabalpur, Narsinghpur, Sagar and Seoni	6
Vindhya (VZ)	Chhatarpur, Panna, Rewa, Satna, Sidhi and Tikamgarh	6
Tribal (TZ)	Bastar, Dhar, Jhabua, Mandla, Shahdol and Surguja	6

1.07 Bhopal and Rajnandgaon districts were formed recently, i.e., in October 1972 and January 1973 respectively and, therefore, a large portion of the data is not available separately for these districts. The relevant data could be secured for the former composite districts of Sehore and Durg and have been presented accordingly. Separate

## LAND USE

data for all the existing forty-five districts instead of the earlier forty-three districts have been, wherever possible, furnished.

### *Land use*

1.08 Although MP accounts for, among all states in the country, the highest net area sown, the proportion of such area to the total geographical area at 42 per cent is lower than the relevant percentages for the states like Uttar Pradesh (59) and Maharashtra (54). This is because, of the total geographical area of 4.43 lakh sq. kms corresponding to 442.84 lakh hectares of the state, 143.30 lakh hectares or almost one-third (32 per cent) are covered by forests, 37.76 lakh hectares (9 per cent) represent culturable waste or fallow lands, 32.25 lakh hectares (7 per cent) are used as permanent pastures/grazing lands or are under trees/groves, etc., 23.09 lakh hectares (5 per cent) represent barren or uncultivable land, another 20.84 lakh hectares (5 per cent) are put to non-agricultural use and the balance 185.60 lakh hectares (42 per cent) represent the net area sown. The total cropped area at 212.12 lakh hectares forms about 48 per cent of the total area, the area sown more than once being 26.52 lakh hectares. A statement giving the district-wise position of the total geographical area, area under forests, net area sown, area sown more than once and the total cropped area is given in Annexure 2. The percentage of the gross cropped area to the total geographical area is below the state average of 48 only in the Tribal zone (32). The relevant percentage is as low as 19 for the tribal district of Bastar followed by Surguja (28) mainly because extensive areas of each district are covered by forests and the double cropped area is negligible in each case. Within each zone, the districts which have the highest and the lowest proportion of the area under cultivation are shown in Table 2.

TABLE 2

	Percentage of cropped area	Districts with the highest/lowest percentage of cropped area	
		Highest	Lowest
BZ	48	73 (Indore)	41 (Betul)
CZ	55	91 (Durg)	40 (Balaghat)
GZ	58	82 (Ujjain)	37 (Shivpuri)
JZ	48	54 (Narsinghpur)	40 (Damoh)
VZ	48	70 (Rewa)	33 (Panna)
TZ	32	65 (Dhar)	19 (Bastar)

### *Size of holdings*

1.09 The average size of operational holdings for the state works out to 4 hectares and it ranges between 7.9 hectares (Bhopal) and 2 hectares

# AGRICULTURAL PROFILE

(Bilaspur). The overall pattern of the land holdings in the state may be seen from Table 3.

TABLE 3

Size of holdings (hectares)	Holdings		Area	
	No. (000)	%	'000 hectares	%
Below 2	2572	49	2029	9
2 to 4	1069	20	3091	15
4 to 10	1166	22	7353	35
10 and above	490	9	8720	41
<b>Total</b>	<b>5297</b>	<b>100</b>	<b>21193</b>	<b>100</b>

The district-wise position of the total number of operational holdings with their size-wise break-up and the proportion of the operational holdings up to two hectares to the total number of holdings as also the proportion of the area represented by such holdings to the total cropped area, is given in Annexure 3. The zone-wise position and within each zone the names of districts accounting for the maximum and the minimum percentages, are given in Table 4.

TABLE 4

	Proportion of operational holdings up to two hectares to total number of holdings			Percentage of area under operational holdings up to two hectares to total cropped area		
	Average	Maximum	Minimum	Average	Maximum	Minimum
<b>BZ</b>	27	35 (Betul)	18 (Bhopal)	3.6	4.7 (Betul, Hoshangabad)	2.0 (Bhopal, Sehore)
<b>CZ</b>	62	71 (Bilaspur)	51 (Raigarh)	14.3	20.5 (Bilaspur)	9.9 (Durg)
<b>GZ</b>	43	61 (Morena)	28 (Ujjain)	9.1	21.4 (Morena)	4.2 (Vidisha)
<b>JZ</b>	50	60 (Jabalpur)	41 (Chhindwara, Seoni)	11.1	17.3 (Jabalpur)	6.5 (Seoni)
<b>VZ</b>	53	60 (Tikamgarh)	42 (Chhatarpur)	11.5	21.6 (Tikamgarh)	7.3 (Sidhi)
<b>TZ</b>	43	54 (Shahdol)	28 (Jhabua)	7.7	12.1 (Shahdol)	4.4 (Dhar)

The proportion of operational holdings up to two hectares to the total number of holdings for the state as a whole is 49 per cent as against



## IRRIGATION FACILITIES

the all-India percentage of 70. The area under such holdings at 20.94 lakh hectares is, however, small and forms only about 10 per cent of the total cropped area in the state. The number of operational holdings for the state at 49 per cent is well below the relevant percentages for some states like Kerala (93), Uttar Pradesh (84), West Bengal (82), Assam (81) and Bihar (79). But this is the position for MP as a whole. The relevant percentage exceeds 60 in some districts like Bilaspur (72), Balaghat (65) and Jabalpur (62). Besides, the number of small and marginal farmers is quite large throughout the state. The problem of ensuring adequate flow of credit to them is, therefore, quite formidable and will have to be tackled effectively by the agricultural credit institutions operating in the state.

### *Irrigation facilities*

1.10 Irrigation facilities in the state are generally poor and in this respect it ranks almost at the bottom amongst the states in the country. The gross irrigated area in the state at 17.33 lakh hectares (in 1973-4) constitutes only 8 per cent of the total cropped area as against the all-India percentage of 23. The major sources of irrigation are canals (45 per cent) and wells (40 per cent). A statement indicating the district-wise position of the extent of irrigated area with the sources of irrigation and the proportion of the gross irrigated area to the total cropped area, is given in Annexure 4. The zone-wise position with the districts accounting for the maximum and minimum proportion of the irrigated area within each zone, is given in Table 5.

TABLE 5

	Percentage of gross irrigated area to total cropped area		
	Average	Maximum	Minimum
BZ	6	10 (Indore)	3 (Raisen)
CZ	13	27 (Balaghat)	3 (Raigarh)
GZ	11	29 (Gwalior)	1 (Vidisha)
JZ	5	6 (Seoni)	3 (Sagar)
VZ	8	27 (Tikamgarh)	1 (Sidhi)
TZ	2	7 (Dhar)	0.6 (Mandla)

## AGRICULTURAL PROFILE

Irrigation facilities are not evenly distributed in the state. Zone-wise, the Chhatisgarh (13 per cent) and Gwalior (11 per cent) zones have irrigated area above the state average at 8 per cent. The lowest proportion of the irrigated area is in the Tribal zone at 2 per cent. As between the districts, the highest irrigated area is in Gwalior district (29 per cent) and the lowest in Mandla district (0.6 per cent).

1.11 The Irrigation Commission 1972 has placed the ultimate irrigation potential in the state at 80 lakh hectares. In 1950-51, the gross irrigated area in the state at 9.05 lakh hectares formed about 5 per cent of the gross cropped area. The gross irrigated area has since increased by about 8 lakh hectares and the relevant percentage now stands at 8. The state's Fifth Five Year Plan, however, aims at tapping the available irrigation potential at a much faster pace. The target is to increase the irrigated area by about 18.75 lakh hectares by 1978-9. A brief account of some agricultural development projects launched/being launched is given in paragraphs 1.19 and 1.20.

### *Cropping pattern*

1.12 Madhya Pradesh is essentially a single crop area as most of the agricultural area in the state is rain-fed. The intensity of cropping, i.e., proportion of the gross cropped area to the net area sown, in the state is low and has more or less stagnated as may be seen from Table 6.

TABLE 6

Year	Lakh Hectares				
	Gross cropped area	Net cropped area	Double cropped area	Percentage of col. (4) to col. (2)	Intensity of cropping (% of col. (2) to col. (3) )
(1)	(2)	(3)	(4)	(5)	(6)
1950-51	153.76	139.99	13.77	9.0	110
1955-6	175.60	156.15	19.45	11.1	112
1960-61	181.94	161.04	20.90	11.5	113
1965-6	177.86	165.29	12.57	7.1	108
1970-71	205.61	183.51	22.10	10.7	112
1973-4	212.12	185.60	26.52	12.5	114

The area under double cropping is meagre obviously because of poor irrigation facilities. Double cropping is generally practised in paddy fields. The double cropped area exceeds 25 per cent of the net area

## CROPPING PATTERN

sown in 7 districts, viz., Balaghat, Bilaspur, Durg, Raipur, Rajnandgaon (CZ), Mandsaur (GZ) and Sidhi (VZ). All these districts barring Mandsaur are predominantly paddy growing districts.

1.13 Agriculture in the state is dominated by food crops. A statement giving the area under food crops and non-food crops as also their production for the years 1968-9 to 1973-4 is given in Annexure 5. The area under food crops forms almost four-fifths of the total area under cultivation as may be seen from the position for the year 1970-71 and 1973-4 summarised in Table 7.

TABLE 7

	Area covered (Lakh hectares)		Percentage to total cropped area	
	1970-71	1973-4	1970-71	1973-4
Food crops	166.46	175.20	83	83
Non-food crops	33.70	36.92	17	17
<b>Total</b>	<b>200.16</b>	<b>212.12</b>	<b>100</b>	<b>100</b>

The district-wise position of the area under food crops and non-food crops, the area sown in *kharif* and *rabi* seasons and the main crops grown and their production for the year 1973-4 is given in Annexure 6. The proportion of the area sown during *kharif* and *rabi* seasons to the total cropped area for the state as a whole is 62 per cent and 38 per cent respectively. However, in as many as 18 districts located, by and large, in the northern half of the state, the area cultivated during *rabi* season exceeds that cultivated during *kharif* season. These 18 districts are Bhopal, Hoshangabad, Indore, Raisen and Sehore (BZ), Bhind, Datia, Guna, Gwalior, Morena and Vidisha (GZ), Damoh, Jabalpur, Narsinghpur and Sagar (JZ) and Panna, Rewa and Satna (VZ).

1.14 Paddy is the main *kharif* crop in the state accounting for as much as 22 per cent of the total gross cropped area followed by jowar (11 per cent) and *kodo-kutki* (7 per cent). The main *rabi* crop of the state is wheat which accounts for 17 per cent of the total gross cropped area followed by gram (8 per cent). The other important crops grown are maize, bajra, tur, teora, barley, linseed, groundnut, sesamum, cotton and sugarcane. Comparative position regarding the average yield per hectare for the state and all-India in respect of some important crops grown in the state, the total annual state production of the crops and the place occupied by the state among all states in the country in the production of each crop in the year 1973-4, is given in Table 8.

# AGRICULTURAL PROFILE

TABLE 8

Crop	Average yield (kgs per hectare)		Total pro- duction (Lakh tonnes)	Place in the production of crop in the country
	MP	India		
(1)	(2a)	(2b)	(3)	(4)
Paddy	778	1151	35.37	7
Jowar	549	530	11.57	4
Bajra	949	519	2.14	9
Maize	678	937	4.17	6
Wheat	804	1158	26.01	3
Barley	831	887	1.51	3
Gram	554	521	9.76	2
Tur	577	529	2.94	3
Groundnut	497	840	2.16	7
Sesamum	174	206	0.51	3
Rapeseed and Mustard	479	494	1.05	4
Linseed	249	251	1.73	1

1.15 Despite lack of irrigation facilities, MP is surplus in foodgrains and commercial crops. It occupies the first place in the country in the production of linseed, second in the production of gram and third in the production of wheat, barley, tur and sesamum. The state's share in the national production of rice and jowar is also significant. But the total foodgrains production of the state has stagnated at the level of around 110 lakh tonnes since 1970-71. Sustained efforts for the development of irrigation facilities and the introduction of intensive methods of cultivation backed by adequate institutional credit support are, therefore, necessary to ensure that the agricultural sector in the state switches over from the period of stagnation to an era of progressive growth.

## *Intensive cultivation schemes*

1.16 A review of the intensive cultivation schemes so far implemented and the future strategy in this regard automatically becomes necessary. The Intensive Agricultural District Programme (IADP) was introduced in 1961 in the predominantly paddy growing district of Raipur (CZ). By 1973-4, of the 457 development blocks in the state, 105 blocks in 35 districts were covered by the Intensive Agricultural Area Programme (IAAP) and another 115 blocks in 9 districts by the IADP. The Multiple Cropping Programme which aims at popularising those varieties of crops which mature early and give more yield was first introduced in 1969-70 and the programme covered an area of 0.56 lakh hectares in

## CONSUMPTION OF FERTILIZERS

9 districts. The area covered by the programme increased to 2.48 lakh hectares in 1973-4.

1.17 The main thrust for intensivization of agriculture is now through the extension of the High-yielding Varieties Programme (HVP) which was launched in the state in 1966-7 and covered five crops, viz., paddy, wheat, jowar, bajra and maize. Initially the total area under this programme was only 0.57 lakh hectares which increased to 5.63 lakh hectares in 1970-71 and further to 16.75 lakh hectares in 1973-4. Paddy accounts for the largest area at 8.02 lakh hectares or almost 50 per cent of the total area covered by the programme followed by wheat (6.32 lakh hectares) and jowar (1.81 lakh hectares). While the district-wise position in respect of the area covered by the HVP in 1973-4 and the targets for the year 1974-5 are given in Annexure 7, its crop-wise coverage for the state as a whole in the years 1966-7, 1970-71 and 1973-4 is given in Table 9.

TABLE 9

Crop	Area (Lakh hectares)			Percentage to total area under the crop		
	1966-7	1970-71	1973-4	1966-7	1970-71	1973-4
Paddy	0.33	2.76	8.02	0.8	6.3	17.9
Wheat	0.08	2.19	6.32	0.4	6.4	18.7
Jowar	(800)	0.57	1.81	—	2.6	8.6
Bajra	(300)	0.08	0.20	0.1	3.6	8.8
Maize	0.15	0.21	0.40	2.9	3.6	6.4
	0.57	5.81	16.75			

The district-wise position in Annexure 7 indicates that the high-yielding varieties of paddy are generally grown in the districts of Balaghat, Bilaspur, Durg, Raigarh, Raipur (CZ) and Surguja (TZ). Relatively large areas under high-yielding wheat are in the districts of Khargone (BZ), Bilaspur (CZ), Bhind, Gwalior, Mandsaur, Morena (GZ) and Tikamgarh (VZ). The targets fixed for the year 1974-5 indicate that emphasis is being laid more on increasing the area under high-yielding varieties of wheat, jowar and bajra.

### *Consumption of fertilizers*

1.18 The use of chemical fertilizers was practically unknown to the farmers in the state in 1956-7 inasmuch as hardly 0.03 lakh tonnes of fertilizers were consumed. The use of fertilizers increased at a slow pace till 1966-7 when their consumption was of the order of 0.20 lakh tonnes. With the launching of the HVP, the consumption of fertilizers

## AGRICULTURAL PROFILE

is progressively increasing and it was 1.45 lakh tonnes in 1973-4 when the average consumption of fertilizers for the state worked out to 6.82 kgs per hectare as against 16.46 kgs for all-India in 1972-3. The district-wise position in this behalf is given in Annexure 8. The zone-wise position can be seen at a glance in Table 10.

TABLE 10

	Consumption of fertilizers (kgs per hectare)		
	Average	Maximum	Minimum
<b>BZ</b>	9.24	22.75 (Indore)	4.50 (Raisen)
<b>CZ</b>	7.96	12.78 (Raipur)	2.78 (Rajnandgaon)
<b>GZ</b>	8.71	17.17 (Mandsaur)	1.74 (Guna)
<b>JZ</b>	4.56	9.12 (Narsinghpur)	1.94 (Seoni)
<b>VZ</b>	5.46	14.25 (Tikamgarh)	0.51 (Sidhi)
<b>TZ</b>	2.45	7.16 (Dhar)	0.90 (Mandla)

Indore, Mandsaur and Morena are the only districts in the state in which the average per hectare consumption of fertilizers in 1973-4 exceeded the all-India average for 1972-3. If the consumption of fertilizers is taken as an indicator, the farmers in the state can, by and large, be deemed as slow in the adoption of modern methods of cultivation. One major constraint in this respect is the lack of irrigation facilities. We are, however, of the view that the rise in irrigated area will facilitate adoption of intensive cultivation practices and in turn lead to an appreciable increase in the demand for fertilizers. This has a bearing on the credit aspect and, therefore, a brief account of major development schemes under implementation or proposed to be implemented in the state, is necessary.

### *Major irrigational and agricultural development schemes*

1.19 The major agricultural and allied development programmes taken up/being taken up in MP are—

- (i) Madhya Pradesh Agricultural Credit Project—Rs 45.2 crores
- (ii) Madhya Pradesh Dairy Development Project—Rs 25 crores
- (iii) Madhya Pradesh Chambal Command Area Development Project—Rs 86.6 crores

## DEVELOPMENT SCHEMES

- (iv) Tawa Command Area Development Project—Rs 327.10 crores (Fifth Five Year Plan outlay Rs 8.75 crores).

The first project relates to on-farm investments including construction of dugwells (25,000), improvement in existing wells (15,000), installation of electric (27,800) and diesel (12,500) pumpsets and persian wheels (2,700) and incidentally land levelling and covers as many as 35 districts in the state. The benefits of the project will fully accrue within the next two or three years. The second project envisages construction of 3 dairy plants, 3 cattle feed mills, one cattle breed farm, etc., and 9 districts will be the beneficiaries. The third project, expected to benefit two districts, viz., Bhind and Morena, provides for irrigation and drainage works, on-farm development, roads, ravine erosion control, mechanical equipment and technical assistance. The Tawa Project envisages an investment of Rs 327.10 crores spread over a period of nine years beginning from 1974-5 for an integrated area development in the Tawa Irrigation Command Area in the Hoshangabad district. This project is expected to increase the scope of agricultural production credit to a very substantial extent.

1.20 As on 30 June 1975, the Agricultural Refinance and Development Corporation (ARDC) have sanctioned 197 schemes for implementation through the commercial banks, MPSCB and the MPLDB involving a total financial assistance of Rs 99.31 crores, the ARDC's commitment thereof being Rs 88.48 crores. The disbursements by these banks under these schemes amount to Rs 34.48 crores. Out of a total of 197 schemes, 86 involving financial assistance of Rs 61.54 crores are being financed through the MPLDB, the disbursements thereunder being Rs 25.76 crores.

### *Future outlook*

1.21 The above analysis about the agricultural situation in the state reveals that the strategy for ensuring development in this sector is directed towards intensivization of agriculture and for this purpose conditions are being created to facilitate adoption of progressive methods of cultivation. With the proposed increase in the irrigated area by 18.75 lakh hectares by the end of the Fifth Five Year Plan, the annual consumption of fertilizers in the state is expected to go up by 4.50 lakh tonnes to about 6 lakh tonnes. The area under high-yielding varieties of crop is to be increased by about 9 lakh hectares to 25.90 lakh hectares during the above period. The proposed development is bound to appreciably increase the demand for credit. We, therefore, proceed to estimate the existing potential for short-term agricultural credit and the level to which it may reach by 1979-80 so as to have an

## CREDIT POTENTIAL

idea of the magnitude of the responsibility that has to be shouldered by the credit institutions in the above development effort.

## CREDIT POTENTIAL

1.22 An estimate of short-term agricultural credit potential should be really based on the irrigated and unirrigated cropped area as also the cropping pattern. On the basis of Rs 250 per hectare for irrigated land and Rs 125 per hectare for unirrigated land, the Working Group on Co-operation for the Fifth Five Year Plan (Fifth Plan Working Group) appointed by the Union Ministry of Agriculture and Irrigation estimated the production credit needs for the country as a whole at Rs 3,000 crores in 1978-9. The more scientific method of assessing the credit requirements is to ascertain the realistic scales of finance and the area under different crops and multiply the area under each crop with the relevant scale of finance fixed for the purpose so as to arrive at the total outlay on raising the different crops. Forty or fifty per cent of the outlay so calculated can be deemed as the short-term production credit needs on the assumption that not all the cultivators require credit and, therefore, become members of pacs, not all the cultivators in need of credit resort to institutional agencies and not all the borrower-members of pacs borrow to the full extent of the outlay on crops raised by them. It is for this very reason that the Fifth Plan Working Group placed the per hectare credit requirements in respect of both the irrigated and unirrigated areas at modest levels. The assessment of credit potential on the basis of realistic scales of finance is, however, a very difficult proposition especially in MP wherein agricultural conditions and, therefore, outlay on crops and their yields greatly differ from area to area rendering it impracticable to fix uniform realistic scales for the different crops grown. Secondly, the cropping pattern tends to change from year to year and such changes though small in percentage are quite substantial in so far as calculation of credit needs is concerned. Above all, the method adopted has to be simple enough to facilitate estimation of the credit potential not only for the state as a whole and each district in it but also for each development block in the state, as the ultimate objective is to locate areas with large credit gaps and introduce alternative institutional agencies in such areas either to replace the existing institutions or to supplement their efforts. The block-wise cropping pattern in MP is not, by and large, readily available.

1.23 We consider it appropriate, therefore, to calculate the short-term production credit requirements for the state and the districts/blocks



## CREDIT POTENTIAL

in it on the same basis as adopted by the Fifth Plan Working Group subject to marginal changes in respect of areas wherein either the cultivators are relatively progressive and the consumption of fertilizers is very high or the acreage under low-value crops is relatively large. Such changes are necessary in respect of 11 districts indicated below :

(i) In Indore district, the irrigated area is mainly under sugarcane or vegetables like potato. The farmers in the district seem to be progressive. As already indicated, the average consumption of fertilizers for the district has been 22.75 kgs per hectare in 1973-4 as against the all-India average of 16.46 kgs for 1972-3 and the state average of 6.82 kgs for 1973-4. Indore is the only district in the state to well exceed the all-India average in this respect. The credit potential for the district and the blocks in it may, therefore, be calculated at the rate of Rs 375 per hectare of irrigated land and Rs 175 per hectare of unirrigated land.

(ii) On the other hand, Bastar and Mandla are wholly tribal districts and farmers therein are very slow in adopting intensive cultivation practices. More than 25 per cent of the area under cultivation in each district is under low-value crops like *kodo-kutki*, *Sawa* and *Kulthi*. The credit potential for these two districts and the blocks in them may, therefore, be calculated at the rate of Rs 250 per hectare of irrigated land and Rs 75 per hectare of unirrigated land.

(iii) The districts of Betul, Rewa and Satna are relatively drought-prone. The tribal districts of Jhabua, Raigarh, Surguja, Shahdol and Sidhi also fall in this category. About 15 per cent of the area under rain-fed crops in each of these eight districts is under low-value crops like *kodo-kutki*, *Sawa* and *Kulthi*. The credit potential for these eight districts and the blocks in them may, therefore, be calculated at the rate of Rs 250 per hectare of irrigated land and Rs 100 per hectare of unirrigated land.

1.24 Adopting the basis indicated in paragraph 1.23 above, the short-term credit requirements of MP as a whole for the gross cropped area of 212.12 lakh hectares in 1973-4 (194.79 lakh hectares unirrigated and 17.33 lakh hectares irrigated) work out to Rs 273.40 crores or, say, Rs 275 crores as per the district-wise estimates indicated in Annexure 9. With the expected increase by the end of the Fifth Plan period in the irrigated area by 18.75 lakh hectares over the level that obtained in 1973-4 and the targeted extension of the area under high-yielding varieties of crops, the short-term credit requirements of the state may increase by about Rs 25 crores to Rs 30 crores and, on a conservative estimate, can be placed at Rs 300 crores in 1979-80.

## CREDIT POTENTIAL

1.25 As against the above position, the pacs in the state with re-finance from the higher financing agencies can be deemed to have met in 1974-5 credit requirements to the extent of the short-term agricultural loans issued by them in that year (Rs 51.97 crores) plus overdues in respect of such loans as on 30 June 1974 (Rs 42.74 crores), i.e., to the extent of Rs 94.71 crores leaving a credit gap of about Rs 180 crores or 65 per cent of the existing potential at Rs 275 crores. It is assumed for this purpose that had the defaulters as on 30 June 1974 cleared their defaults, the pacs could have issued to them fresh loans at least for the amounts of their defaults. The district-wise position of the credit gaps is indicated in Annexure 9. The zone-wise position regarding credit gaps is summarized in Table 11.

TABLE 11

	Credit gap (per cent)		
	Average	Highest	Lowest
BZ	58.6	77.8 (Dewas)	34.0 (Indore)
CZ	70.6	86.2 (Rajnandgaon)	58.9 (Balaghat)
GZ	54.9	74.1 (Rajgarh)	33.7 (Ujjain)
JZ	64.7	81.7 (Jabalpur)	40.0 (Narsinghpur)
VZ	74.1	90.5 (Sidhi)	63.8 (Tikamgarh)
TZ	81.7	94.3 (Shahdol)	59.1 (Dhar)

If the credit gaps in the districts in which they are already less than 50 per cent of the credit potential are to be reduced to 20 per cent, in districts in which they are between 50 and 65 per cent to 30 per cent and in all other districts to 40 per cent of the credit potential by 1979-80 so as to ensure removal of regional disparities in the dispensation of credit to the extent possible, the institutional sources will have to take up the level of credit made available by them to Rs 200 crores in that year.

1.26 Having assessed the magnitude of the problem it is necessary to divide the responsibility between the MPSCB and the ccbs on the one hand and the commercial banks and their new subsidiaries, viz., the rrbs, on the other. The next three chapters of our report have, therefore, been devoted to assessment of the performance in the field of agricultural credit so far of the state and central co-operative banks as also the commercial banks operating in MP and the arrangements that will be necessary, block by block, to fill in the credit gaps.

## CHAPTER 2

### STATE CO-OPERATIVE BANK

2.01 SOON after the re-organization of states in November 1956, the Madhya Pradesh Rajya Sahakari Bank Maryadit came into being in its present form in January 1958 with the amalgamation of the two erstwhile apex co-operative banks in Mahakoshal and Madhya Bharat regions of the state. The bank which was registered on 16 January 1958, commenced business with effect from 15 March 1958. It was included in the second schedule to the Reserve Bank of India Act, 1934 on 2 July 1966. The MPSCB is a federal institution of ccbs in the state and other state level co-operative institutions. However, there are on its membership some other co-operatives and individuals as also nominal members. The nominal membership of the bank mainly comprises employees of the bank who have been sanctioned housing loans or the co-operative societies of the staff of the state-level institutions which have been afforded credit facilities. The total membership of the bank as on 30 June 1975 was 461 and included 67 individuals and 188 nominal members.

#### *Management*

2.02 In terms of its byelaws, the board of directors of the bank should consist of a representative each of the affiliated ccbs, the MPSLDB, the apex marketing society, the apex handloom society, the state co-operative union, the state federation of consumers' stores, the state co-operative banks' association and the individual shareholders, the RCS, 2 nominees of the state government and the MD of the bank. As on 30 June 1975, the board of directors of the bank comprised 48 directors. Five ccbs whose managements had been superseded, viz., Bastar, Guna, Panna, Shahdol and Sidhi, and the Rajnandgaon bank which had not started functioning as also the state federation of consumers' stores were not represented on the board.

2.03 The board of directors which is required to meet at least twice a year, had actually met on 2 or 3 occasions during each of the last three co-operative years. The functions of the board are, therefore, virtually discharged by the Managing Committee which enjoys practically all the powers of the board. In addition to the Chairman and the MD of the bank, the RCS and the Director of Agriculture, there are 15 members on the Managing Committee, of which 11 represent the affiliated ccbs. None of them belongs to a scheduled caste or tribe. Besides, to deal with various matters, nine sub-committees, viz., Loan,

## STATE CO-OPERATIVE BANK

Staff, Building, Cadre, Agricultural and Industries Commission, Audit and Inspection, Planning and Resources Development, Dairy and Inauguration have been constituted. Each of the sub-committees consists of 6 to 9 members and they meet as and when necessary. The Cadre Committee entrusted with the management of the cadre of key personnel for ccbs, comprises the chairman, the two vice-chairmen, a director representing the ccbs, the MD of the bank and the RCS.

2.04 The MD is the chief executive of the bank and supervises its day-to-day working. The present MD is a senior officer on deputation from the RBI. He is assisted by a manager and 44 other officers, some of whom are posted at the branches. The officer staff at the head office and the branches is suitably assisted by the staff at the lower levels. There are three grades for the officer staff excluding the MD and the Manager. Most of the officer staff have received training in co-operation/co-operative banking. Our suggestions on the management aspects are contained in Chapter 8.

2.05 The head office of the bank was, till March 1975, located at Jabalpur. With the construction of its own building at Bhopal, the bank shifted its head office to Bhopal in April 1975. The bank has 8 branches and a pay office at Rampur (Jabalpur). These 8 branches are located at the headquarters of each of the eight revenue divisions at Bhopal, Bilaspur, Gwalior, Indore, Jabalpur, Raipur, Rewa and Sagar. Each branch is having a branch advisory committee consisting of all the members of the board of directors from the area of the respective branch.

### *Cadre of key personnel for ccbs*

2.06 With a view to providing well qualified and competent officers to the ccbs to man their senior positions and attracting young and energetic hands for the purpose, the bank constituted in 1967-8 a cadre of key personnel for ccbs. The Manager, Assistant Manager, Chief Accountant, Chief Supervisor and the Marketing Officer have been deemed as key personnel for the purpose. The scheme was given some sort of statutory footing in 1970 by virtue of suitable amendment to Section 54 of the Madhya Pradesh Co-operative Societies Act, 1960. The amended section reads as under :

#### **"54. Appointment of Managers, Secretaries and other officers**

- (1) No society shall appoint a Manager, Secretary, Accountant or other paid officer unless he holds such qualifications as may be prescribed.

#### CADRE OF KEY PERSONNEL

- (2) The Apex and Central Societies shall maintain such cadres of officers and other servants as the state government may, by order, direct and the conditions of service of members of such cadre shall be such as the Registrar may, by order, determine.
- (3) The state government may, by notification, specify the class of societies which shall employ officers from such cadres maintained by the Apex or Central Societies under sub-section (2) as may be specified therein."

For determining the number of officers from the cadre that may be provided, the ccbs have been classified into three categories according to the size of their working capital. There are four grades in the cadre, the lowest being Rs 250—Rs 500 and the highest Rs 550—Rs 1,000. Besides, the cadre officers are entitled for dearness allowance linked to price index, house allowance, bonus, etc. There are at present 118 cadre officers posted to 38 out of 44 ccbs and a few of them are working in the apex bank itself.

2.07 The monthly salary of the cadre officers is expected to be met by the concerned ccb although these officers are treated as employees of the apex bank. However, the MPSCB is maintaining a fund known as 'Key Personnel Cadre Fund' which is utilized for three purposes, viz., (i) to provide financial assistance at the rate of Rs 15,000 per annum to weaker ccbs to enable them to maintain the cadre personnel, (ii) to pay leave salary of cadre officers posted to ccbs and (iii) to meet establishment cost of the cadre section maintained by the apex bank. Besides the contribution of Rs 2 lakhs made earlier by the GOMP, the MPSCB and the ccbs are expected to contribute annually 2 per cent and 1 per cent of their net profit respectively to the fund. While the share of the former bank is being credited to the fund, we understand that the contributions from the ccbs are not being regularly received and have since been discontinued.

2.08 The MPSCB deserves all credit for being the first and perhaps the only apex bank to have implemented the policy of having a cadre of key personnel for the ccbs. However, despite the provisions in the State Act referred to in paragraph 2.06 above, certain problems are being faced in the day-to-day management of the scheme. These are as under :

- (i) Some weaker ccbs are finding it difficult to maintain on their own all the five cadre officers in spite of the fact that each of them is entitled to receive grant-in-aid of Rs 15,000 annually from the cadre fund. They are, therefore, managing with two or three cadre officers although in view of the dimensions of the problems faced by them, they need the services of all the five key personnel.

## STATE CO-OPERATIVE BANK

- (ii) Contributions to the cadre fund not being legally binding, are not received regularly from the ccbs.
- (iii) The scheme has not been made compulsory and, therefore, in a number of ccbs including big banks like Indore and Raipur all or some of the key officers do not belong to the cadre.
- (iv) Instances are not uncommon when the managements of some ccbs have refused to allow a cadre officer to join duties because either his selection had not their approval or the banks were not willing to do away with their own officer occupying the concerned position.

Full benefits of this well meaning scheme will not accrue unless the above difficulties are effectively tackled. We are of the view, therefore, that the steps taken for introduction of the cadre of key personnel for ccbs have to be backed by wider legal sanctions as also proper arrangements for funding so that all ccbs are in a position to maintain the cadre officers. We would, however, revert to this aspect in Chapter 8.

### *Financial position*

2.09 A comparative position of some important aspects relating to the financial position of the bank during the five-year period from 1970-71 to 1974-5 is given in Table 1.

TABLE 1

Rs Lakhs						
	Item	1970-71	1971-2	1972-3	1973-4	1974-5
	(1)	(2)	(3)	(4)	(5)	(6)
1	(a) Paid-up share capital	340·30	412·66	448·29	475·35	527·31
	(b) Of (a) from state government	111·60	160·60	185·60	185·60	185·60
2	Statutory Reserve	78·10	88·11	111·12	122·18	132·15
3	Agricultural Credit Sta- bilization Fund	338·29	367·76	426·92	484·17	508·00
4	Bad debt reserve	6·70	6·70	6·68	6·68	6·68
5	Other reserves	88·55	48·32	79·39	88·25	107·73
6	Owned funds	851·94	923·55	1072·40	1176·63	1281·87
7	(a) Deposits (Total)	1277·62	1393·41	1426·28	1514·72	1800·78
	(b) Current	425·50 (33·3)	570·67 (41·0)	455·72 (32·0)	379·15 (25·0)	366·51 (20·4)
	(c) Fixed	647·00 (50·6)	606·17 (43·5)	735·01 (51·5)	865·18 (57·1)	1132·11 (62·9)
	(d) Others	205·12	216·57	235·55	270·39	302·16
	(e) Of (a) from co- operatives	762·05 (60)	866·42 (62)	884·33 (62)	1090·08 (72)	1411·45 (78)

# FINANCIAL POSITION

	Item	1970-71	1971-2	1972-3	1973-4	1974-5
	(1)	(2)	(3)	(4)	(5)	(6)
8	(a) Outstanding borrowings	4398.06	4011.91	4520.77	4034.35	4393.88
	(b) Of (a) from RBI	3685.81	3103.91	3406.86	3126.54	2904.08
9	(a) Loans outstanding (Total)	5730.38	5723.91	5724.08	5702.87	6330.61
	(b) Short-term (agri)	4706.38*	4711.56*	4380.57*	3454.12	3453.61
	(c) Medium-term (agri)	869.07*	871.58*	1077.84*	862.94	626.29
	(d) Medium-term (conversion)	154.93	140.77	265.67	338.22	658.12
	(e) Others	—	—	—	1047.59	1592.59
10	(a) Overdues (Total)	323.04	257.36	235.01	188.79	39.01
	(b) Short-term (agri)					
	<i>Taccavi</i>	76.95	65.61	95.37	110.89	25.00
	(c) Medium-term					
	<i>Taccavi</i>	123.38	100.61	72.83	64.15	—
11	Percentage of overdues to demand	6.9	4.3	4.7	4.5	1.0
12	Net profit during the year	42.03	49.94	44.22	39.86	46.46
13	Dividend declared (%)	6	6	5	5	5
14	Loans issued during the year					
	(i) Total	6699.65	8735.96	7656.27	9183.91	11889.16
	(ii) Short-term					
	(a) Seasonal agri. operations	4152.59	5081.33	4966.82	5560.61	5238.81
	(b) Other agri. purposes	—	—	—	—	—
	(iii) Medium-term					
	(a) Approved agri. purposes	326.07	369.36	465.87	751.67	206.43
	(b) Conversion/ rephasing	33.05	140.10	269.20	237.12	622.99
	(iv) Others	2187.94	3145.17	1954.38	2634.51	5820.93

N.B. Figures in brackets indicate percentages

\* Includes other non-agricultural loans also

## Owned funds

2.10 The paid-up share capital of the bank increased by Rs 1.87 crores from Rs 3.40 crores as on 30 June 1971 to Rs 5.27 crores as on 30 June 1975. During the same period, the state government's contribution to the share capital of the bank increased by Rs 74 lakhs. The increase in the share capital of the bank was substantial in the years 1971-2 and 1974-5. However, bulk of the increase in the former year was due to the additional contribution of Rs 49 lakhs made by the state government.

# STATE CO-OPERATIVE BANK

2.11 The reserves of the bank increased from Rs 5.12 crores as on 30 June 1971 to Rs 7.55 crores as on 30 June 1975, i.e., by Rs 2.43 crores mainly on account of the increase in the Agricultural Credit Stabilization Fund by Rs 1.70 crores during the period. Bulk of this increase has been by way of subsidy, loan, etc., received from the state government under the GOI scheme. The statutory reserve of the bank increased during the same period by Rs 0.54 crore to Rs 1.32 crores. The bad debt reserve has, however, almost remained unchanged at Rs 6.68 lakhs during the last five years.

## Deposits

2.12 The bank's deposits increased from Rs 12.78 crores as on 30 June 1971 to Rs 18.01 crores as on 30 June 1975, i.e., by Rs 5.23 crores. The average annual growth rate works out to 9 per cent despite the base itself being low and cannot be considered, therefore, as satisfactory in view of the fact that the commercial banks as also the cbbs in the state have maintained an average annual growth rate of not less than 15 per cent in the mobilization of additional deposits.

2.13 The bank's deposits from sources other than the co-operative institutions which stood at Rs 5.16 crores as on 30 June 1971 declined to Rs 3.89 crores as on 30 June 1975. The proportion of deposits from sources other than the co-operative institutions to the total deposits has progressively declined from 40 to 22 during the above period.

2.14 The deposits position of the branches, as on 30 June 1975 is given in Table 2.

TABLE 2

Branch	Total	Indi- viduals	Co-opera- tives	Rs Lakhs
				Percentage of col. (3) to col. (2)
(1)	(2)	(3)	(4)	(5)
Bhopal	733.98	80.29	653.69	10.9
Bilaspur	45.77	1.22	44.55	2.7
Gwalior	175.31	114.31	61.00	65.2
Indore	227.65	30.40	197.25	13.4
Jabalpur	306.94	122.22	184.72	39.8
Raipur@	57.41	1.03	56.38	1.8
Rewa	24.95	2.80	22.15	11.2
Sagar*	0.71	0.20	0.51	28.2
Rampur	35.33	34.72	0.61	98.3
Total	1608.05	387.19	1220.86	24.1

@ Opened in September 1974

\* Opened in May 1974



## BORROWINGS

The branches are located in major urban centres but their overall performance in mobilizing deposits is not satisfactory. The relative performance in this behalf was poor especially in the case of Bilaspur and Rewa branches. The deposits of the branches barring Gwalior and Rampur are mostly from the co-operatives. The aggregate deposits from the public formed 24.1 per cent of the total deposits. They were lowest in Raipur at 1.8 per cent followed by Bilaspur at 2.7 per cent. The highest percentage was in Rampur (98.3) followed by Gwalior (65.2) and Jabalpur (39.8). In the remaining branches, barring Sagar (28.2), the percentage was around 10.

2.15 It is often argued that one-third of the state's population being of scheduled castes and tribes, the economy in large areas is relatively non-monetized thereby greatly affecting the banking habit and in turn the programmes for the mobilization of deposits. We may accept, therefore, that the MPSCB may find it difficult to ensure a higher growth rate in the mobilization of deposits from the affiliated co-operatives. However, the performance during the last four years indicated that while the bank was in a position to maintain an average annual growth rate of 15 per cent in the mobilization of deposits from the ccbs and other co-operative institutions, its deposits from other sources including the individuals had declined thereby bringing down the overall growth rate to 9 per cent. This position requires to be not only looked into in greater detail but also improved by adopting an aggressive approach for mopping up of deposits. Considering the responsibility that may devolve on the bank for increasing the co-operative institutional credit for short-term agricultural production sizeably, we estimate that the bank's level of deposits by the end of 1978-9 should be not below Rs 35 crores. We urge on the management of the MPSCB, therefore, to devote special attention to the aspect of deposit mobilization especially from sources other than co-operatives so as to achieve an average annual growth rate of 20 per cent and ensure that the bank's deposits are not below Rs 35 crores at the end of June 1979. Incidentally, the growth rate of deposits at 20 per cent is not relatively pitched high since the level of deposits itself is low. We would place the share of public deposits as on that date at not below Rs 10 crores.

### *Borrowings*

2.16 The proportion of the bank's outstanding borrowings to its total outstanding advances during the period 1970-71 to 1974-5 is given in Table 3.

**STATE CO-OPERATIVE BANK**

**TABLE 3**

	Rs Lakhs				
	30-6-71	30-6-72	30-6-73	30-6-74	30-6-75
1 Advances	5730·38	5723·91	5724·08	5702·87	6330·61
2 Borrowings	4398·06	4011·91	4520·77	4034·35	4393·88
3 Percentage of 2 to 1	76·7	70·1	79·0	70·7	69·4

Although the bank's outstanding borrowings at Rs 43.98 crores as at the end of June 1971 had declined slightly to Rs 43.94 crores as on 30 June 1975 despite the fact that its outstanding advances had increased by about Rs 6 crores during the period, the bank's reliance on outside borrowings at around 70 per cent can be deemed as generally high. Even in the case of the Rajasthan State Co-operative Bank, which is the apex bank for a relatively underdeveloped state, the Study Team on Agricultural Credit Institutions in Rajasthan 1975 (Rajasthan Study Team) had recommended that the level of that bank's borrowings should be within 60 per cent of its outstanding loans and advances. It can, therefore, be reasonably expected of the MPSCB which serves a relatively developed state to bring down its level of outstanding borrowings to at least within 60 per cent of its total loans and advances. While making this suggestion due consideration has been given to the fact that the *taccavi* loans are routed through the bank and this would inflate slightly the proportion of outstanding borrowings to outstanding loans and advances. The success of the bank in this respect will depend on its ability to mobilize deposits of the order of at least Rs 35 crores by 1978-9 as recommended in paragraph 2.15 above.

2.17 The sources of the bank's borrowings are indicated in Table 4.

**TABLE 4**

	Rs Lakhs				
	30-6-71	30-6-72	30-6-73	30-6-74	30-6-75
RBI	3685·81	3103·91	3406·86	3126·54	2904·08
Commercial banks	258·50	259·25	265·00	100·00	619·65
GOMP	453·75	648·75	384·91	807·81	870·15
Total	4398·06	4011·91	4520·77	4034·35	4393·88
Percentage of RBI borrowings to total	83·9	77·4	75·4	77·5	66·1

The borrowings are mainly from the RBI under different types of accommodation sanctioned to it direct or on behalf of the ccbs or other apex level institutions. The borrowings from the state government represent the short-term and medium-term *taccavi* loans issued

## BORROWINGS

to the ccbs for purposes like purchase of seeds and fertilizers, pump-sets and engines. The borrowings from the commercial banks are mainly for financing the activities of the Madhya Pradesh State Co-operative Marketing Federation.

2.18 A statement giving the position in respect of sanction of short-term and medium-term credit limits to the MPSCB on behalf of the affiliated ccbs for the years 1970-71 to 1974-5 by the RBI and the utilization thereof is contained in Annexure 10. The central banks which were not sanctioned any limit, on account of their heavy over-dues position by the RBI during the five-year period 1970-71 to 1974-5 are indicated in Table 5.

TABLE 5

	1970-71	1971-2	1972-3	1973-4	1974-5
BZ	—	—	—	—	—
CZ	—	—	—	—	—
GZ	—	Shivpuri	Shivpuri	—	—
JZ	—	—	—	Seoni	—
VZ	Vindhya (Rewa)	Vindhya (Rewa) Sidhi	—	Sidhi	Sidhi
TZ	Bastar Jhabua Shahdol Surguja	Shahdol Surguja	Shahdol	Bastar Shahdol Surguja	Bastar Shahdol Surguja

The Shahdol bank from Tribal zone has not been sanctioned a credit limit for all the five years. Two other banks from this zone, viz., Surguja and Bastar, failed to secure a credit limit from the RBI in four and three out of five years respectively. The Sidhi bank in the Vindhya zone which incidentally serves a district which has sizeable tribal population also failed to secure a credit limit in three out of five years.

2.19 The zone-wise position in respect of short-term credit limits sanctioned by the RBI is summarized in Table 6.

TABLE 6

	Banks	1970-71	1971-2	1972-3	1973-4	1974-5
BZ	8	8.93	9.53	10.00	9.50	10.70
CZ	5	8.50	10.10	11.80	12.50	12.50
GZ	12	14.86	15.40	16.35	15.40	16.05
JZ	6	4.55	5.45	5.45	4.00	5.30
VZ	6	2.45	2.00	2.25	2.06	2.20
TZ	6	1.05	1.77	2.32	2.00	1.95
Total	43	40.34	44.25	48.17	45.46	48.70

STATE CO-OPERATIVE BANK

The share of 12 banks from the Vindhya and Tribal zones has been less than 10 per cent of the total limits sanctioned by the RBI. If the 6 banks from the Jabalpur zone are added, the share of 18 banks together works out to about 20 per cent of the total limits sanctioned. Thus, four-fifths of the aggregate amount sanctioned by the RBI is claimed by the 25 banks from the Bhopal-Indore, Chhatisgarh and the Gwalior zones.

2.20 The banks which have been sanctioned the maximum and the minimum short-term credit limits within each zone, are given in Table 7.

TABLE 7

	Rs Lakhs				
	1970-71	1971-2	1972-3	1973-4	1974-5
BZ Maximum	185 (Barwani)	185 (Barwani)	200 (Barwani)	175 (Nimar)	225 (Barwani)
Minimum	35 (Betul)	35 (Betul)	35 (Betul)	35 (Betul)	35 (Betul)
CZ Maximum	305 (Raipur)	400 (Raipur)	450 (Raipur)	500 (Raipur)	500 (Raipur)
Minimum	50 (Raigarh)	70 (Raigarh)	70 (Raigarh)	75 (Raigarh)	75 (Raigarh)
GZ Maximum	200 (Neemuch, Morena)	250 (Neemuch)	275 (Neemuch)	230 (Ujjain)	250 (Neemuch, Ujjain)
Minimum	25 (Datia)	25 (Datia)	25 (Datia)	20 (Datia, Shivpuri)	20 (Datia, Shivpuri)
JZ Maximum	165 (Sagar)	190 (Sagar)	150 (Chhindwara, Sagar)	145 (Chhindwara)	215 (Chindwara)
Minimum	25 (Narsinghpur)	45 (Bishnuddatta, Narsinghpur)	20 (Seoni)	50 (Bishnuddatta, Sagar)	25 (Seoni)
VZ Maximum	100 (Chhatarpur)	100 (Chhatarpur)	100 (Chhatarpur)	80 (Chhatarpur)	90 (Chhatarpur)
Minimum	10 (Satna)	10 (Satna)	10 (Vindhya)	20 (Satna)	20 (Satna)
TZ Maximum	70 (Dhar)	90 (Dhar)	110 (Dhar)	110 (Dhar)	100 (Dhar)
Minimum	35 (Mandla)	20 (Jhabua)	15 (Surguja)	40 (Jhabua)	45 (Jhabua)

## BORROWINGS

The above table has brought out clearly that even the business of most of the banks claiming the maximum credit limits within each zone has stagnated or declined. This trend has to be arrested and reversed if the state and central banks are to shoulder greater responsibility in the dispensation of short-term agricultural credit. Simultaneously, special attention will have to be given to the banks mentioned in Table 5 which could not secure a credit limit from the RBI, as also to the banks mentioned in Table 8 which have been sanctioned lower credit limits.

TABLE 8

Banks which have been sanctioned credit limits for three years or more during 1970-71 to 1974-5		
	for Rs 50 lakhs or below	between Rs 50 lakhs and Rs 100 lakhs
BZ	Betul (5)	Harda (5)
CZ	—	Raigarh (4)
GZ	Datia (5)	Guna (5)
	Shivpuri (2)@	Rajgarh (5)
JZ	Bishnudatta (4)	Narsinghpur (3)\$
	Seoni (3)	
VZ	Panna (5)	Chhatarpur (5)
	Satna (5)	Tikamgarh (3)\$
	Vindhya (3)@	
TZ	Mandla (5)	Dhar (3)
	Jhabua (4)	

N.B. Figures in brackets indicate the number of years.

@ These banks were not sanctioned any limit for 2 years.

\$ These banks were sanctioned lower limits for the remaining 2 years.

2.21 The position in respect of utilization of the short-term credit limits sanctioned by the RBI for the year 1974-5 is given in Table 9.

TABLE 9

Utilization (per cent)	BZ	CZ	GZ	JZ	VZ	TZ
Below 50	—	—	Neemuch	—	—	—
50—75	Bhopal	Balaghat Bilaspur Raigarh Raipur	Guna Rajgarh Ujjain Vidisha	Sagar Seoni	—	Mandla
75—95	Barwani Dewas Harda Indore Nimar Raisen	Durg	Bhind Datia Gwalior Morena Shujalpur	Bishnu- datta Chhind- wara Damoh	Panna Tikamgarh	Dhar Jhabua
95—100	Betul	—	Ratlam Shivpuri	Narsingh- pur	Chhatarpur Vindhya Satna	—

## STATE CO-OPERATIVE BANK

The utilization of the limits, by and large, was satisfactory in respect of all the banks from the various zones barring Neemuch (Mandsaur) from the Gwalior zone.

2.22 The demand for medium-term credit limits from the RBI has been comparatively less and, therefore, the quantum of such loans was also small. The demand for medium-term loans may have been reduced on account of the sanction of medium-term *taccavi* loans by the state government and issue of long-term loans for minor irrigation purposes by the land development banks and other banks under the normal and ARDC schemes. Barring 12 ccbs, viz., Barwani, Dewas, Indore, Nimar (BZ), Durg, Raipur (CZ), Neemuch, Morena, Ujjain, Vidisha (GZ), Chhindwara and Sagar (JZ), none of the other banks have been sanctioned medium-term credit limit exceeding Rs 15 lakhs in any of the year during the five-year period 1970-71 to 1974-5.

### *Patta fund*

2.23 An amount of Rs 50 lakhs was received by the MPSCB in 1971 from the GOMP with a view to enabling the apex bank to grant financial accommodation to ccbs for implementing the scheme of giving lands on lease to small cultivators against whom decrees had been obtained for recovery of co-operative dues. The amount is lying unutilized with the MPSCB under 'Patta fund' as reportedly there is no demand for the above type of assistance from the ccbs. The amount to the credit of the fund can be, in our opinion, put to gainful use. We have considered this aspect in Chapter 7

### *Loans and advances*

2.24 The bank's outstanding loans and advances had stagnated around Rs 57 crores until the end of 1973-4, but in 1974-5 they increased to Rs 63.31 crores mainly on account of the medium-term conversion loans granted by the bank. Such loans increased from Rs 3.38 crores as on 30 June 1974 to Rs 6.58 crores as on 30 June 1975, i.e., by Rs 3.20 crores in 1974-5. The balance increase was accounted for by the non-agricultural advances which shot up by Rs 5.45 crores during the year and in turn helped to offset the fall of Rs 2.37 crores in medium-term agricultural loans during 1974-5. The outstanding short-term agricultural loans were almost the same at about Rs 34.54 crores as at the end of June 1974 and June 1975. The proportion of the bank's outstanding agricultural advances comprising the short-term and medium-term agricultural loans and conversion loans to the total outstanding loans and advances which stood at 82 per cent at the end of June 1974 declined to 75 per cent at the end of June 1975 mainly because of

## ADVANCES

the decline in the proportion of outstanding short-term agricultural loans to total outstanding loans and advances from 61 per cent to 55 per cent during the period. However, the shares of agricultural and non-agricultural advances as on the latter date can be deemed as desirable.

2.25 The total loans issued by the bank increased from Rs 67 crores in 1970-71 to Rs 118.89 crores in 1974-5, i.e., by Rs 51.89 crores. The increase was progressive subject to a fall in 1972-3 *vis-a-vis* the position that obtained in 1971-2. But a similar trend is not noticed in so far as disbursement of agricultural loans is concerned. The short-term agricultural loans issued by the bank increased from Rs 41.53 crores in 1970-71 to Rs 55.61 crores in 1973-4 but declined to Rs 52.39 crores in 1974-5. Similarly, the medium-term agricultural loans issued by the bank which increased from Rs 3.26 crores in 1970-71 to Rs 7.52 crores in 1973-4 declined to Rs 2.06 crores in 1974-5. In fact, the level of short-term and medium-term agricultural loans issued by the bank in 1974-5 has been the same as that obtained in 1971-2 or 1972-3. Thus, the increase in the loan business of the bank has been mainly on account of the higher level of non-agricultural credit business transacted and the conversion loans granted by it.

2.26 The involvement of the MPSCB in its outstanding loans and advances out of its own resources during the years 1970-71 to 1974-5 ranged between Rs 12.03 crores (1972-3) and Rs 19.37 crores (1974-5) as may be seen from Table 10.

TABLE 10

	Rs Lakhs				
	1970-71	1971-2	1972-3	1973-4	1974-5
Advances	5730.38	5723.91	5724.08	5702.87	6330.61
Borrowings	4398.06	4011.91	4520.77	4034.35	4393.88
Involvement	1332.32	1712.00	1203.31	1668.52	1936.73

In so far as short-term agricultural loans are concerned, the bank has been committing its internal resources mainly for accommodating ccbs which have been either refused limits or sanctioned lower limits by the RBI as may be seen from Table 11.

**STATE CO-OPERATIVE BANK**

**TABLE 11**

Rs Crores

	Total short-term agricultural limits sanctioned by			
	RBI		apex bank	
	Banks	Amount	Banks	Amount
1970-71	38	40.34	7	1.08
1971-2	38	44.25	7	1.78
1972-3	41	48.17	6	1.28
1973-4	37	45.46	12	3.24
1974-5	40	48.70	10	2.20

2.27 A bank-wise statement in respect of deficits in the non-overdue cover for the short-term borrowings from the RBI and defaults in repayment of dues to the MPSCB for the five-year period 1970-71 to 1974-5 is given in Annexure 11. The position in respect of deficits in the non-overdue cover for short-term borrowings is summarized in Table 12.

**TABLE 12**

	Deficits in node in				
	1 year	2 years	3 years	4 years	5 years
BZ	Indore Raisen	Dewas	Nimar	Harda	Betul
CZ	—	—	Bilaspur Raigarh Raipur	—	Balaghat Durg
GZ	Bhind Morena Vidisha	Datia Shivpuri	Gwalior Rajgarh	Guna Ratlam Shujalpur Ujjain	Neemuch
JZ	Narsinghpur	Bishnudatta	Chhindwara Seoni	Sagar	—
VZ	Sidhi	—	Satna	Panna	Chhatarpur Tikamgarh
TZ	—	Bastar Surguja	Dhar Mandla	Jhabua	—

The performance of the banks in the maintenance of non-overdue cover from all the zones in general was unsatisfactory and in particular in the case of ccbs in the Gwalior zone. Even the relatively bigger banks



## ADVANCES

like Bilaspur, Durg, Neemuch, Raipur and Ujjain had defaulted in the maintenance of the non-overdue cover for three years or more during the five-year period. The MPSCB considers the requests for relaxation in the maintenance of non-overdue cover as far as its outstanding borrowings are concerned and allows relaxation on selective basis. It treats the amount of deficit in non-overdue cover as a separate loan and penal interest is charged on such loans.

2.28 The position of the banks in respect of defaults in repayment to the apex bank is summarized in Table 13.

TABLE 13

	Defaults in repayment in				
	1 year	2 years	3 years	4 years	5 years
BZ	Betul Indore Harda	—	Barwani Raisen	—	—
CZ	Bilaspur Raigarh Raipur	Durg	Balaghat	—	—
GZ	Bhind Morena Neemuch Ratlam	—	Datia Guna Rajgarh Shivpuri	—	—
JZ	Bishnudatta Chhindwara Sagar Seoni	—	—	—	—
VZ	Chhatarpur Panna Satna Tikamgarh Vindhya	—	—	Sidhi	—
TZ	Jhabua Surguja	—	Shahdol	Bastar	—

All the banks in the Chhatisgarh and Vindhya zones and majority of the banks in the Jabalpur and Tribal zones have defaulted in repayment of their dues in one year or more during the five-year period from 1970-71 to 1974-5. The banks which defaulted in the timely repayment of their dues during the year 1974-5 are Raisen (BZ), Balaghat, Durg, Raigarh, Raipur (CZ), Neemuch, Rajgarh (GZ), Sidhi, Tikamgarh (VZ) and Shahdol (TZ). The number of defaults were the highest at 20 in respect of the Neemuch bank followed by Sidhi (7) and Raipur (4). None of the banks in the Jabalpur zone had defaulted in the repayment of dues in the year 1974-5.

## STATE CO-OPERATIVE BANK

### *Overdues*

2.29 The overdues position of the bank at a glance is given in Table 14.

TABLE 14

	1970-71	1971-2	1972-3	1973-4	1974-5
Overdues (Rs lakhs)	323.04	257.36	235.01	188.79	39.01
Percentage to demand	6.9	4.3	4.7	4.5	1.0

The bank's overdues have progressively declined from Rs 323.04 lakhs in 1970-71 to Rs 39.01 lakhs in 1974-5. The overdues have been mainly in respect of the *taccavi* loans routed through the bank by the state government and with the conversion of *taccavi* borrowings from the state government on behalf of a few ccbs into long-term loans in 1974-5 they declined to Rs 39.01 lakhs as at the end of June 1975 forming only 1 per cent of the demand.

### *Net profit*

2.30 During the five-year period from 1970-71 to 1974-5 the bank's net profit ranged between Rs 39.86 lakhs (1973-4) and Rs 49.94 lakhs (1971-2) and the bank declared a dividend of 6 per cent for the first two years and 5 per cent for the subsequent three years.

### *Supervision*

2.31 The MPSCB is expected to inspect the indebted institutions including the affiliated ccbs at least once in a year. However, we understand that the inspections are not being conducted regularly. The apex bank has eight branches located in different areas of the state which function, by and large, as its divisional offices. The bank should not, therefore, find it difficult to undertake such inspections on a regular basis. The importance of bestowing close supervision over the affiliated ccbs and guiding them in their operations cannot be over-emphasized as the co-operative banking sector will have to shoulder greater responsibility and ensure that the development efforts are not frustrated for want of adequate credit support and proper end-use of credit.

### *Role as an apex institution*

2.32 We have estimated that the credit institutions operating in MP would together be required to find resources for meeting short-term credit requirements of agricultural production to the extent of Rs 200

#### ROLE AS AN APEX INSTITUTION

crores by 1979-80. While the commercial banks and the rrbs already set up or proposed to be set up in the state will be lending a helping hand, their role will be supporting and the primary responsibility will devolve on the co-operative credit structure. There is not much difference for the present between the quantum of loans issued for short-term agricultural purposes at the primary level and such loans issued by the MPSCB to the affiliated ccbs. No doubt, with the measures that we have proposed in the subsequent chapters for streamlining the lower two tiers and to tackle the problem of overdues, the ccbs and the pacs may be in a position to employ greater resources of their own. Even so we estimate that the MPSCB will have to take up the level of short-term agricultural loans issued by it annually to Rs 105 crores by 1979-80. However, because of paucity of resources on the one hand and mounting level of overdues at the lower two levels on the other hand, it may not be easy for the apex bank to achieve the projected expansion of credit. We would, therefore, urge on the management of the MPSCB to equip their bank in terms of resources as well as personnel on the lines outlined in Chapter 8 with a view to rectifying the deficiencies which are in existence and are likely to account for the inadequacy of co-operative agricultural credit.

## CHAPTER 3

### CENTRAL CO-OPERATIVE BANKS: PERFORMANCE AND PROSPECTS

3.01 CENTRAL co-operative banks form an integral part of the three-tier co-operative credit system. The policy of organizing a ccb for every district in the country in preference to branches of state co-operative banks which is being pursued all along, originated from a recommendation of the Committee on Co-operation in India (Maclagan Committee) 1915. The Maclagan Committee felt that the directors of the ccbs with their local knowledge and close contacts would be in an advantageous position *vis-a-vis* the agents of the branches of the scbs to assess the credit-worthiness and needs of the affiliated societies, appreciate their problems, recover the dues from them by wielding their local influence and contacts and mobilize sizeable deposits for their banks again on account of their local standing and influence. The subsequent committees and commissions which went into this question also endorsed the above view. However, despite the state aid, the concessional re-finance facilities from the RBI and the measures taken for tackling the weaknesses in their working, the ccbs all over the country cannot be deemed uniformly to have achieved fully or even substantially the objectives for which they were organized. In many areas the inadequacy of co-operative credit resulting mainly from the failings of the concerned ccb might have, to some extent, affected agricultural production Madhya Pradesh is no exception, although the problem may not be widespread. Increased agricultural production should have the topmost priority in the national interest and, therefore, the three-tier co-operative credit structure cannot be held as sacrosanct any longer. It is in this context that our terms of reference require us to examine whether there is at all any justification for continuing the intermediate level institutions of the three-tier structure of the co-operative credit system in MP and if such a step is not considered advisable and necessary for the state as a whole, whether in any particular district it may be advantageous to eliminate the ccb and in that case suggest alternative institutional arrangements for providing short-term and medium-term agricultural credit adequately. We assess, therefore, in this chapter the performance of the ccbs in MP to examine how effectively each one of them has been functioning as a supporting credit institution and whether its retention in the credit structure as an independent financing unit is justified in the light of its performance.

## NUMBER OF BANKS

### *Number of banks*

3.02 At the end of June 1975, there were 43 ccbs operating in 45 districts of MP. The number of districts in the state which stood at 43 at the end of 1971-2 increased to 45 during 1972-3. Two new districts, viz., Bhopal and Rajnandgaon, were carved out in that year from the areas of the erstwhile districts of Sehore and Durg respectively. The Bhopal and Durg central banks have been since then serving two districts each, viz., Bhopal and Sehore in the case of the former and Durg and Rajnandgaon in the case of latter. Very recently a separate ccb has been organized for Rajnandgaon district and in November 1975 a licence to commence banking business has been issued to it by the RBI. The assets and liabilities of the co-operative societies from Rajnandgaon district are expected to be transferred by the Durg central bank to the new Rajnandgaon central bank. It is understood that a proposal for organization of a separate central bank for Sehore district by bifurcation of the existing Bhopal central bank into two separate ccbs, one each for Bhopal and Sehore districts, is pending consideration of the RCS. With the proposed bifurcation, the area of operation of the residual Bhopal ccb will extend only to two development blocks of the new Bhopal district having predominantly urban population. On the other hand, the area of operation of the proposed new ccb will extend to five rural blocks of the Sehore district. In such a situation the question of viability of both the units as independent entities may have to be carefully considered in the light of the norms of viability suggested by us later in this chapter. We, therefore, suggest that a final decision in this behalf may be taken by the RCS in consultation with the RBI.

### *Financial position*

3.03 The statement in Annexure 12 contains the position regarding the increase in the number of offices and the growth of owned funds, deposits, borrowings, working capital and loan business as also the position of overdues, net profit/loss, etc., for the five-year period 1970-71 to 1974-5, while Annexure 13 gives the bank-wise position of these major aspects as on 30 June 1975. The forty-three banks have been classified in this statement according to six principal zones as in Table 1.

CENTRAL CO-OPERATIVE BANKS: PERFORMANCE

TABLE 1

Zone	Central co-operative banks	
	Names	Number
BZ	Betul, Bhopal, Dewas, Harda (Hoshangabad), Indore, Nimar (Khandwa), Barwani (Khargone) and Raisen	8
CZ	Balaghat, Bilaspur, Durg, Raigarh and Raipur	5
GZ	Bhind, Datia, Guna, Gwalior, Morena, Neemuch (Mandsaur), Rajgarh, Ratlam, Shivpuri, Shujalpur (Shajapur), Ujjain and Vidisha	12
JZ	Bishnudatta (Jabalpur), Chhindwara, Damoh, Narsinghpur, Sagar and Seoni	6
VZ	Chhatarpur, Panna, Satna, Sidhi, Tikamgarh and Vindhya (Rewa)	6
TZ	Bastar, Dhar, Jhabua, Mandla, Shahdol and Surguja	6

3.04 The number of offices of the forty-three ccbs in the state increased hardly by 53 from 580 as on 30 June 1971 to 633 as on 30 June 1975 which indicates that the geographical coverage of the banks has not perceptibly widened during the four-year period. Only three banks, viz., Durg, Raipur (CZ) and Damoh (JZ) opened 5 or more new branches during the period.

3.05 The owned funds of the banks increased from Rs 18.18 crores as on 30 June 1971 to Rs 26.74 crores as on 30 June 1975, i.e., by Rs 8.56 crores. The increase of Rs 1.70 crores was on account of additional share capital contribution made by the state government. The banks whose owned funds increased by Rs 30 lakhs or more each during the period number ten. They are Barwani and Nimar from BZ, Balaghat, Bilaspur, Durg and Raipur from CZ, Neemuch, Shujalpur and Ujjain from GZ and Chhindwara from JZ. Out of these, in two banks, viz., Chhindwara and Raipur, the owned funds increased by over Rs 60 lakhs each during the period. The increase in the case of the former bank was, however, partly due to the additional government share capital contribution of about Rs 20 lakhs. As against this position, the owned funds of four banks, viz., Harda, Sidhi, Shahdol and Surguja had not increased by even Rs 5 lakhs each during the four-year period. The relevant increase was by less than Rs 6 lakhs each in the case of Datia and Guna banks.

3.06 At an average annual growth rate of about 16 per cent, the deposits of the forty-three ccbs in the state increased from Rs 23.86 crores as on 30 June 1971 to Rs 42.68 crores as on 30 June 1975, i.e., by Rs 18.82 crores. The increase in deposits was by over Rs 1.50 crores each in the case of the Bhopal and Indore banks and by over

## FINANCIAL POSITION

Rs 1 crore in the case of the Bilaspur bank. Incidentally, the present deposits of these three banks exceed Rs 2.50 crores each. As against this position, the deposits of the Panna bank (VZ) declined during the four-year period and amounted hardly to Rs 5.67 lakhs as on 30 June 1975. The increase in deposits during the relevant period was not even by Rs 10 lakhs in the case of the Satna, Sidhi, Tikamgarh (VZ) and the Surguja (TZ) ccbs.

3.07 The short-term loans issued by the forty-three banks increased from Rs 52.01 crores in 1970-71 to Rs 66.59 crores in 1974-5, i.e., by Rs 14.58 crores. The average annual growth rate works out to about 6 per cent which has to be considered as not adequate in view of the large credit gaps that exist in the various districts. The total outstanding loans of the banks increased from Rs 80.89 crores as on 30 June 1971 to Rs 100.91 crores as on 30 June 1975. The latter figure includes outstandings under short-term agricultural loans at Rs 72.43 crores.

3.08 The overall recovery performance of the ccbs in the state witnessed a deterioration in 1974-5 *vis-a-vis* the position obtaining in 1970-71. The overdues of the banks progressively increased from Rs 27.65 crores as on 30 June 1971 to Rs 44.19 crores as on 30 June 1975. The percentage of overdues to total loans outstanding increased from 35 to 44 during the period. In the case of eleven banks the percentage of overdues to demand has been 50 or more for the last two consecutive years, viz., 1973-4 and 1974-5. These banks are Raigarh, Raipur (CZ), Datia, Shivpuri (GZ), Seoni (JZ), Sidhi, Tikamgarh, Vindhya (VZ), Bastar, Shahdol and Surguja (TZ).

3.09 Comparative position in respect of some zone-wise averages about six major aspects of the business of the banks as on 30 June 1975, is given in Table 2.

TABLE 2

	Rs Lakhs					
	Average per bank in respect of ccbs functioning in					
	BZ (8)	CZ (5)	GZ (12)	JZ (6)	VZ (6)	TZ (6)
Owned funds	66.96	116.39	68.49	58.64	33.55	30.30
Deposits	140.95	143.65	104.05	87.70	39.66	68.23
Borrowings	124.24	270.57	102.47	123.06	82.56	45.88
Working capital	365.38	609.44	295.44	280.49	167.75	185.37
Loans outstanding	271.18	480.13	228.73	216.02	126.70	119.96
Short-term (agri) loans outstanding	203.94	282.77	188.52	159.93	90.09	72.62

N.B. The figures in brackets indicate the number of banks in the respective zones

# CENTRAL CO-OPERATIVE BANKS: PERFORMANCE

The averages of the twelve banks in the Vindhya and Tribal zones are poor in comparison with the relevant averages of the banks in the other four zones. This would broadly identify the areas of retarded growth.

## *Relative performance*

3.10 It may be of interest to find out as to where the ccbs in MP stand in relation to the banks in co-operatively developed states like Gujarat, Maharashtra or Tamil Nadu as also in relation to the central banks in the country as a whole. The averages representing the six major aspects of business for the banks in MP as on 30 June 1975 and the banks in the above mentioned three states as also in the country as on 30 June 1974, are given in Table 3.

TABLE 3

	Rs Lakhs				
	Average per bank in respect of ccbs functioning in				
	Madhya Pradesh	Gujarat	Maharashtra	Tamil Nadu	India
Owned funds	62.20	199.52	180.60	166.34	62.29
Deposits	99.26	710.55	708.77	392.01	210.73
Borrowings	118.27	484.95	359.57	261.11	149.26
Working capital	309.70	1448.24	1305.35	851.33	467.67
Loans outstanding	234.67	1121.79	954.07	664.99	341.00
Short-term (agri) loans outstanding	168.45	841.45	576.81	476.16	197.95

The average owned funds of the banks in MP are about one-third of the average for each of the three states. Their average deposits are one-seventh of the relevant average for Gujarat and Maharashtra and one-fourth of the average for Tamil Nadu. The average loan business of the ccbs in MP is one-fifth of the average business of the banks in Gujarat, one-fourth of the average for Maharashtra and one-third of the average for Tamil Nadu. Even in comparison with the averages for the ccbs in the country as a whole, the banks in Madhya Pradesh lag behind. The below normal average position of the central banks in MP cannot be attributed singularly to the poor performance of the banks in the Vindhya and the Tribal zones as the important averages in question for the banks in other zones barring Chhatisgarh compare unfavourably with the respective all-India averages. We have, therefore, to extend the scope of our analysis to examining in some detail the position of all banks in the state. We are in agreement with the



## VIABILITY

Rajasthan Study Team which considered an almost similar problem in that state and which submitted its report in 1975, that the most important consideration in this behalf is that of viability of the institutions and allied with it is the question of their efficiency. The banks which are not likely to attain a viable status within a reasonable period, i.e., are not even potentially viable presently and are also inefficient cannot perhaps justifiably continue to function as independent units and may have, therefore, to make room for alternative institutional credit agencies.

## VIABILITY

3.11 Viability of an institution has to be considered as purely an economic concept. An institution may be deemed as viable if its earnings are adequate to defray its commitments. The standards of viability for central co-operative banks were first fixed by the All-India Rural Credit Survey Committee 1954 which considered a bank with owned funds of Rs 3 lakhs and working capital of Rs 20 lakhs to Rs 25 lakhs as a viable unit. About a decade later, i.e., in January 1965, the erstwhile Standing Advisory Committee on Rural and Co-operative Credit of the RBI (SAC) revised upward the norm to a loan business of Rs 1 crore corresponding to the working capital of Rs 1.20 crores. The same norm was adopted some years later by the Fifth Plan Working Group which considered a bank with a loan business of Rs 75 lakhs as potentially viable. The Rajasthan Study Team, however, felt that since the time the issue of viability of a ccb was last considered by the SAC, "there has been a considerable increase in the costs of inputs and services and also in the establishment expenditure, the former leading to an automatic increase in the loan business and the latter to increase in the costs of operation." The Team, therefore, decided to consider, on a somewhat *ad hoc* basis, a central bank in Rajasthan to be viable if its loans outstanding exceeded Rs 150 lakhs and potentially viable if they exceeded Rs 100 lakhs. While fixing norms, the relatively limited scope for agricultural credit prevailing in large parts of Rajasthan owing to adverse natural conditions was taken into account by the Rajasthan Study Team. We feel that the concept of viability of a ccb will have to be subjected to a more scientific examination and not determined on a purely *ad hoc* basis as seems to have been done in the past.

3.12 Although viability is an economic concept, it should not be construed to mean that a central bank can attain it by unduly limiting its size and the costs of its operation. For a ccb will not be in a position

## CENTRAL CO-OPERATIVE BANKS: PERFORMANCE

to adequately serve the objectives that prompted its establishment unless it ensures an efficient organizational set-up and a good branch network so as to maintain close contacts with the affiliated societies and their cultivator-members as also the depositing public. In other words, a bank adequately staffed with qualified and trained personnel both at the Head Office and the branches and having a certain minimum number of branches in the area it serves, can be deemed as a viable unit if its earnings are adequate to defray its commitments.

3.13 The number of branches which a ccb can be reasonably expected to open will depend on either the size of the district it serves or the business potential offered by the district. This is specially true in the case of MP wherein the areas, the agricultural potential and in turn the business potential widely differ from district to district. The state has on one hand, a district like Indore which though small in size offers a very good business potential while on the other hand districts like Bastar and Surguja which are very large in size are relatively under-developed. Simultaneously, there are districts like Datia, a district comprising only two development blocks, or Bilaspur having 32 blocks, which have witnessed average agricultural development and, therefore, the size of business potential offered by them can be related to their areas. In such a situation, there cannot be any uniform figure to indicate the minimum number of branches which every ccb in the state should have to serve adequately the needs of their respective districts. We are of the view, therefore, that viability standards cannot be applied uniformly all over MP and for that matter throughout the country. For similar reasons, we do not consider it feasible to fix area-wise or zone-wise norms for the viability of ccbs because one tribal district may be small (Jhabua) while the other may be very large (Bastar).

3.14 Having decided on the approach that the question of viability of a central bank is closely linked to the number of branches it can be reasonably expected to have, it is necessary to evolve criteria for determining the minimum number of branches which a bank will have to open so as to ensure adequate mobilization of resources from its area and efficient supervision over the end-use of credit. One way may be to assume that every ccb will have to keep at least one office in every block of the district it serves. But as we have pointed out in an earlier paragraph there are cases of small districts with relatively large credit potential and of districts with extensive areas but offering very limited potential. It may be necessary for the ccbs of the former districts to have more than one branch per block whereas those serving the districts in the latter category may have one branch for catering

## VIABILITY

to an area extending to more than a block. This is so, obviously because a bank cannot be expected to maintain uneconomic branches perpetually on its own. We may have, therefore, to think in terms of some other basis for assessing the viability of ccbs which is linked to the minimum number of branches necessary. The only basis which seems appropriate is that of the lending business potential.

3.15 A branch of a ccb may effectively serve and supervise the operations of about 20 pacs, each having the prospect of reaching a loan business of Rs 2 lakhs and function as a viable unit within the next 4-5 years. The incidental medium-term agricultural or non-agricultural loan business that may follow the short-term agricultural loan business can be handled by the concerned branch. Thus, it can be assumed that a ccb will need one branch to cater to the short-term agricultural credit potential of Rs 40 lakhs. While making this assumption we proceed on the basis that until the question of integration of the two wings of the co-operative credit structure is decided one way or the other, the long-term agricultural credit potential need not be taken into account in normal circumstances.

3.16 A statement showing the minimum number of branches which the ccbs should have on the basis of the above norm and their actual number of offices as on 30 June 1975, is given in Annexure 14. It will be seen therefrom that the number of branches required by the ccbs in the state ranges between 5 for Datia and 23 for Neemuch subject to the exception of three banks, viz., Bilaspur, Raipur and Durg (includes Rajnandgaon), which should have a minimum of 36, 45 and 49 branches respectively. However, for the purpose of this analysis, we have grouped the forty-three banks in the state in six broad categories as given in Table 4.

TABLE 4

Category	Banks which need branches around
I	5
II	10
III	15
IV	20
V	25
VI	30 or more

#### CENTRAL CO-OPERATIVE BANKS: PERFORMANCE

3.17 The best course to arrive at the viability and potential viability standards for the above six categories of banks will be to estimate the expenditure on (i) salaries and allowances of the staff at the Head Office and branches and (ii) other establishment expenditure excluding that on interest on borrowings and deposits, arrive at the margin as percentage of loan business that will be available to meet the said establishment expenditure and calculate the quantum of loan business that will be required to meet the total estimated establishment expenditure. The amount of loan business so reckoned will be the viability norm for each of the six categories of banks. Fifty per cent of the norm for viability may be the potential viability norm on the assumption that a central bank with the existing loan business of, say Rs 100 lakhs can take up the level of such business to Rs 200 lakhs within the next 5 years by maintaining an average annual growth rate of 15 per cent which is capable of being achieved.

3.18 Annexures 15 to 20 give in detail the calculations made on the basis indicated in paragraph 3.17 for working out the viability and potential viability norms for the six categories of banks mentioned in paragraph 3.16. These annexures are as under :

Annexure 15	Grades of pay and assumed monthly and annual consolidated salary for various categories of staff
Annexure 16	Annual expenditure on salaries of staff posted at the Head Office
Annexure 17	Annual expenditure on salaries of staff posted at a branch
Annexure 18	Total annual expenditure on establishment, i.e., excluding that in respect of interest on deposits, borrowings, etc.
Annexure 19	Margin available for meeting establishment expenditure on a loan business of Rs 100
Annexure 20	Viability and potential viability norms

Assumptions made have been given as foot-notes in each of the above Annexures. These need to be carefully studied. In the light of the detailed exercise made by us, we recommend the viability and potential viability norms as indicated in Table 5 for the ccbs in MP or for that matter elsewhere in the country.

# VIABILITY

TABLE 5

Category	Banks which need branches around	Loan business in rupees lakhs	
		Viability	Potential viability
I	5	125·00	62·50
II	10	220·00	110·00
III	15	330·00	165·00
IV	20	405·00	202·50
V	25	515·00	257·50
VI	30	595·00	297·50

It is interesting to note that with the exception of a bank serving a small district like Datia which needs around 5 branches or the banks serving big districts like Bilaspur, Durg and Raipur each of which needs more than 30 branches, the proposed norm of viability works out in each case to between 45 and 55 per cent of the estimated short-term agricultural credit potential offered by the respective district. It should also be noted that the ratio of loan business to working capital will now be 100: 133 (see Annexure 19) as against 100: 120 suggested by the SAC mainly on account of the upward revision in the statutory minimum liquidity standards.

3.19 The position of the ccbs in MP in relation to the proposed viability/potential viability norms is given in Annexure 21. It will be seen therefrom that only eight banks, viz., Barwani, Dewas, Indore, Nimar (BZ), Ujjain (GZ), Chhindwara (JZ), Durg and Raipur (CZ) conform to the norm of viability. As many as 22 banks or about one-half of the total number are potentially viable and will have, therefore, to make strenuous efforts to attain the status of a viable unit. About one-third of the total number of ccbs in the state, i.e., in all 13 banks are non-viable. Their names category-wise are given in Table 6.

TABLE 6

Category	Banks
I	Datia (GZ)
II	Sidhi (VZ), Jhabua(TZ)
III	Harda (BZ), Rajgarh, Shivpuri (GZ) Seoni (JZ) Raigarh (CZ)
IV	Bastar, Shahdol, Surguja (TZ) Guna (GZ), Bishnudatta (JZ)

## CENTRAL CO-OPERATIVE BANKS: PERFORMANCE

Of these thirteen banks, the Datia, Guna and Bishnudatta banks fail to comply with the respective norm of potential viability only marginally whereas five other banks, viz., Harda, Sidhi, Bastar, Shahdol and Surguja may take considerable time even to attain the status of a potentially viable unit.

### EFFICIENCY

3.20 As we have indicated earlier the central banks which are not viable units should at least work with some minimum degree of efficiency so that they can be expected to reach the viability standard within a reasonable period. On the other hand, the banks which are not even potentially viable and are also inefficient will have no prospect of attaining the status of a viable unit within a period of the next five years, if not more. Such banks should have no justification to continue to function as an independent central financing agency for a district.

3.21 What should be the most appropriate criteria for rating the efficiency of a ccb is a question that would need a careful consideration. The issue has already been examined in recent years by two Study Teams appointed by the RBI, viz., (i) the Study Team on Two-tier Co-operative Credit Structure in Kerala 1973 (the Kerala Study Team) and (ii) the Rajasthan Study Team 1975.

3.22 The three broad criteria, viz., (i) adequate mobilization of resources, (ii) responsiveness to local needs and (iii) better recovery performance, mentioned by the Kerala Study Team for judging the justification for continued existence of ccbs were translated into some objective criteria by the Rajasthan Study Team by rating the performance of banks in that state with reference to ten major aspects of their business. The Rajasthan Study Team had assumed that all the ten aspects were of equal importance although some of them justified a higher weightage. Besides, the methodology adopted for rating the performance of banks with reference to each of the ten aspects did not take into account the potential available in that respect in the areas served by the different ccbs. We are of the view, however, that the exercise done by the Rajasthan Study Team should be improved further for the purpose of rating the efficiency of ccbs in MP by (i) giving suitable weightage to each norm or aspect of business and (ii) ensuring that the system of rating the performance of a bank in respect of each aspect has relation to the potential available in that behalf in the district served by the bank.

3.23. As a result of the zonal discussions we had with the representatives of the ccbs in MP and other officials and non-officials in the field,

## EFFICIENCY

we have come to the conclusion that the efficiency of a ccb should be assessed on the basis of as many as 15 standards. These 15 standards which may be called the sub-norms can be grouped under five major norms; each major norm representing a facet of the responsibility cast on a ccb. The five major norms are :

- I Performance in mobilizing adequate internal resources
- II Performance in meeting credit needs of the area
- III Performance in ensuring recovery of loans
- IV Ability in regard to the efficient management of funds
- V Role played as federal body of pacs

The marks allotted for each major norm out of a total of 1000 marks with their sub-division among the different sub-norms falling under each major norm are shown in the diagram contained in Annexure 22. The performance in ensuring recovery of loans should have the highest weightage as the artery for circulation of credit gets choked on account of heavy overdues. The performance in mobilizing adequate internal resources should occupy the second place as the ability of a bank to meet the credit needs of the area it serves depends on its ability to mobilize sufficient internal resources. The performance in meeting credit needs of the area as also the ability in regard to the efficient management of funds should have the third priority with equal weightage. A bank will receive good ratings in respect of three out of the above four aspects if it is in a position to ensure a sufficiently strong structure at the primary level and, therefore, assessment of the role played as federal body of pacs on the basis of their coverage, size of business and position regarding employment of full-time paid managers, should have the last priority and the lowest weightage.

3.24 The next question is how best to ensure that the methodology adopted to assess the performance of a ccb with reference to each of the 15 sub-norms grouped under five major norms, takes into account the potential offered by the district served by the ccb. While the most appropriate basis in this respect is broadly indicated item by item below, the exact procedure for giving ratings is given in Annexure 23.

### (i) *Size of owned funds*

If the short-term agricultural credit potential in a district is Rs 100 and the ccb meets it completely, it will receive share capital of Rs 10 from the societies. Alternatively, it may receive share capital contri-

#### CENTRAL CO-OPERATIVE BANKS: PERFORMANCE

bution from the state government to place it in a position to serve the district adequately. The ccb's medium-term loan business may be of the order of Rs 10 for which it will receive additional share capital of Re 1/-. The non-agricultural credit business may not contribute significantly to the share capital of the ccb as the prescribed linking in respect of such business may be low. Assuming that the share capital and reserves are in the ratio of 2:1, the reserves should be Rs 5.50 for a share capital of Rs 11 and, therefore, the owned funds should be Rs 16.50. If 90 per cent of the short-term and medium-term agricultural loan business is tapped, the owned funds would be Rs 15. Thus, the expected level of owned funds of a ccb can be placed at 15 per cent of the short-term agricultural credit potential. The rating in this regard may, therefore, be on the basis of the proportion of the actual level of owned funds as on 30 June 1975 to the expected level of owned funds.

##### (ii) *Size of deposits*

The performance of a ccb in mobilizing deposits can be rated either in relation to the quantum of deposits required for sustaining the expected level of loan business or in relation to the population served. While the former will indicate the quantum of deposits needed, the latter will show what can be reasonably expected of a ccb to achieve and, therefore, may be preferred. As at the end of December 1973, the commercial banks had raised in MP total deposits of Rs 272.37 crores, of which Rs 169.89 crores were urban deposits and Rs 102.48 crores were rural deposits. The averages work out to deposits of Rs 250 lakhs per one lakh of urban population and deposits of Rs 29 lakhs per one lakh of rural population. While the commercial banks are relatively better placed in so far as tapping urban deposits is concerned as the deposits of companies, partnership firms, trusts, etc., as also of other banks easily come to them, the ccbs which serve rural population and have closer contacts are relatively best suited to tap rural deposits. However, the limiting factor is that the banking habit has still to be inculcated in rural areas especially among the scheduled castes/tribes. The expected level of deposits of a ccb may, therefore, be worked out on the following basis :

- (a) deposits of Rs 50 lakhs per one lakh of urban population of the district;
- (b) deposits of Rs 20 lakhs per one lakh of rural population excluding the population of scheduled castes and tribes; and
- (c) deposits of Rs 5 lakhs per one lakh of the population of scheduled castes/tribes.



## EFFICIENCY

The rating may be on the basis of the proportion of actual level of deposits as on 30 June 1975 to the expected level of deposits.

### (iii) *Extent of reliance on external borrowings*

This may be judged on the basis of the proportion of the total outstanding borrowings as on 30 June 1975 to the total loans outstanding on the same date of the concerned ccb. A proportion of 30 per cent or less may qualify for very good rating and of 60 per cent or more for unsatisfactory rating.

### (iv) *Size of working capital*

While working out the viability of ccbs, it is observed that a loan business of Rs 100 would correspond to a working capital of Rs 133. The working capital which every ccb in MP should have to function as a viable unit may be treated as minimum expected level. The rating may be on the basis of the proportion of actual level of working capital as on 30 June 1975 to the minimum expected level.

### (v) *Total loans outstanding*

The loan business required by every ccb to function as a viable unit has since been fixed. The rating may be on the basis of the proportion of the actual level of loans outstanding as on 30 June 1975 to the expected level, i.e., the level of loan business required to function as a viable unit.

### (vi) *Performance in meeting demand for short-term agricultural credit*

As suggested by the Rajasthan Study Team, the rating for the purpose may be on the basis of the extent of credit requirements met by the co-operative credit institutions operating in the district as percentage of the total credit potential offered by the district.

### (vii) *Level of overdues*

As suggested by the Rajasthan Study Team, the rating may be on the basis of percentages of overdues to demand for two out of three years from 1972-3 to 1974-5.

### (viii) *Proportion of chronic defaults*

The overdues Study Team found that such defaults for the country as a whole formed about one-sixth of the total overdues both at the primary and the intermediate levels. This proportion if below 10 per cent may be deemed as very good, but above 30 per cent as unsatisfactory.

## CENTRAL CO-OPERATIVE BANKS : PERFORMANCE

### (ix) *Coercive steps taken for recovery*

All defaulters for period over one year are expected to be covered by coercive steps. The rating may be on this basis.

### (x) *Defaults in repayment to the apex bank*

As suggested by the Rajasthan Study Team, the rating in this regard may be on the basis of the number of years of default during the five-year period 1970-71 to 1974-5.

### (xi) *Defaults in maintaining the prescribed percentage of liquid assets*

The rating for the purpose may be on the basis of the number of days of default in the last two years, i.e., 1973-4 and 1974-5.

### (xii) *Rate of dividend*

The performance of a ccb should be primarily judged on the basis of the proportion of actual net profit to the expected level of net profit, though the rate of dividend declared should also be a criterion. In MP, the banks are not required to provide fully for overdue interest out of gross income before arriving at the net profit. The practice of reckoning the unrealized interest along with the overdue interest results in artificially inflating the net profit. The banks which have high level of overdues declare higher profits on account of the levy of penal interest but their net profit is not an indicator of their efficiency. On the other hand, the banks are permitted by the auditors to declare a dividend only if the net profit is high enough not only to cover the interest receivable but also leave some amount for appropriation. The rate of dividend can, therefore, be an indicator of a bank's efficiency. The rating for the purpose may be on the basis of dividend declared for the year 1973-4.

### (xiii) *Coverage of pacs*

The rating may be on the basis of the proportion of membership of the pacs to the number of cultivating families in the district. The proportion of 60 per cent and above may be deemed as good and that below 30 per cent as unsatisfactory.

### (xiv) *Size of loan business of pacs*

The rating may be on the basis of the proportion of the number of pacs with loans outstanding of Rs 1 lakh or more to the total number of pacs as only such pacs can be expected to attain a viable status within the next 4-5 years.

### (xv) *Proportion of pacs with full-time paid managers*

The proportion of 100 per cent should receive the entire marks and that below 25 per cent may be deemed as very unsatisfactory.

# FUTURE COURSE OF ACTION

3.25 The ratings for each sub-norm as also the aggregate ratings received by the ccbs on the basis indicated in paragraph 3.24 read with Annexure 23, are given in Annexure 24. The position is summarized in Table 7.

TABLE 7

Aggregate rating	BZ	CZ	GZ	JZ	VZ	TZ
Below 350	Harda (344)	Raigarh (273)	Rajgarh (310) Shiv- puri (340)	Bishnu- datta (302) Seoni (327)	Panna (343) Sidhi (208) Vindhva (331)	Bastar (243) Shahdol (275) Surguja (232)
350—399	Betul (392)	Durg (375)	Datia (388)	—	Satna (395)	—
400—499	Barwani (491) Raisen (492)	Raipur (474) Balaghat (497)	Guna (414) Ratlam (470)	Sagar (437)	Tikam- garh (408)	Jhabua (436) Mandla (495)
500—599	Dewas (503)	Bilaspur (550)	Gwalior (555) Morena (574) Shujalpur (582)	Chhind- wara (533)	Chhatar- pur (532)	Dhar (553)
600—749	Bhopal (621) Nimar (637)	—	Bhind (634) Neemuch (673) Ujjain (735) Vidisha (678)	Damoh (627) Narsingh- pur (739)	—	—
750 and above	Indore (803)	—	—	—	—	—

N.B. Figures in brackets indicate the aggregate ratings received by each bank.

## Future course of action

3.26 Having rated the performance of each ccb in relation to the potential offered by the district served by it, a central bank with less than 50 per cent aggregate ratings should really be deemed as not having the minimum efficiency. However, in view of the fact that a third of the population of the state is made up of scheduled castes and tribes and the latter are mainly concentrated in a few districts comprising the

# CENTRAL CO-OPERATIVE BANKS: PROSPECTS

Tribal zone, we are inclined to take a liberal view and, therefore, consider that the ccbs with aggregate ratings of less than 40 per cent, i.e., with less than 400 marks out of the total of 1,000, should be deemed as inefficient. These banks are in all sixteen as shown in Table 8.

TABLE 8

	Inefficient banks
BZ	Harda (344), Betul (392)
CZ	Raigarh (273), Durg (375)
GZ	Rajgarh (312), Shivpuri (340), Datia (388)
JZ	Bishnudatta (302), Seoni (327)
VZ	Sidhi (208), Panna (343), Satna (395), Vindhya (331)
TZ	Surguja (232), Bastar (243), Shahdol (275)

Eleven of the above banks indicated in Table 9 are not even potentially viable.

TABLE 9

	Non-viable banks
BZ	Harda
CZ	Raigarh
GZ	Rajgarh, Shivpuri, Datia
JZ	Bishnudatta, Seoni
VZ	Sidhi
TZ	Bastar, Shahdol, Surguja

The sixteen banks not having even the minimum efficiency can be grouped broadly under three categories as shown in Table 10.

TABLE 10

Category	Banks
I Banks which are rated as inefficient and which marginally fail to comply with the norm of potential viability	Datia, Raigarh, Rajgarh, Shivpuri Bishnudatta, Seoni
II Banks which are rated as inefficient and are also non-viable	Harda, Sidhi, Bastar, Shahdol, Surguja
III Banks which are rated as inefficient but are potentially viable	Betul, Durg, Panna, Satna, Vindhya

## FUTURE COURSE OF ACTION

### *Banks in category I*

3.27 While strictly speaking the eleven ccbs in categories I and II which are rated as inefficient and which do not also conform to the norm of potential viability proposed by us, can be marked as those which have no justification to function as independent financing units, we may have to make some allowance for the existing low level of achievement on the part of some of them, i.e., those in category I which marginally fail to comply with the norm of potential viability. We have placed the norm of potential viability at 50 per cent of the level of loan business required for a bank to function as a viable unit on the assumption that a bank so treated as potentially viable can, by ensuring an average annual growth rate of 15 per cent in its loan business, attain the status of a viable unit over a period of five years. Stretching this argument further, we feel that it may not be impossible for the banks which on the basis of their existing level of loan business fail marginally to comply with the norm of potential viability, to ensure a slightly higher growth rate in their loan business so as to attain the status of a viable unit over the same period of five years, if their managements make concerted efforts according to suitable guidance provided for the purpose by the MPSCB. The ccbs whose existing level of loan business is not below 35 per cent of the level required to function as a viable unit, should, in our opinion, fall in this category as such banks can attain a viable status by ensuring an annual growth ranging between 15 to 25 per cent in their loan business during the next five years. This means that six banks, viz., Datia, Raigarh, Rajgarh, Shivpuri, Bishnudatta and Seoni may be given an opportunity to attain a viable status by endeavouring to achieve a more accelerated growth in their business.

3.28 The case for a sympathetic view of the existing low level of achievement of some banks, that we have now proposed in paragraph 3.27 above, gets further strengthened if the issue is considered from another angle. We have identified, *prima facie*, 11 ccbs which have no justification for continuance. If all these banks are removed, alternative institutional arrangements will have to be made in the districts served by them. It may not be fair to expect the commercial banks to take over the entire responsibility in one or more districts in addition to the agricultural credit business that is or will be handled by their rural branches spread all over the state, in view of their commitments to other equally important sectors. The regional rural bank so far organized or which may be organized in MP cannot also be relied upon at least during the course of the next five years to meet the responsibility in its entirety. This leaves out the MPSCB which will have to

# CENTRAL CO-OPERATIVE BANKS: PROSPECTS

firstly, strengthen itself to adequately support the lower two tiers in their effort for filling in the large credit gaps that exist, and secondly, exercise greater control over the ccbs to ensure an improved performance on their part. Thus, the apex bank may be in a position to function as a cfa in one or two districts, either throughout the districts or in parts thereof, but not more. We, therefore, recommend that the ccbs having an existing loan business of not less than 35 per cent of the level necessary to attain a viable status, may be allowed to continue for a further period of five years provided the entry of alternative credit institution/s in a part of their area, which may be necessary to remove the regional disparities in the dispensation of credit, leaves adequate potential for each one of them to attain the viable status. All the banks in category I barring Datia which serves a very small district, viz., the Raigarh (CZ), Rajgarh, Shivpuri (GZ), Bishnudatta and Seoni (JZ) banks, qualify on this basis for a longer lease of life. We recommend that the managements of all these ccbs should make concerted efforts for maintaining such annual growth rate in their loan business as is necessary to achieve the status of a viable unit over a period of five years. Their efforts in this direction should be backed by equally strenuous efforts for the mobilization of deposits to which aspect we have referred in Chapter 8. While the arrangements for providing the needed guidance to these banks may be made on the lines indicated later, the GOMP may review the position of the banks after a period of five years to find out whether they have justified the extended lease of life given to them or whether their cases should be considered for amalgamation with the state co-operative bank or for integration with the long-term credit institution operating in their district. The names of ccbs falling in the above category with the annual growth rate for increasing their loan business which each bank will have to ensure, are given in Table 11.

TABLE 11

				Rs Lakhs
Bank	Existing credit potential in the district	Loans outstanding as on 30-6-75	Level of credit business to attain viability	Annual growth rate required to attain the level in col. (4) over a period of five years (%)
(1)	(2)	(3)	(4)	(5)
CZ Raigarh	568·60	131·40	330·00	20
GZ Rajgarh	579·84	141·68	330·00	18
Shivpuri	543·02	121·49	330·00	22
JZ Bishnudatta	708·09	182·85	405·00	17
Seoni	527·63	142·01	330·00	18

## FUTURE COURSE OF ACTION

3.29 The question that follows is what type of special attention or guidance may be provided by the MPSCB to the above five banks. The Rajasthan Study Team, to which we have referred earlier, in a more or less similar situation in the case of four banks in that state, had suggested as under :

We would not favour appointment of an administrator by the state government for each of these four banks after superseding their boards of directors as, such a step, if taken, will result in depriving the involvement of local support which is very necessary for these banks to achieve an improved performance. The better alternative, in our opinion, is to nominate the Managing Director (MD) of the Rajasthan State Co-operative Bank (RSCB) on the boards of each of these four banks to guide them in their affairs. The agreements entered into by the RSCB with the central banks under the provisions of Section 58(b) of the Rajasthan Co-operative Societies Act relating to state partnership arrangements already empower the state government to nominate three directors on the board of every central bank. We, therefore, recommend that the Government of Rajasthan may nominate as a director the MD, RSCB on the boards of the Churu central bank from the arid zone and the Jalore, Jhunjhunu and Nagaur banks from the semi-arid zone. . . . With a view to toning up the operational efficiency of these banks, we recommend that the services of suitable officers of the RSCB should be placed at the disposal of such banks to function as key officers . . . (pages 48 and 49)

We are in agreement with the Rajasthan Study Team and, therefore, recommend that the GOMP may nominate as a director the MD, MPSCB or the next seniormost official of the bank on the boards of the Raigarh central bank, (CZ), the Rajgarh and Shivpuri banks (GZ) and the Bishnudatta and Seoni banks (JZ) by invoking the provisions of section 52 of the Madhya Pradesh Co-operative Societies Act, 1960. We recommend that pending implementation of the recommendations made by us in Chapter 8 for placing the cadre for key personnel of ccbs on a firm legal footing and meeting the entire cost of the cadre officers from the state level fund to be constituted for the purpose, it should be made obligatory on the above five banks to accept the services of all the five key officers from the cadre presently maintained by the apex bank, if such officers are not already with the banks, and the cost of such officers may be met partially out of the existing 'Key Personnel Cadre Fund' maintained by the MPSCB.

### *Banks in category II*

3.30 Five banks in category II, viz., Harda (BZ), Sidhi (VZ), Bastar, Shahdol and Surguja (TZ) have meagre business which in each case is less than 35 per cent of the level required to attain a viable status

# CENTRAL CO-OPERATIVE BANKS: PROSPECTS

and less than 20 per cent of the potential available in the district. The position of the long-term agricultural credit agency, viz., the pldb, operating in each of the five districts as on 30 June 1975 is given in Table 12.

TABLE 12

Pldb	Offices of the pldb including head office	Loans issued in 1974-5	Indebted members as on 30-6-75	Rs Lakhs
				Loans outstanding as on 30-6-75
Hoshangabad (10)	8	33·59	3626	129·39
Sidhi (8)	2	14·92	886	30·55
Bastar (32)	3	2·82	1064	16·73
Shahdol (12)	4	11·83	1075	27·97
Surguja (24)	5	52·91	2108	88·99

N.B. Figures in brackets indicate number of blocks.

The Committee on Co-operative Land Development Banks 1975 (the LDB Committee) has recommended that a pldb or a branch of the state land development bank (sldb) in order to function as a viable unit should have a minimum loan business of Rs 35 lakhs. At the same time, the Committee has stated that the norms for viability of a pldb cannot be applied uniformly for all states. Besides, the norm suggested by the Committee is only the minimum norm subject to various limitations and assumptions. For instance, the Committee has not envisaged the need for a pldb to have branches obviously on account of the presumption that the area served by a pldb or a branch of the sldb will not go beyond a *tehsil* or *taluka*. In Madhya Pradesh, every pldb has the whole district as its area of operation and therefore, in order to fully tap the available long-term credit potential, it should have at least one office in every *tehsil* of the district it serves. In view of this position, in addition to the loan business of Rs 35 lakhs for supporting the establishment, etc., expenditure for the Head Office, a pldb in the state will need to have a minimum loan business of Rs 25 lakhs per branch to support the total expenditure of the branch including on the staff comprising the branch manager, a technical inspector, 2 supervisors, a clerk-cum-typist and two peons. On this basis, the loan business necessary to function as a viable unit for each of the five pldb's in question will be as shown in Table 13.



# FUTURE COURSE OF ACTION

TABLE 13

Pldb	Existing number of offices including head office	Offices necessary		Rs Lakhs
		Head Office	Branches	
Hoshangabad (4)	8	1	3	110·00
Sidhi (3)	2	1	2	85·00
Bastar (8)	3	1	7	210·00
Shahdol (4)	4	1	3	110·00
Surguja (7)	5	1	6	185·00

N.B. Figures in brackets indicate number of *tehsils* in the district.

If the norm of potential viability is placed at 50 per cent of the level of loan business required to function as a viable unit, none of the pldb in these five districts barring Hoshangabad can be deemed as even potentially viable.

3.31 Our terms of reference require us to examine whether in the situation in which a ccb is rated as non-viable and also inefficient and has, therefore, no justification to continue to function, the state co-operative bank or a commercial bank should be asked to take over the responsibility from the ccb. A third alternative can be the integration of the short-term, medium-term and also the long-term credit business into a single unit. Although this matter is not specifically included in our terms of reference, we thought it appropriate to consider it on merits because in our opinion it may then be possible to have an institution managed by local people which is a better alternative than amalgamating the central bank with the state co-operative bank or allowing a commercial bank to operate in its place.

3.32 A high level group headed by Shri T. A. Pai, Union Minister for Industries and Civil Supplies, has favoured integration of the two wings of the credit structure at the primary level from the view point of the convenience of the farmer and the prospect of viability for the base level credit institutions. The Group's recommendation has been accepted by the GOI and conveyed to all state governments through a policy circular dated 7 February 1975. The RBI has recently appointed a Committee with Dr R. K. Hazari, Deputy Governor, as Chairman to consider the question of integration of the two wings of the co-operative credit structure at all levels. While the whole question is under examination by a high level Committee, we thought that it would be appropriate for us to consider the possibility of integrating the two wings at the intermediate level with a view to improving

# CENTRAL CO-OPERATIVE BANKS: PROSPECTS

the chances of the combined unit attaining a viable status quickly as the figures of the long-term business of the pldb in four out of five districts show that these institutions also are not at present potentially viable units.

3.33 The composite unit at the district level will have the prospect of attaining the viable status relatively quickly only if the integration of the two existing institutions helps it mobilize and handle more business without any addition to the establishment expenditure. This aspect, therefore, needs careful consideration. A detailed exercise about the number of pacs which each block in a district can and should ultimately support has been attempted by us in Chapter 6. However, on the assumption that pacs in each of the five districts in question will meet by 1979-80 sixty per cent of the short-term credit needs and that there will be one society to serve a business potential of Rs 2 lakhs, the number of pacs in each district will be roughly as shown in Table 14 although in tribal areas it may be still lower if such areas are to be covered by special type of societies as suggested in Chapter 5.

TABLE 14

District	pacs
Hoshangabad	173
Sidhi	130
Bastar	180
Shahdol	165
Surguja	190

The number of indebted members of each pldb and the quantum of loans issued by them in 1974-5 are available in Table 12 contained in paragraph 3.30. If these are divided by the expected number of pacs emerging in each district after implementation of the reorganization plan, the average number of long-term loan accounts and the average amount of fresh loan cases that may be dealt with by each society annually on the basis of existing level of business will be as shown in Table 15.

TABLE 15

District	Average no. of long-term loan a/cs that each society may have to take over	Rs Lakhs
		Average amount of fresh long-term loan cases which each society may handle annually
Hoshangabad	21	0.69
Sidhi	7	0.11
Bastar	6	0.03
Shahdol	7	0.07
Surguja	11	0.28

## FUTURE COURSE OF ACTION

The expected average long-term credit business per society in each district indicates that the maintenance of books and records and documents, etc., therefore, can be handled by the secretary of the society at least until the society achieves a substantial increase either in the short-term or the long-term credit business. Similarly, in so far as financial supervision over the societies by the higher financing agency is concerned the present ratio of 10 societies per supervisor need not change. Thus, the integration of the two wings of the credit structure at the primary and district levels in the above five districts may not involve any extra cost of management or financial supervision over and above that will ordinarily be incurred by the ccb. In fact, the existing supervisors of the pldb, who are expected to handle annually 100 new cases and service 250 old cases, need not involve themselves in financial matters but devote their time entirely to technical aspects like investigation for identifying specific items for investment by cultivators, technical appraisal of new proposals, verification of utilization of loans already granted and provision of technical guidance to the borrowers in carrying out developmental work under the overall supervision of the technical staff at the intermediate level. The existing valuers of the pldb who are expected to handle 150 loan applications annually can continue with their work. While the accounts branch of the pldb can be absorbed for the same work by the ccb, the manager, the assistant manager and the development officer of the pldb, the first two being relieved of their table work which will be handled by the concerned officers of the ccb, can devote full attention to the promotion and development of all types of agricultural credit business on the lines spelt out in detail in Chapter 8. Thus we are of the opinion that the integration of the two wings of the co-operative agricultural credit structure at the district level will, as in the case of commercial banks, bring about a qualitative improvement in the staffing pattern of the integrated unit without any extra cost and, therefore, has to be preferred to the removal of the short-term credit institution at the district level from the scene altogether in the case of the districts wherein the existing ccb has no future.

3.34 The LDB Committee has already recommended that an integration of the short-term and the long-term co-operative credit structures may be brought about in five states, viz., Assam, Himachal Pradesh, Jammu & Kashmir, Tripura and West Bengal wherein the financial position and the working of the existing credit institutions are relatively poor, as in the words of the Committee, "without such a merger, the two separate structures in these five states do not hold any prospects of becoming strong and effective". What is true for these states also

#### CENTRAL CO-OPERATIVE BANKS: PROSPECTS

holds good in respect of the districts wherein either of the two or both the ccb and the pldb are weak. As indicated earlier, the matter is being examined separately at the national level by the Committee on Integration of Co-operative Credit Institutions appointed by the RBI. The members of this Committee met the representatives of the GOMP including the Minister for Co-operation and leading non-official co-operators, at Bhopal on 28 January 1976. We understand that the authorities in the state government have agreed in principle to introduce on an experimental basis integration of the two wings of the co-operative credit structure up to the intermediate level in a few districts. We also understand that the actual identification of the districts for the purpose may be on the basis of our recommendations on this issue. In view of our analysis in the foregoing paragraphs, we recommend that the integration of the ccb with the pldb may be brought about in five districts viz., Hoshangabad (BZ), Sidhi (VZ), Bastar, Shahdol and Surguja (TZ) in accordance with the procedure that may be outlined in this behalf by the Committee on Integration of Co-operative Credit Institutions. Such integration will necessarily mean that the pacs in each of the above districts will also provide long-term agricultural credit and consequently due weightage will have to be given to this aspect while finalising the plan of re-organization of pacs in these districts.

3.35 While the case of the Datia ccb grouped in category I is not strictly comparable to the position of the five central banks referred to in paragraphs 3.30 to 3.34 above, because the bank is only marginally short of the level of business required to treat it as a potentially viable unit and also because the pldb in the district is already a potentially viable unit, we feel that, considering the very small size of the district, it may be advantageous to integrate the two units in it into one. Hence we recommend that the pldb and the ccbs in six districts in all, viz., Hoshangabad (BZ), Datia (GZ), Sidhi (VZ), Bastar, Shahdol and Surguja (TZ), may be merged with each other and the combined unit should undertake to provide short, medium and long-term credit facilities for agricultural development in their respective areas.

3.36 Out of six districts where we have suggested integration of the two wings of the co-operative credit structure with a view to improving the prospect of viability of the ccb, we have proposed, in Chapter 5, a special type of base level organization, viz., the Adivasi Co-operative Service Society (ACSS), for three wholly tribal districts of Bastar, Shahdol and Surguja and the tribal pockets of Sidhi district. The proposed ACSS is expected to provide all types of credit facilities to

## PERIODICAL REVIEW

their tribal members. It will, therefore, be an added advantage if the concerned ccb also undertakes the provision of long-term credit to these societies along with the short-term and medium-term credit for agriculture.

### *Banks in Category III*

3.37 In paragraph 3.26 above, we have identified as many as 16 ccbs in the state which should be rated as not having even the minimum efficiency. These include five banks, viz., Betul (BZ), Durg (CZ), Panna, Satna and Vindhya (VZ) which though potentially viable have been rated as inefficient. Special attention to these banks will have to be bestowed by the concerned divisional offices of the apex bank and the managements of these banks will have to make strenuous efforts for mobilizing additional deposits, ensuring increase in loan business at annual growth rate of not less than 15 per cent and for recovery of loans so that the banks attain a viable status over a period of five years.

### *Periodical review*

3.38 The rating of the ccbs on the basis of some objective norms identifies the areas of weakness and deficiency not only in the banks but also the co-operative credit structure in the district as a whole and also the areas where remedial action is necessary for increasing the influence of the co-operatives in the sphere of agricultural credit. As indicated in paragraph 3.26 as many as 16 banks in the state could be rated as below the minimum level of efficiency, i.e., less than 40 per cent of the aggregate marks. Ten ccbs have marks ranging between 400 and 499. A time-bound programme for improving the efficiency of the above 26 banks as also of the remaining 17 banks which can be rated as reasonably efficient may have to be drawn up. For this purpose the banks may be grouped in the following four broad groups :

- Group I : With rating below 400
- Group II : With rating between 400 and 500
- Group III : With rating above 500 but less than 600
- Group IV : With rating above 600

After identifying the areas of weaknesses an attempt should be made to remove them to such an extent as to improve the rating in the different groups at the percentages indicated below every year for the next five years over the base level indicated in paragraph 3.25 :

#### CENTRAL CO-OPERATIVE BANKS

Group I	—	15	per cent
Group II	—	12.5	per cent
Group III	—	10	per cent
Group IV	—	5	per cent

The most important areas of weaknesses are in respect of recovery, deposit mobilization, coverage of cultivating families and loans and advances to them for agricultural purposes. In giving the ratings as in paragraph 3.25 we have estimated the potential of owned funds, deposits and loans and advances for the year 1974-5. Since projections have been made for 1979-80, the owned funds may be placed in that year at 110 per cent of the level indicated in column (3a) of Annexure 24 as the short-term loan business is expected to go up by 10 per cent. The level of deposits may be placed at 125 per cent of the position indicated in column (4a) of the same Annexure for each ccb. Similarly, the total loans and advances as well as the short-term agricultural loans may be placed at 110 per cent of the level indicated in that Annexure. The rating in 1979-80 should be with reference to the levels revised upwards as above while the progress made each year may be assessed from the improvement made by the bank over the position in the base year. Such bank-wise annual review may be made by the MPSCB and also by the high power state level committee proposed in Chapter 8 for assessing the progress in implementing the various recommendations contained in this report.

#### *Concluding Observations*

3.39 We have taken a review of the performance so far of the central banks in MP and have made detailed recommendations regarding the banks which are rated as inefficient and/or non-viable. These need to be considered in their proper perspective and their conscientious implementation ensured by the non-official leadership, the apex and the district level institutions and the concerned authorities in the state government. Simultaneously, all the central banks which have been rated as having the minimum efficiency and which are either viable or potentially viable, will have to continue their efforts for filling in the large credit gaps that exist in their areas and, for sustaining the ever increasing credit business, ensure adequate mobilization of additional deposits. Agriculture in MP is on the threshold of witnessing a greater responsiveness to improved technique and the agricultural credit institutions have to keep pace with the demand for credit. The ability of the institutions to shoulder effectively the responsibility cast on them will depend on how quickly they tone up their efficiency and strengthen themselves organizationally and financially. This has to be understood and acted upon by one and all concerned.

## CHAPTER 4

### INSTITUTIONAL ARRANGEMENTS FOR MEETING CREDIT GAPS

4.01 ON the basis of the norms adopted by the Fifth Plan Working Group, with marginal variations in respect of eleven districts, we have in Chapter 1 estimated the existing short-term credit requirements for seasonal agricultural operations in Madhya Pradesh at Rs 275 crores. With the increase in the irrigated area and that under the high-yielding varieties programme, we expect the same to rise to at least Rs 300 crores in 1979-80. We have also indicated that the pacs with refinance from the state and central co-operative banks can be deemed to have met in 1974-5 credit requirements of the order of Rs 95 crores leaving a credit gap of Rs 180 crores or 65 per cent of the existing credit potential at Rs 275 crores in the state. The credit gaps vary from district to district and from block to block within a district. We have in this chapter endeavoured to distribute among the available institutional sources the responsibility for filling in the large credit gaps that exist in each block with a view to not only ensuring that institutional credit is available to every eligible farmer but also removing to the extent possible the regional imbalances in the dispensation of credit.

4.02 Co-operative credit agencies have been the main institutional source of credit for the farmers in our country. The commercial banks have been playing in the recent years a useful complementary role. A part of the responsibility may be shared by the regional rural bank already established in Hoshangabad district or some more which may be established in the future. We have, therefore, first assessed in this chapter the credit requirements that can be met by the co-operative banking sector. This assessment is followed by an evaluation of the role played so far by the commercial banks in financing agriculture in the state and the resources which they may be able to allocate for the purpose and to decide the lines on which they may develop their agricultural credit business. The responsibility which can be assigned to the rrbs and, in lieu of the ccbs, to the MPSCB, has been discussed in the concluding portion of the chapter.

#### CO-OPERATIVE BANKING SECTOR

4.03 In the previous two chapters we have assessed the financial position and operational efficiency of the MPSCB and the ccbs and the role played by them in meeting the credit requirements of short-term agricultural production in the state. We have observed that the

## COMMERCIAL BANKS

available resources of the lower two tiers being locked up in overdues, the quantum of short-term agricultural loans issued by the MPSCB to the ccbs and by the pacs in the state to their cultivator-members, is practically the same. There has also not been any noticeable increase in the short-term agricultural loans issued by the apex bank since 1971-2. However, with the implementation of the measures suggested by us for adequate mobilization of internal resources by the state and central banks and for streamlining their working, for strengthening the pacs and for tackling the problem of overdues, we expect the co-operative banking sector to 'take off' leading to a period of sustained progress. It may not be unreasonable, therefore, to assume that during the ensuing five years the MPSCB will be in a position to maintain an average annual growth rate of 15 per cent in the short-term agricultural loans issued to the affiliated ccbs so that the level of such loans increases from Rs 52.39 crores in 1974-5 to about Rs 105 crores in 1979-80. The ccbs may also be in a position to add up another Rs 10 crores to Rs 15 crores out of their internal resources. Thus, the MPSCB and the ccbs together may lend to the pacs about Rs 115 crores to Rs 120 crores by 1979-80 for financing credit requirements of short-term agricultural production. At the level of primaries, the overdues in respect of short-term agricultural loans as at the end of June 1974 were of the order of Rs 42 crores locking up their entire internal resources as also a part of the resources of the ccbs. The defaulters accounting for these defaults already have received credit for meeting their production credit requirements and, therefore, this amount can be reckoned as, if and when the defaulters clear their defaults, available for ploughing back by the institutions in issuing fresh short-term finance. Thus, the pacs in the state with refinance from the state and central banks should be in a position to meet short-term agricultural credit requirements to the extent of Rs 157 crores to Rs 162 crores, or say, Rs 160 crores in 1979-80. As against the credit requirements at 35 per cent of the existing potential of Rs 275 crores met by them in 1974-5, the credit support from them will in 1979-80 work out to 53 per cent of the then expected level of credit potential placed at about Rs 300 crores. Still the overall credit gap will be of the order of 47 per cent of the estimated credit potential indicating wide scope for alternative institutional sources to play a useful and effective role.

## COMMERCIAL BANKS

4.04 Ever since their nationalization in July 1969 the commercial banks have been paying much greater attention than what they used



## BRANCH NET-WORK

to in providing credit facilities to the neglected sectors of the economy including agriculture. With a view to servicing these sectors satisfactorily the banks have been making conscious efforts to build up the necessary infrastructure and reorient their lending policies. Special attention is being paid by them for improving their geographical coverage in the relatively under-banked areas like MP.

### *Branch net-work*

4.05 There are twenty-five commercial banks operating in the state. These include the State Bank of India and its two subsidiaries, viz., the State Bank of Indore and the State Bank of Bikaner and Jaipur, and thirteen other nationalized banks. A district-wise statement showing the distribution of commercial bank offices, the average population per bank office and the names of the lead commercial banks is given in Annexure 25.

4.06 The zone-wise distribution of commercial bank offices as on 30 June 1975 is given in Table 1.

TABLE 1

	Districts	Commercial bank offices			
		Total	Rural	Semi-urban	Urban
BZ	9	270	88	75	107
CZ	6	139	64	45	30
GZ	12	213	79	89	45
JZ	6	129	45	39	45
VZ	6	78	57	20	1
TZ	6	80	52	28	—
<b>Total</b>	<b>45</b>	<b>909</b>	<b>385</b>	<b>296</b>	<b>228</b>

The distribution of offices between rural centres, semi-urban centres and urban centres respectively forms 42, 33 and 25 per cent of the total number of offices. The average population per bank office for the state as a whole as on 30 June 1975 was 46,000 as against the national average of 27,000 as at the end of December 1975. Within the state the average population per office varies from district to district and ranges between 1.33 lakhs for Surguja district (TZ) and 0.13 lakh for Indore district (BZ). The zone-wise position in brief is as in Table 2.

# COMMERCIAL BANKS

TABLE 2

	Population per bank office (thousands)		
	Average	Highest	Lowest
BZ	26	67 (Betul)	13 (Indore)
CZ	70	98 (Balaghat)	61 (Raipur)
GZ	41	82 (Morena)	22 (Ujjain)
JZ	43	84 (Seoni)	29 (Jabalpur)
VZ	56	78 (Sidhi)	47 (Chhatarpur)
TZ	78	133 (Surguja)	51 (Jhabua)

While the Bhopal-Indore Zone has better banking facilities, the Tribal Zone has comparatively poor banking facilities. The position within the zones again differs from district to district.

4.07 The forty-five districts have been allocated to eight public sector banks under the 'Lead Bank Scheme'. The names of the banks and the districts allocated to each one of them are given in Table 3.

TABLE 3

	Allocation of districts — Lead Bank Scheme						
	Total	BZ	CZ	GZ	JZ	VZ	TZ
Allahabad Bank	3	—	—	—	—	3	—
Bank of Baroda	1	—	—	—	—	—	1
Bank of India	10	6	—	3	—	—	1
Central Bank of India	17	3	1	5	5	—	3
Dena Bank	3	—	3	—	—	—	—
Punjab National Bank	1	—	—	1	—	—	—
State Bank of India	8	—	2	1	1	3	1
State Bank of Indore	2	—	—	2	—	—	—

The Central Bank of India is the lead bank for the highest number of districts (17) followed by the Bank of India (10). The major lead banks for the Vindhya and Tribal zones, which are relatively less developed, are the State Bank of India, the Allahabad Bank and the Central Bank of India accounting for ten out of twelve districts comprising the two zones.

## ADVANCES

4.08 A statement showing the district-wise position of the deposits of commercial banks, their total advances and advances for agriculture as on 30 June 1975 is given in Annexure 26. As on that date, the deposits mobilized by the banks amounted to Rs 361.59 crores. The average deposits per bank office work out to Rs 39.78 lakhs for the state as a whole and within the state the average varies from district to district and ranges between Rs 132.16 lakhs (Gwalior) and Rs 10.81 lakhs (Jhabua). In absolute quantum, the deposits mobilized are the highest at Rs 54.99 crores in Indore district (BZ) and the lowest at Rs 1.14 crores in Datia district (GZ). The zone-wise position may be seen at a glance in Table 4.

TABLE 4

	Deposits per bank office			Total deposits	
	Average	Maximum	Minimum	Maximum	Minimum
BZ	46.37	87.23 (Bhopal)	14.60 (Sehore)	5499 (Indore)	193 (Raisen)
CZ	36.13	49.31 (Durg)	20.76 (Raigarh)	1782 (Raipur)	213 (Balaghat)
GZ	37.95	132.16 (Gwalior)	12.68 (Datia)	3436 (Gwalior)	114 (Datia)
JZ	48.63	71.33 (Jabalpur)	18.01 (Damoh)	4209 (Jabalpur)	148 (Seoni)
VZ	19.36	27.20 (Satna)	12.10 (Sidhi)	488 (Rewa)	121 (Sidhi)
TZ	34.34	107.15 (Shahdol)	10.81 (Jhabua)	1286 (Shahdol)	133 (Mandla)

The average deposits per bank office are the lowest at Rs 19.36 lakhs in the Vindhya zone. The relevant average is above the state average only in nine districts, viz., Bhopal, Indore (BZ), Durg, Raipur (CZ), Gwalior, Ujjain (GZ), Jabalpur (JZ), Shahdol and Surguja (TZ).

### *Advances*

4.09 It will be observed from Annexure 26 that the total outstanding advances of the commercial banks operating in MP as on 30 June 1975 aggregated Rs 195.78 crores forming about 54 per cent of the deposits mobilized by these banks in the state. The credit-deposit ratio, i.e., proportion of the total advances to total deposits varies widely from district to district and ranges between 5.3 per cent (Bastar) and 137.0 per cent (Bhopal). The district-wise position in this respect is summarized in Table 5.

COMMERCIAL BANKS

TABLE 5

Credit-deposit ratio	BZ	CZ	GZ	JZ	VZ	TZ
Below 25	Betul Raisen	Balaghat Bilaspur Raigarh	Bhind Shivpuri	Chhind- wara Jabalpur	Panna Rewa Sidhi Tikam- garh	Bastar Mandla Shahdol Surguja
25—50	Hoshan- gabad	Durg Raipur	Datia Gwalior Mandsaur Morena	Damoh Narsingh- pur Sagar Seoni	—	Jhabua
50—75	Indore Khargone Sehore	Rajnand- gaon	Guna Rajgarh Shajapur Vidisha	—	Chhatar- pur Satna	Dhar
75—100	Khandwa	—	Ratlam Ujjain	—	—	—
Above 100	Bhopal Dewas	—	—	—	—	—

Thus, not the entire portion of loanable deposits mobilized by the commercial banks is utilized within the state. Besides, there is a wide disparity in the utilization thereof from zone to zone. In the Chhatisgarh, Jabalpur, Vindhya and Tribal zones, the credit-deposit ratio is much below the state ratio in majority of the districts.

*Agricultural advances*

4.10 As may be seen from Annexure 27 the advances for priority sectors at Rs 65.75 crores formed 26.6 per cent of the total advances at Rs 247.41 crores and 21.8 per cent of the total deposits at Rs 301 crores as on 31 December 1974. Advances for agriculture and allied activities at Rs 27.29 crores formed 9 per cent of the total deposits, 11 per cent of the total advances and 41 per cent of the advances for priority sectors. As on 30 June 1975, the commercial banks' advances for agriculture in the state at Rs 26.09 crores form about 7 per cent of the total deposits. The zone-wise percentage ranges between 4 and 13 (Annexure 26). The district-wise and zone-wise position is summarized in Table 6.

TABLE 6

Percentage of agricultural advances to deposits as on 30 June 1975			
	Average	Highest	Lowest
BZ	6.7	38.8 (Khargone)	2.4 (Indore)
CZ	7.6	16.8 (Rajnandgaon)	4.1 (Bilaspur)
GZ	8.5	41.7 (Shajapur)	0.5 (Gwalior)
JZ	6.3	27.8 (Narsinghpur)	3.9 (Jabalpur)
VZ	13.2	42.5 (Chhatarpur)	3.7 (Rewa)
TZ	4.0	25.4 (Dhar)	0.7 (Mandla)

## OVERDUES

4.11 The district-wise data relating to the types of agricultural loans issued during 1973-4 (September 73 to September 74) according to the size of holdings and the loans outstanding as on the last Friday of September 1974, are furnished in Annexure 28. The total loans disbursed during the period from last Friday of September 1973 to the last Friday of September 1974 aggregated Rs 9.93 crores to 30,312 borrowers. The term loans at Rs 7.40 crores formed 76 per cent of the total agricultural loans issued and the number of borrowers at 15,295 formed 50 per cent of the total borrowers. The short-term loans (including crop loans) at Rs 2.22 crores formed 22.4 per cent of the total loans disbursed. The agricultural loans issued to cultivators with holdings below 5 acres, i.e., the small and marginal farmers, at Rs 1.63 crores formed 16 per cent of the total agricultural loans issued. In terms of the number of borrowers, the relevant percentage stood at 28.

4.12 As on the last Friday of September 1974, the total outstanding agricultural loans of the commercial banks in the state stood at Rs 17.80 crores. These included short-term loans (including crop loans) at Rs 4.44 crores. The loans outstanding against the small and marginal farmers at Rs 2.72 crores again formed about 15 per cent of the total agricultural loans outstanding. In terms of the number of borrowers, the relevant percentage stood at 32.

### *Overdues*

4.13 The overdues of the commercial banks in respect of their agricultural advances at Rs 8.78 crores as on 30 June 1975 form 55.9 per cent of the demand at Rs 15.70 crores. Zone-wise this percentage ranges between 45 (VZ) and 72 (CZ). The district-wise position indicates further variations ranging between 19.4 (Khandwa-BZ) and 81.8 (Durg-CZ). The district-wise and zone-wise position of demand, recoveries and overdues as on 30 June 1975 is given in Annexure 29 and the same is summarized in Table 7.

TABLE 7

	Percentage of overdues to demand		
	Average	Highest	Lowest
BZ	50.0	64.4 (Bhopal)	19.4 (Khandwa)
CZ	72.2	81.8 (Durg)	28.9 (Rajnandgaon)
GZ	51.3	63.2 (Guna)	36.2 (Ratlam)
JZ	58.6	66.1 (Jabalpur)	48.1 (Narsinghpur)
VZ	45.5	66.7 (Rewa)	29.5 (Panna)
TZ	56.7	70.3 (Shahdol)	32.1 (Bastar)

## COMMERCIAL BANKS

Thus, as in the case of the co-operatives, the commercial banks are also facing the problem of widespread defaults, although the problem may not have assumed alarming proportion in their case in view of their capacity to absorb overdues.

### *Financing of agriculture through pacs*

4.14 The scheme of financing of pacs by commercial banks formulated by the RBI was initially introduced in five states of which Madhya Pradesh is one. The salient features of the scheme introduced in 1970 were as under :

- (i) A commercial bank may undertake to finance 10 societies within a radius of about 10 miles from one of its branches.
- (ii) The banks would take over only the current liabilities of the societies and overdues only on the merits of each case.
- (iii) The banks would adopt the crop loan system and provide credit on the scales of finance per acre per crop to meet the full requirements of the farmers.
- (iv) The banks would meet the credit needs of the non-agriculturists in the same manner as a ccb.
- (v) The banks would also provide credit facilities to the societies for their business in inputs of agriculture and consumer goods.
- (vi) The banks would provide medium-term loans for agricultural purposes.
- (vii) The banks would charge interest on the loans to societies as advised by the RBI from time to time.
- (viii) The banks would refrain from providing agricultural credit directly to farmers residing within the areas of the societies taken over by them.

The scheme has been under constant review and at a meeting convened by the Union Finance Minister in November 1973 it was decided to continue the existing scheme and extend it further where necessary. According to the policy in this behalf approved by the Standing Committee on Co-ordination between co-operative and commercial banks of the Reserve Bank's Agricultural Credit Board, every branch of the commercial banks is expected to finance about ten pacs in a compact area having a potential loan business of about Rs 20 lakhs, i.e., roughly Rs 2 lakhs per society. Besides, each of the societies financed by them should have an independent full-time paid secretary. The banks are not restricted from financing directly agriculturists within the area of the societies, if they choose to do so.

4.15 With the introduction of the scheme in May 1970 in the state, 47 branches of ten commercial banks took over 305 pacs from sixteen

# FINANCING OF AGRICULTURE THROUGH PACS

districts for financing. The scheme stands later extended to one more district because of the bifurcation of the Durg district. However, there is no progress in the transfer of societies to the commercial banks since the introduction of the scheme as may be seen from the data given in Table 8.

TABLE 8

	Commercial banks		Societies transferred
	No.	Branches	
1970-71	10	47	305
1971-2	10	47	309
1972-3	10	49	309
1973-4	10	49	309
1974-5	10	49	309

After the transfer of four additional societies in 1971-2, no further transfers of societies have been made.

4.16 A statement containing the commercial bank-wise details in respect of the societies taken over, the membership of the societies, the number of societies financed, the amount of loans disbursed and outstanding, the position of overdues and the availability of the services of a full-time paid secretary, is given in Annexure 30. During the five-year period 1970-71 to 1974-5 the percentage of societies financed to the total number of societies taken over ranges between 76 (1971-2) and 90 (1970-71) as given in Table 9.

TABLE 9

	Societies		
	Taken over	Financed	% of (2) to (3)
	(1)	(2)	(3)
1970-71	305	276	90
1971-2	309	236	76
1972-3	309	256	82
1973-4	309	256	82
1974-5	309	260	84

In 1974-5, as many as 49 societies are not financed. Of these, four societies have not been financed even once during the above five-year period reportedly because three had overdues exceeding 75 per cent of the demand and the remaining one did not have the services of a full-time paid secretary. The other 45 societies had rendered themselves ineligible for fresh finance as they were saddled with heavy overdues.

# COMMERCIAL BANKS

4.17 The average membership per society has increased from 201 to 208 during the five-year period from 1970-71 to 1974-5. The average borrowing membership per society works out to 106 as on 30 June 1975. The total short-term and medium-term loans disbursed by the commercial banks to the societies during the five-year period are given in Table 10.

TABLE 10

	Rs Lakhs				
	1970-71	1971-2	1972-3	1973-4	1974-5
Short-term	37.20	81.32	68.48	67.20	117.05
Medium-term	24.89	22.41	18.29	11.44	21.59
<b>Total</b>	<b>62.09</b>	<b>103.73</b>	<b>86.77</b>	<b>78.64</b>	<b>138.64</b>

The average loans issued per society in 1970-71 at Rs 0.20 lakh increased to Rs 0.45 lakh in 1974-5. Out of the short-term loans disbursed during 1974-5 only 4.6 per cent (Rs 5.39 lakhs) are disbursed to small farmers. The average loans outstanding per society and per indebted member as on 30 June 1975 works out to Rs 0.74 lakh and Rs 452 respectively. Majority of the pacs attached to commercial banks for financing have loan business much below Rs 1 lakh each and, therefore, cannot be deemed as even potentially viable.

4.18 The percentage of overdues to demand during the five-year period ranges between 40 and 57 as may be seen from Table 11.

TABLE 11

	Overdues	
	Amount (Rs Lakhs)	% to demand
1970-71	20.63	40.8
1971-2	53.94	41.0
1972-3	73.34	55.0
1973-4	68.53	57.0
1974-5	106.09	53.9

Though the percentage of overdues to demand of the societies taken over has declined slightly at the end of 1974-5 compared to the position that obtained at the end of the earlier two years, they continue to be very high.

4.19 Of the 309 societies, only 185 have full-time paid secretaries. The average number of societies per branch works out to six, i.e., below the number required for optimum use of the field staff. Only 9 branches



#### FINANCING OF AGRICULTURE THROUGH PACS

have 10 societies each, 20 have 6 to 9 societies each and the remaining 20 branches have 5 or less societies attached to them in each case.

4.20 The actual implementation of the scheme is reported to have posed several problems. Firstly, there was no unanimity between the concerned parties about the selection of societies and taking over of the existing liabilities including or excluding overdues. The cost of full-time secretary for every society taken over was to be met from collections in proportion to loan business and the short-fall was to be met partly out of subsidy from the state government and partly by way of assistance in the form of subsidy or loan from the concerned commercial bank. The period of three years of the government subsidy has since expired. The banks have not been following a uniform procedure for meeting the short-fall. Some have been providing subsidy, some others debit the deposit accounts of the societies or provide demand or term loans. The financial position of many societies does not permit appointment of a full-time secretary. Many of the secretaries already appointed are not being paid regularly. Arrears of salaries of the secretaries for the period prior to July 1973 have not been paid. In such circumstances, the Executive Committee of the MPSCB has resolved that the apex bank is not in favour of transferring additional societies to any commercial bank. We understand that at the last meeting of the State Level Co-ordination Committee held in January 1976, it was decided that the question of transfer of additional societies could be considered on the basis of our recommendations in this behalf.

4.21 In short, as the affiliation of societies to commercial banks was done more on an *ad hoc* basis than on the basis of areas having the widest credit gaps, a large number of the societies did not have an independent full-time paid secretary who could have attended to increase in membership and expansion of their business. Above all since the parties concerned adopted an uncompromising attitude, the scheme has not made much headway so far. This is evidenced by the static number of societies taken over by the commercial banks and the slow progress in the development of business as a result of which most societies have not reached a level of business of Rs 1.00 lakh to be regarded as potentially viable units. The difficulties and problems encountered so far in making the scheme a success will have to be effectively dealt with in the interest of provision of adequate credit for agricultural development in the state. We have earlier in paragraph 4.03 estimated the capacity of the co-operative banking sector to meet the credit needs up to a maximum extent of Rs 160 crores leaving a credit gap of Rs 140 crores. The vast credit gap can be met at least partially if the commercial banks are enabled to channel

## COMMERCIAL BANKS

their funds through pacs. It is recognized that it will be well nigh impossible for the banks to reach a large majority of small farmers directly. Moreover, direct lending is also very costly. It seems obvious, therefore, that the difficulties encountered at present in the successful implementation of the scheme of financing pacs by commercial banks will have to be resolved. We will revert to this aspect of the matter after estimating the resources that can possibly be made available by these banks for meeting the credit needs of short-term agricultural production.

### *Estimate of resources*

4.22 The deposits raised by the commercial banks in MP which stood at Rs 272.60 crores at the end of December 1973 increased to Rs 361.59 crores by the end of June 1975. The average annual growth rate works out to 20 per cent. Thus, as against the overall annual growth rate of about 15 per cent for the country as a whole, the banks in MP have achieved a higher annual growth rate in the mobilization of deposits. It may not, therefore, be unrealistic to expect these banks to maintain over the period of the next five years an average annual growth rate of 15 per cent in mobilizing additional deposits taking the level of their total deposits from Rs 361.59 crores as on 30 June 1975 to about Rs 725 crores as on 30 June 1980. Assuming the credit-deposit ratio at the modest level of 60 per cent, the total advances of these banks in the state may be about Rs 435 crores at the end of June 1980. Advances for the priority sectors may be one-third of the total advances and may, therefore, amount to Rs 145 crores. We expect the commercial banks to ensure that at least one-half of their total advances for the priority sectors will be for agriculture and allied activities in 1979-80. Thus, the total investment of the commercial banks in agricultural advances over a period of five years can be placed at around Rs 75 crores. This works out to about 10 per cent of the expected level of total deposits of the banks. The proportion of advances for priority sectors to total deposits will be 18 per cent.

4.23 As against the above position, the total advances of the commercial banks for agriculture and allied activities amounted to Rs 27.29 crores as at the end of December 1974 inclusive of short-term agricultural loans of about Rs 7 crores of which Rs 2 crores have been disbursed through the pacs. Thus, the commercial banks may be in a position to allocate additional Rs 48 crores for agriculture and allied activities by 1979-80. We suggest that the banks should earmark about Rs 40 crores for meeting the credit needs of short-term agricultural production.

## INSTITUTIONAL ARRANGEMENTS FOR MEETING CREDIT GAPS

### FUTURE LINES OF DEVELOPMENT

4.24 We have proposed that the commercial banks should, over the period of next five years, increase their involvement in short-term agricultural loans in the state over six-fold. The question which needs consideration, therefore, is whether these banks should supplement the efforts of the co-operative credit institutions by expanding their direct loans or choose the medium of primary agricultural credit societies. During the course of the different zonal discussions as well as in a separate meeting with the representatives of commercial banks operating in MP, the representatives of the banks conceded that direct financing of individual cultivators would not help them to achieve significant expansion of credit for short-term agricultural purposes. They agreed with the view that towards this end they had no alternative to operating through strong and viable pacs each having a full-time paid secretary. As we have indicated in paragraph 3.32 of Chapter 3, the question of the most appropriate institutional arrangement for providing agricultural credit particularly to small and marginal farmers was recently examined by the T. A. Pai Group which felt that in view of the infra-structural problems and the relatively high cost of retailing credit directly, the commercial banks should choose an association of local people, preferably a farmers service society (fss) as recommended by the National Commission on Agriculture or a viable multi-purpose society which will integrate credit with supplies and services, for providing credit for agricultural production and investment. The Group's recommendations have been accepted by the GOI and the Ministry of Agriculture and Irrigation has issued a circular letter on 7 February 1975 through its Department of Rural Development to all the state governments outlining the future policy in this behalf. Commercial banks have been advised that they may examine the possibility of providing credit facilities through fss or viable primaries before opening their branches below the *mandi* level. The Rajasthan Study Team has endorsed this policy and recommended a positive role for the commercial banks in financing re-organized pacs in that state. In view of the position discussed above, we would, despite the difficulties encountered so far, recommend extension of the scheme of financing of agriculture by the commercial banks through the pacs and that of the incremental loans of Rs 48 crores by 1979-80 for agriculture and allied activities as much as Rs 40 crores may be provided as short-term agricultural loans through pacs. The measures necessary for streamlining the procedures and overcoming the shortcomings have been suggested in paragraphs that follow.

# INSTITUTIONAL ARRANGEMENTS FOR MEETING CREDIT GAPS

4.25 One of the difficulties experienced in the extension of the scheme is stated to be that affiliation of societies to commercial banks was done more on an *ad hoc* basis than on the basis of an area suitable for the entry of commercial banks for financing the pacs. We feel that the guiding principle should be that commercial banks may enter in blocks having wide credit gaps not only as a percentage of the credit potential but also in absolute amounts. The block-wise credit gaps calculated on the basis of norms indicated in paragraph 1.23 of Chapter 1 are given in Annexure 31. As many as 292 blocks out of the total of 457 blocks in the state have credit gaps exceeding the state average of 65 per cent of the credit potential. The zone-wise distribution of these blocks according to the extent of credit gaps is given in Table 12.

TABLE 12

	Blocks	Blocks with credit gaps (percentage)				
		Above 90	75-90	65-75	50-65	Below 50
BZ	69	2	19	13	22	13
CZ	98	14	27	20	22	15
GZ	80*	1	14	16	23	26
JZ	56	1	24	11	7	13
VZ	44	3	21	11	6	3
TZ	109	50	35	10	9	5
<b>Total</b>	<b>456*</b>	<b>71</b>	<b>140</b>	<b>81</b>	<b>89</b>	<b>75</b>

4.26 While considering the norms for transfer of societies/areas from certain blocks to commercial banks, care has to be taken to identify only such areas from the blocks as have a business potential of not less than Rs 20 lakhs so that the area can sustain 10 viable pacs and enable a branch of a commercial bank to ensure the optimum utilization of its field staff. We would, therefore, recommend that the societies from such blocks having credit gaps exceeding Rs 40 lakhs in quantum and above 65 per cent of the credit potential be considered for transfer to the commercial banks. The following norms may be adopted to decide the extent of influence of the commercial banks in the above blocks :

- Where the credit gap exceeds Rs 100 lakhs, to the extent of Rs 60 lakhs at the rate of Rs 20 lakhs per branch to be handled by three branches;
- Where the credit gap ranges between Rs 60 lakhs and Rs 100 lakhs, to the extent of Rs 40 lakhs at the rate of Rs 20 lakhs per branch to be handled by two branches;

## FUTURE LINES OF DEVELOPMENT

- (c) Where the credit gap ranges between Rs 40 lakhs and Rs 60 lakhs, to the extent of Rs 20 lakhs to be handled by one branch.

The number of blocks in category (a) are 9\* (27 branches), in (b) 48 (96 branches) and in (c) 77 (77 branches). The scheme can thus be introduced on the above basis in 135 blocks in 34 out of 45 districts through 200 branches of the commercial banks and 2,000 pacs in the state as per details given in Annexure 32. The zone-wise distribution of the blocks will be as given in Table 13.

TABLE 13

	Districts	Blocks	Branches of commercial banks
BZ	6	24	30
CZ	6	36	64
GZ	7	24	40
JZ	5	21	26
VZ	6	21	27
TZ	4	9	13
<b>Total</b>	<b>34</b>	<b>135</b>	<b>200</b>

At the rate of Rs 20 lakhs per branch, the credit potential will be Rs 40 crores to be met through 2,000 pacs. Thus, in our opinion, the co-operative credit institutions at the primary level with financial assistance from the co-operative and commercial banks together, should be in a position to meet by 1979-80 short-term agricultural credit needs to the extent of Rs 200 crores or 67 per cent of the expected level of credit potential at Rs 300 crores.

4.27 As regards the availability of branches of the commercial banks in these blocks the position is indicated in Annexure 33. Barring the number of blocks mentioned in Table 14, the required number of branches is available in the other blocks identified for introduction of the scheme.

TABLE 14

District	Blocks	Commercial bank branches		
		Required	Existing	Shortfall
Betul	2	2	—	2
Bhopal	2	3	—	3
Hoshangabad	1	2	1	1

\* For want of separate data about the gross cropped area, two blocks in Rajgarh district have been treated as one block.

# INSTITUTIONAL ARRANGEMENTS FOR MEETING CREDIT GAPS

TABALE 14 (contd.)

District	blocks	Commercial bank branches		
		Required	Existing	Shortfall
Raisen	1	1	—	1
Bilaspur	5	9	4	5
Durg	8	19	6	13
Raigarh	1	1	—	1
Raipur	4	8	1	7
Rajnandgaon	6	11	2	9
Guna	2	5	3	2
Mandsaur	1	2	1	1
Rajgarh	2	3	2	1
Shivpuri	3	4	1	3
Vidisha	2	4	2	2
Chhindwara	2	3	1	2
Jabalpur	3	3	—	3
Seoni	1	2	1	1
Chhatarpur	2	4	1	3
Rewa	1	2	1	1
Sidhi	2	4	2	2
Dhar	1	2	1	1
Shahdol	2	5	1	4
Surguja	1	1	—	1
<b>Total</b>	<b>55</b>	<b>100</b>	<b>31</b>	<b>69</b>

In so far as the blocks not having the requisite number of branches are concerned, we recommend that the DBOD of the Reserve Bank of India dealing with the commercial banks may consider allocating suitable centres to the commercial banks operating in the state for opening their branches as early as possible with a view to ensuring implementation of the proposed scheme.

4.28 As we have stressed earlier, the adoption of the area approach is necessary to ensure successful implementation of the scheme. The commercial banks have already taken over 309 pacs in the state. Preference may have to be given to the banks selecting areas in which these societies are located. Wherever this is not possible we would suggest that the better course would be to retransfer such societies to the concerned ccbs.

4.29 It is quite likely that not all the 200 branches of the commercial banks expected to shoulder the responsibility of financing pacs may have the necessary trained staff to handle this business. Sufficient time may have to be allowed to them to open new branches wherever they do not exist and to equip them as also the existing branches organiza-

## FUTURE LINES OF DEVELOPMENT

tionally so as to ensure that the role assigned to the commercial banks is discharged effectively. We, therefore, recommend that the scheme may be introduced in a phased manner over a period of four years, i.e., upto 1979-80 and annually about 500 pacs may be transferred to 50 branches of the commercial banks. This would ensure introduction of the scheme on the lines suggested by us in all the identified blocks by 1979-80.

4.30 In Chapter 6 we have suggested a block by block plan for the re-organization of the pacs. The implementation of the plan will ensure that the number of pacs in every block will not be more than necessary to support the projected level of credit business to be handled by them in 1979-80 and that the area served by every society offers adequate potential for it to reach the level of business of Rs 2 lakhs. Besides, our suggestion in Chapter 8 about the creation of a state level fund to meet the cost of *samiti sevaks* and for the management of their cadre are aimed at ensuring that every re-organized society has an independent full-time secretary right from the beginning. The commercial banks should not, therefore, find it difficult to adopt all the societies in an identified area. With a view to looking into the implementation of the scheme, the district level committees comprising the representatives of commercial banks, the co-operative institutions as well as the Co-operative Department should be set up in districts in which they have not been constituted so far. These district level committees may decide on the selection of areas, transfer of societies and attend to the subsequent problems. At the state level there is already a state level co-ordination committee which may ratify the decisions taken by the district level committees and decide on matters of policy. Once the allocation is finalized no option should be given to any of the parties involved to alter it unilaterally. This is necessary in view of the past experience that the decisions taken were not implemented on account of the reluctance on the part of one party or the other and consequently the scheme of financing the primaries had not been able to make the desired progress.

4.31 We have estimated that commercial banks may provide in 1979-80 Rs 40 crores by way of short-term agricultural loans through pacs. On the basis that each society will have a business of Rs 2.00 lakhs and each branch of a commercial bank will handle a short-term credit business of Rs 20.00 lakhs through societies, it will mean affiliating 2,000 primary agricultural credit societies and involving as many as 200 branches of the commercial banks. We have tentatively placed the total number of pacs, ACSS and fss at about 6,911. This will mean the commercial banks taking responsibility for financing about 30 per

#### INSTITUTIONAL ARRANGEMENTS FOR MEETING CREDIT GAPS

cent of the total number of societies that will finally emerge in the state. We have identified on the basis of credit gaps as many as 135 blocks in 34 out of 45 districts where the commercial banks will operate side-by-side with the ccbs. It seems evident, therefore, that some positive steps will be necessary if the influence of commercial banks through pacs is to be brought about on such a large scale. The action in our view can be of two types :

(a) The requisite number of societies which will be re-organized by then in the identified blocks may be compulsorily disaffiliated from the ccb concerned and attached to one branch or the other of the commercial bank in the area. If the societies or commercial banks are given discretion in the matter it may not be possible to secure the willingness of both the parties when a very large number is involved.

(b) The other alternative is introducing a sort of consortium/ participation arrangement between the ccb of the district on the one hand and a commercial bank on the other with a view to financing all the societies in a given area and on certain agreed terms and conditions.

#### *Compulsory disaffiliation*

4.32 The compulsory disaffiliation of pacs from the concerned ccbs may not be appreciated by the managements of the societies concerned and their membership. For one thing the pacs have been used to dealing with the central bank of the area only, although it is true that the latter has not been able to cater to the requirements of the membership to the fullest possible extent. Secondly, the record of the commercial banks in the financing of pacs which have been attached to them for the last five years has not been so outstanding or even encouraging as to inspire confidence in the managements of the societies and also the state government that they will acquit themselves satisfactorily in providing credit facilities to the extent envisaged for them. Thirdly, if societies are compulsorily detached from the ccbs, these banks may press for the commercial banks taking over all the liabilities of the societies to them inclusive of the overdues. The position of overdues in the pacs in almost all the districts in the state is somewhat alarming, the percentage of overdues to outstandings at the level of pacs for the state being 51 as at the end of June 1975. Under the present scheme it is not obligatory on the commercial banks to take over the overdue loans of the societies and if the banks decide to follow the same procedure, the overdue loans of the societies will continue to be the responsibility of the ccbs who may have no business



#### CONSORTIUM/PARTICIPATION ARRANGEMENT

left in the area attached to the commercial banks, if there are no urban credit societies, industrial societies, consumers stores societies, etc. One of the reasons for the slow progress in the extension of the scheme all over the country and particularly in MP is stated to be the reluctance of the ccbs to part with societies while still holding the overdue loans from these societies. It seems to us, therefore, that unless commercial banks agree to take over all the liabilities of the societies to ccbs inclusive of the overdues, it may be difficult to push through an arrangement which involves disaffiliation compulsorily, of almost one-third of the societies in three-fourths of the districts in the state. Finally, in the three-tier structure of the co-operative credit institutions, the ccbs are federations of the societies and the state co-operative bank is a federation of the ccbs. Representation to the intermediate and apex level institutions is, in most cases, through pacs. While representation of the pacs compulsorily disaffiliated from the ccbs to the general body of the latter as well as to its board will be possible by allowing each society to retain at least one share in the bank, the discontinuance of financial accommodation by the bank will cause a decline in their influence in the management of the bank.

4.33 As against the problems and difficulties mentioned above, the arrangement has the advantage of fixing responsibility squarely on the commercial banks for the development of the area served by the societies. Further, compulsory attachment will help the development of cordial relations between them.

#### *Consortium/Participation arrangement*

4.34 The second method is a kind of consortium/participation arrangement. The broad features of the arrangement may be as indicated below :

##### *(a) Selection of societies/areas for financing under the arrangement*

It is administratively convenient to adopt an area approach for this purpose also. Instead of adopting societies from select compact areas for financing, the commercial bank may take up, say, one or more extension block/s in the district. It may select such blocks as are convenient from the view point of proximity/communication from its branch office/headquarters, etc. It will be the 'leader-bank' in such blocks. Similarly, the ccb can also be the 'leader-bank' in some other blocks. There will not be any selection of societies in these blocks and all agricultural credit societies satisfying the usual norms will be eligible for servicing by the concerned 'leader-bank' in the block. The number of blocks in a district to be covered by the consortium or participation arrangement may be linked to the extent of credit gap

#### INSTITUTIONAL ARRANGEMENTS FOR MEETING CREDIT GAPS

and the extent of role assigned to commercial banks in each district on the basis of the norms indicated in paragraph 4.26 above.

##### (b) *Credit appraisal, sanction of limits and disbursements*

Both the participating banks will follow common procedures regarding the preliminary credit assessment of cultivator-members of societies, for crop loans as well as term loans, preparation of normal credit limit (NCL) statement, sanction of credit limits, final disbursement in cash and kind to the concerned members etc., as envisaged under the production-oriented system of lending. The final appraisal and sanction may be done jointly by the participating banks on the basis of approved norms. On joint approval of the NCL statements, disbursements to the societies may be made by the 'leader-bank'. Credit limits to the full extent of the approved scales of finance can be sanctioned, as with the participation arrangement, there will not be paucity of resources.

##### (c) *Method of sharing the lendings and recoveries*

The next question is about the nature of financial involvement of the participating banks, i.e., in what manner or proportion the lendings to societies in a block may be shared. While this will depend on the resources position of the participating banks, it will be preferable to make it on a 50:50 basis with a view to securing equal rights to them *inter se*. In deciding the share of the ccb, the loans outstanding including overdues against the societies in the block will have to be reckoned. Thus, for example, if there are 20 societies in a block for which a commercial bank is the 'leader-bank' and the outstandings of ccb against these societies are Rs 2.00 lakhs and if it is agreed to make fresh advances to the extent of, say, Rs 10.00 lakhs the total lendings will be Rs 12.00 lakhs. On a 50:50 basis, the ccb's share would be Rs 6.00 lakhs. As it had already outstandings of Rs 2.00 lakhs, the ccb will pass on only Rs 4.00 lakhs to the commercial bank, which as a 'leader-bank' will lend together with its own share of Rs 6.00 lakhs, Rs 10.00 lakhs to the societies. The recoveries from these societies, out of the total loans of Rs 12.00 lakhs, will be shared between the two on a 50:50 basis. Thus if only Rs 8.00 lakhs are recovered, the commercial bank will retain Rs 4.00 lakhs and pass on the balance of Rs 4.00 lakhs to the ccb. It may be noted that under such an arrangement there is no question of, or no need for, taking over of the existing liabilities of the societies to the ccb by the commercial bank. If, however, the outstandings of a ccb against the societies located in an area

#### CONSORTIUM/PARTICIPATION ARRANGEMENT

identified for consortium/participation arrangement include overdue loans, such loans may be excluded from the amount to be shared between the two banks. In other words, the overdue loans may continue to be borne on the books of the ccb.

##### (d) *Supervision over societies*

Joint supervision over the societies financed by banks under the arrangement may be preferable but not practicable and will mean duplication of efforts. Supervision can, therefore, be the sole responsibility of the 'leader-bank'. Where the commercial bank does not have the necessary complement of staff for supervising the societies, the supervisors of the ccb may be placed under its administrative control and their cost borne by the commercial bank. The non-leader bank will also have the right of supervision/inspection, etc., from the legal view point, but for practical considerations these may be exercised by the 'leader-bank'.

##### (e) *Dealings/transactions only with the 'leader-bank'*

The societies in the select block, for all purposes, will deal only with the 'leader-bank'. They will draw loans from the 'leader-bank' and will also deposit the amount of share linking with it. The 'leader-bank', if it is a commercial bank, will retain with it its part (50 per cent) as non-refundable deposit to the credit of the society concerned and pass on the balance to the ccb for credit to the share capital in respect of that society. Similarly, all recoveries/repayments will be made to or deposited with the 'leader-bank' which will apportion the same between participating banks in the agreed ratio. Depositing of surplus funds or other normal banking transactions may be carried on with the 'leader-bank' only.

##### (f) *Documentation*

There may be a tripartite agreement among the society, the ccb and the commercial bank setting out, among other things, the terms and conditions of the financial accommodation, the nature of security, the liabilities of the society and also the proportion of sharing the lendings, rights and obligations of the participating banks *inter se*. In particular, the rights of the 'leader-bank' to inspect/supervise the society, apportion the recoveries and share collections in the agreed proportions may be spelt out. In case of default, the 'leader-bank' may proceed against the societies. The securities and other assets of the society in the custody of the 'leader-bank' will be subject to the

#### INSTITUTIONAL ARRANGEMENTS FOR MEETING CREDIT GAPS

*pari-passu* claim of both the banks in the same proportions as the lendings have been shared. A model agreement form can be drafted and made available to the banks. The legal hurdles, if any, can also be sorted out.

4.35 The consortium/participation arrangement may be advantageous in the following ways :

(a) The pacs will not be required to sever their financial relations with the ccb completely as the latter will continue to be responsible for providing funds to them according to the share agreed to between it and the commercial bank.

(b) As the ccb will maintain its organic and financial link with the pacs, it can continue its efforts through persuasive or coercive action to recover its overdue loans from the societies.

(c) The feeling of distrust prevailing at the present moment between the ccbs and the commercial banks will make room for very close co-ordination as responsibility for the development of societies will be shared by both of them.

(d) The advantage of personal contacts with the managements of the pacs and the experience which the ccbs and the state co-operative bank have acquired in the field of agricultural credit will be available to the commercial banks.

(e) The state government will be more directly concerned with the problems faced by commercial banks in providing credit for agriculture through pacs because the problems of these banks will also be the problems of the co-operative banks which are at present under their control and general supervision.

(f) Finally, in a scheme of compulsory disaffiliation of societies, the approach may have to be from the point of view of the credit potential and credit gaps subsisting in the area as the ccbs may not be willing to part with the areas which have been relatively well served by them. Consequently, commercial banks may have to go to the areas where the pacs have the necessary credit potential to make them viable but are having a relatively low level of business. As a result, the banks may have to put in much greater effort in the development of the societies and in developing the necessary business potential which they may not find it easy to do. In a consortium/participation arrangement it should be possible to have a cluster of well-developed and poorly developed areas so that the responsibility for the latter type of areas will be on both the commercial and co-operative banks and the benefits of business from the more developed areas can accrue to both the institutions.

#### CONSORTIUM/PARTICIPATION ARRANGEMENT

4.36 However, the idea of consortium/participation between the commercial banks and the ccbs in the financing of pacs has not been tried in any part of the country and, therefore, it is not possible to say with confidence that it is a better arrangement in filling the credit gaps than the present one under which the pacs are affiliated to commercial banks on an *ad hoc* and voluntary basis or the other arrangement where the societies are proposed to be compulsorily disaffiliated from the ccbs and attached to commercial banks. Further, the success of participation arrangement depends on the two parties having the same approach to the various problems and a desire to work with the greatest degree of understanding. It can succeed in an atmosphere of give and take on the part of the parties to the arrangement. The ccbs and commercial banks have had so far no occasion to participate in the financing of any activity and, therefore, it is not possible to say whether the kind of mutual understanding and co-operation between them will be forthcoming in the participation arrangement envisaged in the financing of pacs.

4.37 It will thus be seen that both the alternatives suggested to facilitate the provision of agricultural credit through pacs on a large scale have some merits and demerits. Neither the compulsory disaffiliation of pacs nor the participation arrangement has been tried anywhere. It is not, therefore, possible for us to give a positive recommendation in favour of either of the two alternatives. We would, therefore, recommend that both may be considered and given a fair trial if the objective of the commercial banks providing agricultural credit through as many as 2,000 pacs, fss, etc., is to be attained as quickly as possible and in any case in the next four years and the supply of short-term agricultural credit reaches the level of at least Rs 200 crores in 1979-80 as against the potential of Rs 300 crores estimated by us. The identification of the areas for introducing either of the two methods may be done by the State Level Co-ordination Committee which has already been established in the state.

#### *Regional rural banks*

4.38 Pursuant to the recommendations made by the Working Group on Regional Rural Banks, the Government of India decided to establish regional rural banks (rrbs) and to start with 5 rrbs were established on 2 October 1975 in the country. These banks are basically scheduled commercial banks though established under a separate legislation. The rrbs are expected to finance primarily the small/marginal farmers, agricultural labourers, rural artisans and small entrepreneurs directly. Besides, they may lend indirectly, i.e., through the pacs including the fss, for agricultural operations and for such other purposes as are con-

#### INSTITUTIONAL ARRANGEMENTS FOR MEETING CREDIT GAPS

nected therewith. Thus, the concept behind the establishment of the rrbs is also to supplement the credit support for agriculture and allied activities that is being given by the existing institutional credit agencies.

4.39 In MP one rural bank sponsored by the Central Bank of India was established in January 1976 covering the areas of two districts, viz., Hoshangabad and Raisen from the Bhopal-Indore zone. We have earlier proposed that the commercial banks may take up the financing of pacs at the rate of 10 societies per branch through 7 branches in 6 blocks in the case of Hoshangabad district and through 5 branches in the same number of blocks in Raisen district. The new rrb may not be able at least for some time to come to shoulder the entire responsibility as it would mean allocation of Rs 2.40 crores for this purpose alone. We would, however, suggest that preference may be shown to the new rrb in the allocation of areas and the societies from the two districts. The same policy may be pursued as and when the rrbs are established in some other districts.

#### *Role of the state co-operative bank*

4.40 In Chapter 3 we have stated that the task of supervising and guiding the operations of a large number of ccbs will be quite formidable for the state co-operative bank which may not enter, therefore, directly into districts bypassing the concerned ccb to meet the credit requirements of the primaries. We would, however, make an exception in the case of Bastar district for the following reasons :

- (i) The district has a large number of blocks (32) and although in terms of amount the credit gap is below Rs 40 lakhs in each one of them the credit gap as a percentage of the credit potential is 91 and within the district it ranges from 34 to 100.
- (ii) The ccb and the pldb operating in the district are considerably weak and the integrated unit proposed by us for the district may not be in a position to meet the credit needs of short-term agricultural production to the extent of 60 per cent of the potential in all the blocks.
- (iii) The apex bank has already been granted licence to open two branches at Dantewada and Sukma in the district.

We recommend, therefore, that the MPSCB may directly function in lieu of the proposed integrated unit for Bastar district, in Dantewada

## ROLE OF THE STATE CO-OPERATIVE BANK

and Konta *tehsils* which form the project areas of the Tribal Development Agencies for Dantewada and Konta respectively and that the RBI may sanction suitable credit limits to the MPSCB against government guarantee for financing pacs in these two *tehsils*. In view of this recommendation, the proposed integrated unit may have to close down or shift to some other suitable centres, the existing branches of the ccb/pldb in Dantewada and Konta *tehsils*.

### *Direct lending*

4.41 In terms of our recommendations the commercial banks or the existing/proposed rrbs will enter 135 blocks in 34 districts out of a total of 457 blocks in 45 districts and that too in certain select areas from such blocks, for financing the pacs in lieu of the concerned ccbs. Thus they have large scope for widening their direct loans to individual cultivators. Judged from the past experience, however, the banks may be able to increase their present involvement in short-term agricultural loans for crop cultivation given directly to the farmers to about Rs 10 crores in the next 5 years.

4.42 The question which needs consideration is whether the commercial banks/rrbs should limit their direct lending to areas which are not covered by the societies taken over for financing by them. We are of the view that in the interest of viability of the societies attached to the commercial banks/rrbs, they may have to be selective and not lend directly to at least such cultivators as may have no difficulty in obtaining their full credit requirements through the societies taken over for financing by them.

### *Concluding remarks*

4.43 In view of the analysis made in the foregoing paragraphs, we expect that the pacs in the state with refinance from the co-operative and commercial banks may be in a position to meet by 1979-80 short-term credit needs of agricultural production to the extent of Rs 200 crores or 67 per cent of the estimated credit potential at Rs 300 crores. Another Rs 7.00 crores to Rs 10.00 crores may be disbursed by the commercial banks/rrbs as direct short-term loans to individual farmers. The institutions will have to continue their efforts for filling in the remainder of the credit gap during the period of the Sixth Five-Year Plan. At the same time, we emphasize that the realization of the projections made by us depends on a variety of factors, the foremost among which is the whole-hearted co-operation of all the connected

#### INSTITUTIONAL ARRANGEMENTS FOR MEETING CREDIT GAPS

parties and sinking once and for all the misgivings about the role of the commercial banks and the rrbs. We are confident that the co-operative and commercial banks operating in the state will complement with greater vigour the efforts of each other for attainment of the common national objective of stepping up agricultural production. We would suggest that the implementation of the recommendations made by us in this chapter may be reviewed at suitable intervals by the Standing Committee on Co-ordination between commercial and co-operative banks of the Reserve Bank's Agricultural Credit Board.



## CHAPTER 5

### INSTITUTIONAL ARRANGEMENTS IN TRIBAL AREAS

5.01 THE question of making suitable institutional arrangements for provision of credit and allied services to the tribals is of particular significance to MP which has the largest tribal population amongst all the states in the country. The state accounts for 22.4 per cent of the country's total scheduled tribe population. The scheduled tribes, mainly because of their isolation, have not so far been able to derive in full measure the benefits of the planned economic development. The GOI have, therefore, directed all the state governments to formulate tribal sub-plans for expeditiously implementing the developmental programmes for the tribals under a time-bound schedule. In particular, the states have been asked to take steps for setting up in the tribal areas an integrated credit and marketing structure at the primary level. The position of the co-operative credit and marketing, etc., institutions operating in the tribal districts of MP has been relatively weak inasmuch as with their existing state of affairs the institutions cannot be relied upon to offer any worthwhile services to the tribals. In view of this situation, one of our terms of reference requires us to examine the problems of tribals and of institutions, laws, etc., operating in the tribal areas and suggest, if necessary, special financial assistance and a different organizational pattern for such areas.

#### *Tribal population*

5.02 According to 1971 Census, MP has a total tribal population of 83.9 lakhs forming 20 per cent of the total population at 416.54 lakhs. Tribals in the state are concentrated in 172 blocks from twenty-one districts where their percentage to the total population is 50 or more. A district-wise list of these blocks is given in Annexure 34. In paragraph 1.06 of Chapter 1, we have explained that of these twenty-one districts, six districts, viz., Bastar, Dhar, Jhabua, Mandla, Shahdol and Surguja, not only have tribal population exceeding 45 per cent of the total, but also spreading over the entire district in each case. These districts have, therefore, been classified as wholly tribal. In the other fifteen districts the tribal population is confined only to a few pockets or a part of the respective districts. Thus, our recommendations in this chapter will have to be considered for implementation throughout the six districts which are wholly tribal and in such parts of the remaining fifteen districts as have concentration of tribal population.

## INSTITUTIONAL ARRANGEMENTS IN TRIBAL AREAS

### *Special features and economic attitudes of tribals*

5.03 Recognizing the need for a pragmatic approach, we thought it fit to have a first hand knowledge of the nature and dimensions of the problems of the tribal areas and of institutions, laws, etc., operating in such areas and, therefore, a special study was undertaken at our instance by the officers of the secretariat of the Team in the districts of Bastar, Jhabua and Sidhi in September-October 1975 under the supervision of the Team's Member-Secretary. Later, i.e., in November 1975, the important findings of the study were discussed by us with the field officers as also some leading non-officials from the tribal district of Bastar. Similar discussions were held at Mandla on 14 March 1976.

5.04 The special features of the tribal population and the economic attitudes of tribals as revealed by the field study, are broadly as follows :

(i) The districts in the state which are identified as predominantly tribal are not necessarily geographically contiguous and, therefore, offer diverse natural conditions.

(ii) While the Bastar and Surguja districts have the largest area under forests, i.e., 64 and 52 per cent of the total area of each district respectively, it is as low as 9 and 16 per cent respectively in the case of Dhar and Jhabua districts.

(iii) The terrain of some districts like Bastar and Mandla is hilly, but the topography of some other districts, like Dhar and Jhabua is quite even and they have relatively large plain tracts.

(iv) The communication and transport facilities in the tribal areas are, by and large, poor. Barring the districts of Dhar and Jhabua which have a density of population higher than the state average of 94 per sq. km., the other tribal districts are sparsely populated; the density of population being the lowest at 39 per sq. km. for Bastar district.

(v) Agriculture is the mainstay of tribal economy, although it is practised on traditional lines. The tribal areas in the state do not necessarily have adverse conditions which retard the growth of agriculture. For instance, paddy lands in Bastar district are quite fertile. In Dhar and Khargone districts, cotton and groundnut are grown extensively. The average size of holding at around 3 hectares for a majority of the tribal districts, is also not small. But, by and large, agriculture in the tribal districts is dominated by low value food crops.

## ECONOMIC ATTITUDES OF TRIBALS

(vi) Wherever there are forests, the tribals supplement their income from the collection and sale of minor forest produce or otherwise by working as labourers.

(vii) Tribals in Bastar and Sidhi districts maintain large herds of cattle and in Jhabua district goat rearing is quite common. However, no conscious efforts have so far been made to popularize subsidiary occupations like cattle breeding, sheep and goat rearing, etc., with a view to opening one more avenue of income on a regular basis.

(viii) The basic needs of an average tribal are meagre. Even then and despite the satisfactory yield in most of the cases from agriculture supported by the availability of income from forest produce, the tribal has remained poor mainly on account of exploitation at the hands of private traders, viz., the *Kochiyas* who are shrewd traders and who purchase produce from the tribals at low prices by standing on approaches to *hats*, i.e., weekly or fortnightly markets, at times by use of pressure tactic or force. Even these markets are controlled by private traders who confine the tribals to barter economy with a view to securing their agricultural and forest produce at low prices and giving them in return at exorbitant prices the domestic goods which they need. The transactions are so manipulated that the tribal is at a great disadvantage both while selling and buying. The tribals themselves have become so accustomed to barter economy that they prefer to transact in terms of exchange of goods.

(ix) Tradition continues to be important for most tribals and, therefore, they get bound to a trader or moneylender who has been the source for meeting expenditure on social function as in birth, marriage, death, etc., even if it means borrowing at usurious rates of interest. In Jhabua district, indebtedness of tribals is relatively high mainly on account of the existence of the custom of 'bride price' which every tribal has to pay before his marriage.

(x) In the wake of emergency, the activities of these private traders or moneylenders have been severely curbed, but these may be resumed, if alternative institutional sources which can meet the needs of the tribals, are not developed.

Thus, the problems emerging out of the special features and attitudes of the tribals are not merely economic but also sociological and, therefore, present a formidable task to the institutions if they are to supplant the moneylender or the moneylender-cum-trader.

5.05 In view of the above position, any programme for the development of the tribals should have in view the following main objectives:

#### INSTITUTIONAL ARRANGEMENTS IN TRIBAL AREAS

- (i) upgrading the level of their cultivation,
- (ii) ensuring that they get adequate price for their agricultural and minor forest produce,
- (iii) ensuring that they are in a position to obtain the items of their domestic needs at reasonable price,
- (iv) making arrangements for provision of credit to them for social functions at reasonable rates of interest, and
- (v) providing opportunities to them for supplementing their income by working as forest labourers, etc., and undertaking subsidiary occupations like cattle breeding, sheep and goat rearing and poultry farming, wherever feasible.

It is needless to mention that the above objectives would be best served if the tribals are in a position to obtain the needed facilities from some institutional sources. This indicates the urgency for the development of institutions in the tribal areas capable of providing credit and a wide range of services to the tribals. Before we indicate the nature of the institutions that may have to be established and developed, it may be worthwhile to have an idea of the Tribal Development Agencies (TDA) which were approved for MP by the GOI.

#### *Tribal Development Agencies*

5.06 In 1972-3, the GOI sanctioned six projects in four states for integrated tribal development. Of these, two projects, viz., TDA, Dantewada and TDA, Korta both in Bastar district have been sanctioned in MP. The outlay on the core programme for economic development for each project is Rs 1.50 crores excluding Rs 50.00 lakhs for arterial roads. With the objective of suggesting an institutional framework of co-operatives for supporting the economic programmes under the TDA projects, the GOI appointed a Study Team on Co-operatives in Tribal Development Project Areas (Bawa Study Team) under the Chairmanship of Shri K. S. Bawa, the then Joint Secretary in the Union Ministry of Agriculture and Irrigation, Department of Rural Development. The Team finalized its recommendations in April 1973 which are given in Annexure 35. The main recommendations of the Bawa Study Team are in brief as under :

- (i) The existing primary agricultural credit societies (pacs), the multi-purpose co-operative societies (mpcs) organized by the Tribal Welfare Department of the GOMP and the forest labour contract

#### TRIBAL DEVELOPMENT AGENCIES

societies (fics) also controlled by the same Department and which are located in the Dantewada and Konta *tehsils* comprising 7 blocks may be re-organized into about 40 new societies. These new societies should purvey all types of credit including long-term credit for agriculture as also the credit for meeting consumption needs of the tribals. They should also supply inputs of agriculture to tribals and collect from them at reasonable prices their agricultural and minor forest produce.

(ii) The MPSCB should take up the responsibility of providing the needed credit support to the above base level organizations and for this purpose the bank may be permitted by the RBI to open its branches in Dantewada and Konta *tehsils*.

(iii) A new primary co-operative marketing society may be organized in each of the two *tehsils* to service the non-credit activities of the base level societies. The activities of the primary marketing societies may, in turn, be supported by the apex marketing federation which, although not dealing at present in minor forest produce, should be brought into the picture.

(iv) The capital base of the base level institutions as also the marketing societies should be suitably strengthened and trained staff provided to them to ensure efficient functioning on their part.

5.07 While the sanctioned tribal development projects for Dantewada and Konta *tehsils* were launched in 1972-3, the above recommendations have, by and large, not been implemented. However, the then existing services societies, mpcs and fics have been re-organized into 23 and 24 units in Dantewada and Konta *tehsils* respectively. Besides, a primary marketing society has been organized for Dantewada *tehsil* and one such society is being organized for Konta *tehsil*. But the major recommendations relating to strengthening of institutional structure remain to be implemented. One major stumbling block has been the heavy backlog of overdues of the erstwhile units carried by the re-organized societies. In the project area, viz., Dantewada *tehsil* of the TDA, Dantewada all the indebted members numbering 2,217 of the 23 re-organized primary societies were defaulters as on 30 June 1975. The position was more or less similar in the case of 24 re-organized societies in the project area of the TDA, Konta. Sixteen of these societies are attached to Sukma branch of the Bastar central bank. All the 1,468 indebted members of these sixteen societies were defaulters as on 30 June 1975. None of the societies were, therefore, eligible for share capital contribution from the state government from out of the funds borrowed from the Reserve Bank's LTO Fund.

## INSTITUTIONAL ARRANGEMENTS IN TRIBAL AREAS

5.08 Both the re-organized societies visited during the course of the field study taken up at our instance, viz., Dantewada and Sukma service societies had not received earlier any share capital contribution from the state government. Their membership being hardly 168 and 217, the share capital of the societies was as low as Rs 0.06 lakh and Rs 0.09 lakh respectively. The Dantewada society had issued short-term agricultural loans to 22 members for Rs 0.03 lakh in 1974-5. No other business was being undertaken by the society. Even this meagre loan business has not been taken up by the society during the year 1975-6 on account of heavy defaults. The loan business of the Sukma service society is practically stagnant for the same reasons. This society had not issued any loans in 1974-5 and, up to the date of visit to the society, during the year 1975-6. None of the societies in the two project areas was being served by an independent *samiti sevak*. While the *samiti sevak* attached to the Sukma service society had two societies under his charge, the one attached to the Dantewada service society was serving as many as eight societies.

5.09 The model byelaws of the re-organized primary societies in the project area provide for eleven directors including three nominees of the state government. All the elected eight directors are required to be tribals. There is a provision for nominating the first board by the RCS for a period of five years. The nominated directors of the Dantewada service society included two defaulters of whom one was the chairman of the society. The nominated chairman of the Sukma service society had resigned. The vice-chairman of the society was a non-tribal.

5.10 In view of the position explained above, it is clear that the institutions at the base level envisaged by the Study Team headed by Shri Bawa had not come up. The RBI has permitted the MPSCB to open a branch each in the two project areas. But even if these branches are opened, they will find it difficult to render the necessary credit support to the tribals on account of the weak structure at the base level. As indicated earlier, a primary marketing society has been recently organized in Dantewada *tehsil* and one such society is being organized in Konta *tehsil*. The Dantewada primary marketing society has so far been able to take up only the distribution of fertilizers. These two marketing societies may not be able to undertake all the intended functions as the re-organized societies in the project areas were not transacting any non-credit business.

5.11 For lack of necessary institutional arrangements in their project areas, the TDAs Dantewada and Konta have not been able to utilize even a single paisa out of the budgeted amount under the head

## NEEDS OF TRIBALS

'co-operation'. A statement showing the expenditure incurred under the various heads from inception upto 31 March 1975 by the two TDAs is given in Annexure 36. Bulk of the expenditure incurred so far by these agencies had been towards arterial roads, rural electrification, minor irrigation, provision of improved seeds and fertilizers and demonstration plots to popularize improved agricultural practices. The benefits of these will not accrue so long as arrangements for provision of agricultural credit to tribals in the area are not ensured. It may not be out of place to mention that seeds and fertilizers for which 50 per cent and 75 per cent subsidy respectively is given, had been distributed to tribal cultivators directly. Since the non-subsidized cost was met by the beneficiaries themselves for want of institutional credit therefor, there was no supervision regarding the utilization of the agricultural requisites so provided. It was reported that fertilizers and seeds distributed by the two tribal development agencies had in many cases found their way in the open market. In short, in the present circumstances the long-term benefits of the expenditure incurred so far under the two projects, are not likely to accrue.

### *Needs of Tribals*

5.12 As in the case of project areas of TDA, Dantewada and Konta, the role of the institutional agencies in the provision of agricultural credit and allied services, is admittedly poor in the rest of the tribal areas of MP. Consequently, the tribals, by and large, are indebted to moneylenders or moneylender-cum-merchants/traders. The need to approach the latter arises primarily for obtaining the basic necessities of life and also for such social obligations as in marriage, birth or death ceremonies. A co-operative society in the tribal area has, therefore, to take note of the needs and obligations of the tribals and devise methods of operation which will obviate or minimize the need to approach the moneylender/merchant/trader. With a view to avoiding the need for a tribal to go to the merchant for his basic needs of life, the society should have a consumer stores wing to deal with not more than dozen essential items such as foodgrains, coarse cloth, sugar, vegetable oil, salt, jaggery, kerosene oil, matches, tobacco, soap, etc., and also extend credit facilities to their tribal members for lifting them. The credit limit for the purpose can be made available to the extent of 'A' component under the crop loan system. If the 'A' component in the scale of finance is Rs 100 per acre, a tribal borrower may be given cash advance not exceeding 25 per cent. The balance may be his entitlement for purchase of consumer goods from the society. This will, however, be the position in respect of tribals who are cultivating and because in their case this sort of credit can be treated as credit

#### INSTITUTIONAL ARRANGEMENTS IN TRIBAL AREAS

for agricultural operations and reimbursable from the credit limit sanctioned by the RBI for short-term agricultural purposes. Any facility of the above nature provided to a mere labourer will not be reimbursable as it will be to a non-agriculturist and for a non-agricultural purpose. In the circumstances, consumption credit to non-agriculturist tribals will have to be out of the society's own resources supplemented by the central financing agency (cfa). Individual limits will have to be fixed cautiously and it may be advantageous to require an agriculturist tribal to stand surety to such borrowers.

5.13 Expenses in connexion with social obligations in birth, marriage or death ceremonies are not every day affairs and a tribal can be persuaded to save little by little continuously. Towards this end, the habit of thrift and self-help has to be inculcated amongst the tribals. The accumulated savings may not, however, be adequate to meet the minimum expenses which will have to be supplemented by borrowings. The society may make arrangements for such advances by borrowing to the extent necessary from the cfa. However, with a view to putting the much needed check on extravagant expenditure, the amount of the loan can be limited to a certain multiple of the amount to the credit of the tribal in his thrift deposit account. As an incentive to save and disincentive to borrow, an attractive rate of interest, say 10 per cent, could be allowed on the deposits and interest on the loan fixed at, say 14 or 15 per cent. It is necessary that the rate of interest on the loan should not be too low and out of tune with the rate to which the tribal is accustomed in respect of his present borrowings from the moneylender. The provision of refinance to the society for this purpose should be regarded as a legitimate responsibility of the cfa as no refinance may be available from the RBI for the purpose.

5.14 After effective institutional arrangements are made for meeting domestic requirements as well as other credit needs of a tribal, he may not find it necessary to maintain his links with the moneylender. The question of his existing indebtedness no longer poses a problem on account of the recent decision of the GOMP freeing him from private debts. But it is essential to ensure that a tribal keeps his commitments to the institution of which he is a member so that he does not find it necessary to resume his dealings with private sources in one way or the other.

5.15 The real solution, therefore, lies only in improving the income or earning prospects of the tribals primarily from agriculture and allied activities and from minor forest produce to which they have generally a free access. In the former case it will involve a somewhat long and



## BASE LEVEL ORGANIZATION

difficult process of modernizing agriculture through investment of more working and durable capital. In the latter case, it will be mainly the question of creating an organized marketing link right from the collection point to the ultimate sale point so that a tribal is assured of a remunerative price for his produce and does not have to resort to the trader. For, in the latter situation the tribal will not get a fair deal. The co-operative society for the tribals has, therefore, to integrate credit with the marketing of minor forest produce as well as the products of his agriculture and allied activities.

### *Type of base level organization*

5.16 The type of base level organization which is most suited to meet the various requirements of the tribals is, therefore, a multi-purpose co-operative society undertaking, among others, the following important activities and functions :

- (i) provision of short, medium and long-term credit for agricultural purposes;
- (ii) provision of inputs of agriculture like fertilizer, seed, insecticide, agricultural implements and machinery;
- (iii) provision of essential domestic requirements like foodgrains, cloth, salt, sugar, vegetable oil, kerosene, matches, tobacco, soap, etc., against the member's entitlement under the cash component of the scale of finance or against a limit specifically sanctioned for meeting his consumption needs;
- (iv) provision of technical advice and guidance needed for modernizing agriculture and allied activities;
- (v) marketing of agricultural produce or products of allied activities like dairying, poultry keeping, etc;
- (vi) marketing of minor forest produce;
- (vii) provision of credit for expenses incurred to meet certain social obligations in birth, marriage or death ceremonies, the quantum of such credit being related to the member's thrift deposits collected continuously;
- (viii) undertaking wherever possible forest or other labour contracts which will provide employment and additional income to members;
- (ix) mobilization of deposits; and
- (x) undertaking such other activities which are incidental to the above functions.

## INSTITUTIONAL ARRANGEMENTS IN TRIBAL AREAS

While the society will be organized primarily for the benefit of the tribal population it will cater to all the requirements of the non-tribal farmers in its area for, a separate society, if organized for them, will have no prospect of attaining viability.

### *Size of society*

5.17 A society undertaking all the functions listed above will be a very complex organization. Further, the capital base of such organization has to be much broader than that of a society undertaking merely credit functions, as the business cannot be carried with one hundred per cent financial accommodation from banks. This will mean that the society should have a much wider area of operation so that the business generated by the members in the area gives sufficient income to pay not only for a more competent manager/managing director, but also a large complement of staff to handle the multifarious activities. The point for consideration is whether the area should cover the whole block or only a big enough portion of it. The organization of a society with such a wide territorial jurisdiction as a whole block will involve amalgamation and liquidation of the existing societies in the area. If a whole block of, say, 100 villages is selected for the proposed society, there may already be 25 or 30 societies each serving the tribals in three or four villages. The task of bringing round the managements of these societies to form one society will be a formidable one. Further, even if that becomes possible such a society will have to have at least ten branches to serve its membership effectively. Existence of branches of that order would make the management of the society a complex proposition and it may not be easy to find competent personnel to handle the job efficiently.

5.18 Taking the above aspects into account, it is advisable to organize a society which is bigger than a society considered viable as per standards recommended by the Vaikunth Mehta Committee (3,000 population within a radius of 3 to 4 miles), but not as big as to cover the whole block of 100 villages. The ideal jurisdiction may be about 10,000 rural population (2,000 families) so that the effective coverage at 40 per cent may be 800 borrowing members. An effective coverage of 40 per cent can reasonably be reached within a period of four or five years when the society may reach a loan business of Rs 5 lakhs. The other business activities will grow correspondingly and the experience is that the income from the complementary business is generally adequate to meet the establishment and other costs of that business leaving a small profit. These types of societies will have fewer problems of managerial competence and of amalgamation and liquidation of existing societies and

#### SUB-PLAN FOR TRIBAL AREAS

should be preferred to the block-level model. These societies may be called 'Adivasi Co-operative Service Societies (ACSS)'.

5.19 The average population of a block in the tribal districts of Madhya Pradesh is about 50,000. Thus, there may be about five ACSS per block on the basis that each society covers 10,000 population. The headquarters of these societies in a block may be preferably located at main *hat* centres, i.e., weekly market centres. The *hat* has a special significance in the life of a tribal inasmuch as every tribal makes it a point to visit the *hat* of his area to sell his produce and obtain his needs. Besides, this weekly visit to the *hat* serves as a contact point with the other tribals in the area.

5.20 We have suggested that the ACSS should have an area smaller than that of a whole block mainly to (i) obviate the need for the society to open branches which, in turn, will help solve the problem of finding the staff with the necessary administrative competence and (ii) minimize the problems of amalgamation and liquidation of the existing societies operating within the area. While this may be adopted as a general pattern we do not rule out the possibility of having some amount of flexibility regarding the extent of the area of operation of an ACSS and if the concerned authorities in the state government are confident of tackling the problems of managerial competence and amalgamation/liquidation of the existing societies, a few of the ACSS may be of the block-level type provided each society has at least ten branches and a full complement of trained staff to serve the members effectively.

#### *Sub-Plan for tribal areas*

5.21 The strategy for setting up the integrated credit and marketing structures in the tribal areas in MP was discussed during our visit to Bastar and a plan of action as outlined in the foregoing paragraphs was subsequently finalized by the GOMP for incorporation in the state's revised Tribal Sub-Plan (1974-9). Under the revised Sub-Plan for integrated tribal area development, the state government have proposed to cover the 172 tribal blocks in 21 districts listed in Annexure 1 with 31 'meso' projects and 11 'micro' projects in addition to the two existing TDA projects. While a 'meso' project will cover an area extending over four to twelve blocks, a 'micro' project will cover one to three blocks. Both these projects will be, by and large, on the lines of the two TDA projects already introduced in Dantewada and Konta *tehsils* of Bastar district. All the 172 tribal blocks will be covered by the special type of societies like the ACSS proposed above. The work of organization of such societies has been initiated in a few districts like Bastar and Mandla.

# INSTITUTIONAL ARRANGEMENTS IN TRIBAL AREAS

5.22 The state government have gone ahead with the proposal to form 19 block level societies including 7 such societies in Dantewada and Konta *tehsils* in Bastar district. We understand that the GOMP have in view the organization of as many as 51 such societies in the tribal development projects in the various parts of the state. In paragraphs 5.17 and 5.18 we have given an indication of the problems that are likely to arise in forming very large societies each covering the whole block. In view of this we suggest that any further increase in the number of block level societies in the tribal areas, beyond 19 already formed, may be discussed first by the state government with the MPSCB, the RBI and GOI. Thus, in all 19 blocks, i.e., 11 out of 32 from Bastar district, 7 out of 17 (of which 13 tribal) from Raigarh district and 1 out of 12 (of which 9 tribal) from Shahdol district, will be covered by the ACSS of the block level type and the remaining 153 tribal blocks may be covered by the ACSS of the *hat* level type. Assuming that there will be, on an average, five ACSS of the *hat* level type per block, the district-wise number of the ACSS may be as given in Table 1.

TABLE 1

District		Tribal blocks	Proposed ACSS of	
			block level type	<i>hat</i> level type
BZ	Betul	7	—	35
	Hoshangabad	1	—	5
	Khandwa	1	—	5
	Khargone	14	—	70
CZ	Balaghat	3	—	15
	Bilaspur	8	—	40
	Durg	1	—	5
	Raigarh	13	7	30
	Rajnandgaon	3	—	15
	Raipur	3	—	15
GZ	Morena	1	—	5
	Ratlam	2	—	10
JZ	Chhindwara	4	—	20
	Seoni	5	—	25
VZ	Sidhi	1	—	5
TZ	Bastar	32	11	105
	Dhar	12	—	60
	Jhabua	12	—	60
	Mandla	16	—	80
	Shahdol	9	1	40
	Surguja	24	—	120
	<b>Total</b>	<b>172</b>	<b>19</b>	<b>765</b>

#### SUB-PLAN FOR TRIBAL AREAS

5.23 The work of organizing these 784 societies which has been already taken up, may be completed by 30 June 1977. There may not be any need to organize additional societies of the block level type except after discussion with the RBI and others as, in our view, no difficulties are likely to be encountered if a project area is covered by both the types of ACSS.

5.24 In so far as the organization of the ACSS is concerned, we have to recommend as under :

(i) The ACSS should not be created by an amalgamation at one stroke of all the existing pacs, mpcs and flcs in the concerned area. For, it is essential that the new society should not right from the start, carry the burden of the backlog of overdues and bad debts of the existing institutions. If this is not ensured, the ACSS will neither be eligible for share capital contribution from the state government out of the Reserve Bank's LTO Fund which is so necessary to broadbase its capital base, nor for the credit facilities from the higher financing agency which are very necessary to enable it to undertake the various activities which prompted its organization.

(ii) It is desirable in the first instance to assess the position of overdues and bad and doubtful assets of each of the existing societies in the area of the proposed ACSS. Only such societies as will have low overdues and lower bad and doubtful assets after the implementation of our recommendations contained in Chapter 7 for tackling the problem of non-wilful and chronic defaults, should be identified for amalgamation. All other societies may be left out, starved of credit and allowed to meet a natural extinction. Non-members from their areas as also non-defaulters of such societies will, however, be catered by the ACSS.

(iii) With the organization of special societies for tribal areas, there will be no need for the existing mpcs and flcs which are controlled by the state government's Tribal Welfare Department. In fact, most of these societies are dormant. These societies may be either amalgamated with the concerned ACSS or liquidated depending on their financial position. Godown, etc., facilities available with these societies may be transferred to the concerned new ACSS.

(iv) Each ACSS of the *hat* level type should right from the start have the services of a trained manager with two assistants. The necessary arrangements for the purpose may be made on the lines indicated in Chapter 8. As for the societies of the block-level model, the GOMP should ensure the necessary arrangements as indicated in paragraph 5.20.

#### INSTITUTIONAL ARRANGEMENTS IN TRIBAL AREAS

(v) The headquarters of each *hat* level ACSS should be conveniently located keeping in view whether the place is an important *hat* centre and is having a godown.

(vi) Each ACSS of the *hat* level type should receive initially government contribution to its share capital of Rs 25,000, if it has not received such contribution, and of Rs 75,000 if it is a block level organization. The RBI also may consider sanctioning corresponding loans to the GOMP out of its LTO Fund.

(vii) The ACSS should undertake all the activities enumerated in paragraph 5.16 as without these the societies will not be in a position to command complete allegiance of their tribal members. The need for adoption of a separate scale of finance for the tribals on the lines indicated in paragraph 5.12 cannot also be ignored.

(viii) While the majority on the managing committee including the designated office bearers, viz., the President and Vice-President may be the tribals, it is not desirable to have, as provided in the model byelaws, all the tribals on the managing committees of the ACSS which would also be undertaking the business of purveying agricultural credit with inputs to the non-tribals in the area. As provided in clause (4) of section 48 of the Madhya Pradesh Co-operative Societies Act 1960 as amended in March 1976, two-thirds of the members on the managing committee may be from the tribals.

(ix) Every time agricultural or forest produce is offered for sale by a tribal member, the ACSS may adjust up to 50 per cent of the sale proceeds towards the loan dues of the concerned tribal so that he is left with some money to meet his needs other than those available from the society. However, it will take a long time to inculcate the habit of making voluntary savings for a rainy day among the tribals. The ACSS may, therefore, make a small additional deduction of, say, five per cent from the sale proceeds for credit to the tribal's thrift deposit account and link up the eligibility of the tribal for loans for social purposes to the balance in the thrift deposit account.

#### *Longer gestation period*

5.25 The present level of the business of the tribals in agriculture or minor forest produce is somewhat lower than their non-tribal counterparts and it may take a somewhat longer time for the level to go up. The proposed special society organized among the tribals may, therefore, require a longer period to attain viability. Further, these types of societies will be undertaking a wider range of functions and responsibilities than the societies for the non-tribals and consequently would

## DISTRICT LEVEL ORGANIZATION FOR CREDIT BUSINESS

need the services of a larger complement of staff. In view of the special responsibility cast on the nation in the matter of social and economic upliftment of tribals, we suggest that due allowance may be made for the longer gestation period needed by such society and the staff subsidy may be provided to it as long as necessary.

### *District Level Organization for credit business*

5.26 The principal agency at the district level which may have to support the credit business of the ACSS, will be the ccb of the district. Our assessment of the ccbs in the state contained in Chapter 3 indicates that the Dhar and Mandla banks have satisfactory efficiency and the Jhabua bank may be deemed to be having fairly satisfactory efficiency. In the case of three other banks, viz., Bastar, Shahdol and Surguja, serving predominantly tribal population, we have suggested integration of the ccb with the pldb in each of the three districts. With the adoption of this suggestion and the implementation of the recommendations made by us in the subsequent three chapters for re-organization of the primary credit structure, for tackling the problem of non-wilful and chronic overdues, for provision of full-time paid hands to the affiliated primaries and for posting competent key personnel from the state cadre to every ccb, we expect that not only the integrated units in the above three districts but also the other ccbs will be in a position to provide adequate credit support to their affiliated ACSS. Besides, in Chapter 4, we have proposed that in areas wherein there are wide credit gaps, a part of the responsibility will be borne by the commercial banks and in Bastar district the MPSCB will finance the societies directly in 7 blocks of Dantewada and Konta *tehsils* which form the project areas of TDA, Dantewada and TDA, Konta. We are of the view, therefore, that the special societies at the base level functioning in these tribal districts may not have any difficulty in securing the required resources from the concerned ccb or the commercial bank or the MPSCB.

5.27 As we have indicated earlier, the proposed ACSS will also handle the business of long-term credit for agriculture. These societies functioning in the areas of the integrated units for Hoshangabad (BZ), Sidhi (VZ), Bastar, Shahdol and Surguja (TZ) districts as also the commercial banks, will obtain the necessary refinance for the purpose from their respective higher financing agencies. As for the MPSCB, we would suggest that it should also meet the long-term agricultural credit requirements of the special societies functioning in the project areas of the TDA, Dantewada and TDA, Konta and bring about in these areas the integration of the two wings of the credit structure, as in the rest of the Bastar district.

## INSTITUTIONAL ARRANGEMENTS IN TRIBAL AREAS

5.28 The ACSS, functioning in areas of the ccbs for wholly tribal districts of Dhar, Jhabua and Mandla as also the other districts having tribal pockets cannot, however, rely on the respective central banks for refinance in respect of their long-term credit business. The responsibility in that behalf will have to be shouldered by the pldb's operating in these districts. With the integration of the two wings of the credit structure at the base level for effectively serving the tribal population, there is in fact a good case for suggesting such an integration even at the intermediate level at least in the above three wholly tribal districts. While this may be a long-term solution which should be considered for implementation after gaining experience in the six districts which we have identified in Chapter 3 for integration at the district level, it is necessary to consider the nature of the arrangements that may be made to see that the ACSS get the required long-term funds for providing long-term loans to their constituents. One way may be to make the district level pldb accommodate the ACSS for their long-term credit needs as the central financing agencies will provide short-term and medium-term credit facilities. This will amount to introducing a three-tier structure for long-term credit also resulting in duplication of supervisory machinery and administrative costs. The long-term credit structure in MP is unitary below the apex level in the sense that there are district level primaries with branches. There are no independent pldb's functioning at the taluka level directly affiliated to the MP SLDB. In such a situation we think that it should be possible for the district level pldb to appoint the ccb of the district as its agent to receive the applications, disburse the loans, supervise the end use and recover the instalments as and when they fall due. For this service the ccbs may be given a part of the margin that is at present allowed to the pldb's by the MP SLDB. Since the functions which the branches of the pldb are doing will be entrusted to the ccb and its branches, there may be no need to maintain separate branch offices of the pldb. In any case, no more branch offices of the pldb need be opened and as far as possible the work may be entrusted to the branches of the ccb. At the district level a joint consultative committee may be set up of the representatives of the ccb and pldb to make the co-ordination between the two institutions effective. Such machinery in any case has to be set up for the simple reason that although complete integration at the intermediate level will not take place in some tribal districts, integration at the ACSS level has been envisaged by us. There will be two financing agencies for the ACSS and hence the necessity for effective co-ordination between them need not be overemphasized.



*Higher level organization for non-credit business*

5.29 The proposed ACSS cannot become instruments of economic development for the tribals unless they are in a position to transact effectively the business of collection of agricultural and minor forest produce and supply on credit the inputs and consumer goods needed by them. This is because a tribal may not be in a position to understand the advantage of institutional facilities so long as the institutions do not collect his surplus produce and supply him in turn with the essential consumer goods and agricultural inputs he needs. But, experience has shown that an institution is able to deal in credit relatively quickly, but is not able to take up effectively the marketing and supply functions because of the lack of efficient upward link to support its activities. Thus, the basic need is that the proposed primary societies in the tribal belt should be assured of the necessary support from a higher level organization which will help them in the disposal of agricultural and forest produce collected by them and keep them stocked with the agricultural inputs and consumer goods which their members need.

5.30 The position of existing marketing societies operating in the tribal districts is not strong enough to entrust them with the responsibility of controlling the non-credit business of the special societies. In fact, there is no district level marketing society operating in the districts of Bastar, Jhabua, Mandla, Shahdol and Surguja. At the same time, the fact remains that there will have to be a higher level organization responsible for arranging the supplies of agricultural inputs and essential commodities to the affiliated special societies and helping them in the collection and disposal of minor forest and agricultural produce pooled by the tribals with the base level primary societies. We understand that under the Tribal Sub-plan, the GOMP have proposed to organize four regional co-operative marketing societies one each for the Western, Central, Eastern and Southern tribal regions in the state. Each such society is to be provided with government share capital of Rs 15 lakhs. The headquarters of the societies will be located at important marketing centres which are also the rail heads in each region. The area of a regional marketing society will extend to all the tribal blocks in its region. We suggest that these regional marketing societies may have a branch in the area of every TDA/'meso'/'micro' project, i.e., in all 44 branches. The primary marketing societies functioning in the tribal blocks, if any, may be converted into the branches of the regional society. We also suggest that due attention may be given by the GOMP to provide qualified and trained staff to the proposed regional marketing societies and the cost of such staff may be subsidized in the initial years under the Tribal Sub-Plan.

## INSTITUTIONAL ARRANGEMENTS IN TRIBAL AREAS

### *Co-ordination*

5.31 As stated earlier the state government have proposed to introduce 42 new projects for tribal development in addition to the Dantewada and Konta projects. Each project administration will function under the control of a project advisory board and will be under the charge of a project officer who will be assisted by suitable technical personnel. Once the project administration is set up, the tribal development blocks in its area will cease to function independently and form part of the field level staff of the administration. Necessary extension services will be provided to the tribals and all their problems in the field of agriculture, co-operation, marketing, etc., are expected to be attended to. Thus, extension services needed by the tribals for adopting improved agricultural practices and undertaking subsidiary occupations will be provided by the concerned project administration.

5.32 What is important is full co-ordination between the proposed ACSS and the higher level credit and non-credit institutions on the one hand and the project administration on the other. We attach the greatest importance to this aspect and suggest that there should be a permanent arrangement at three levels for the purpose. At the project level, the concerned project officer should convene periodical meetings of the managers of the ACSS in the area where the representatives of the concerned credit and non-credit organizations at the intermediate level should be invited, with a view to sorting out the practical problems encountered in the field. At the district level there may be a standing committee under the chairmanship of the Collector with chief executives of the higher level credit and non-credit institutions as also a few non-officials representing the ACSS, as members to decide on matters of policy especially relating to the collection and disposal of agricultural and minor forest produce, the supply of inputs and consumer goods to the primaries, the margin that may be made available to societies for handling the non-credit functions, arrangements for transport of stocks, etc. The Deputy Director of Tribal Welfare Department posted in the district and a representative of Forest Department may also be the members of the district level standing committee. At the state level, there may be a high-powered body with the Production Commissioner as the chairman and the RCS, the Director of Tribal Welfare, the Conservator of Forests, the MD of MPSCB and the MD of MPSLDB as members to review the overall progress and to issue broad guidelines on important matters.

### *Conclusion*

5.33 A major socio-economic problem for MP is how to raise the incomes and the standard of living of the tribals. Unless policies and

## CONCLUSION

procedures are designed quickly so as to make possible for them to take to modern agriculture, the gap between them and the rest of the farmers will continue to widen which the nation can ill afford. The approach for tackling this formidable task has been incorporated in the Tribal Sub-Plan. Its proper implementation, though somewhat difficult, has to be ensured. We would urge on the concerned authorities in the state government and the officials and non-officials connected with the managements of the credit and non-credit institutions to put in whole-hearted efforts to ensure successful implementation of the policies aimed at ameliorating the lot of the tribals.

## CHAPTER 6

### STRUCTURE AT THE PRIMARY LEVEL

6.01 THE success or failure of the policies adopted for the development of the co-operative credit system or the steps taken to tackle the weaknesses therein since the time the recommendations of the All-India Rural Credit Survey Committee were available, have depended very much on the state of affairs at the base level of the structure, i.e., the pacs. If the institutions at the primary level are not strong and viable not only their disabilities percolate to the higher two tiers but also even the energetic steps taken by the state co-operative bank and ccbs in furtherance of their objectives meet with only limited success. This was perhaps foreseen by the Rural Credit Survey Committee which emphasized the need for large-sized multi-purpose societies with state partnership. The shift in the policy due to a decision of November 1958 of the National Development Council advocating the principle of one village one society, has since been settled in favour of the concept of a viable society. It is now universally accepted that every society should have a minimum loan business of Rs 2 lakhs and an independent full-time paid secretary.

6.02 The question of the most appropriate institutional credit structure in rural areas was, as we have indicated in earlier chapters, examined in 1974 by the T. A. Pai Group which observed that only a viable, professionally managed multi-purpose co-operative society would be in a position to cater to the package of services needed by the farmer and that such a society should purvey also the long-term credit for agriculture. The Agricultural Credit Board (ACB) of the RBI also endorsed the idea of the pacs providing long-term agricultural credit so that a comprehensive view of a borrower's needs can be taken. The Rajasthan Study Team which considered the issue in so far as the primary credit structure in Rajasthan was concerned, observed that "from the point of improving the viability prospects of the pacs we have recommended against the organization of additional functional societies for dairying, etc., and suggested that these activities should be handled by the pacs themselves. For the same reasons we would recommend the pacs handling long-term agricultural credit also so that they get one more line of business and avenue for income." In short, not only from the view point of the convenience of the farmer but also from that of improving the business prospects for pacs, the present thinking is in favour of integration of the short-term and long-term credit for agriculture at least at the primary level.

## PRIMARY AGRICULTURAL CREDIT SOCIETIES

6.03 Madhya Pradesh has since long opted for the concept of viability and it is one of the few states to push through with vigour a massive plan for the re-organization of pacs as early as in 1966-7. The number of pacs was then reduced from 17,322 as on 30 June 1966 to 9,986 as on 30 June 1970. The total number of societies stands further reduced to 9,651 as on 30 June 1975. If the pacs in the state are to meet the credit needs of short-term agricultural production to the extent of Rs 200 crores by the 1979-80 as we have estimated earlier in Chapter 4, the state can well support the existing number of pacs and each one of them should have the prospect of attaining a viable status. However, the position of the pacs in the state in terms of coverage and financial position widely differs from district to district. In a number of districts the institutions at the primary level are very weak and have no prospect of attaining viability. In order, therefore, to assess the causes of success in some areas and of failure in some others, a decision was taken in our first meeting to study in greater detail the working of about 450 pacs in the state at the rate of one per block. We have, therefore, divided this chapter into three sections, the first dealing with the existing district-wise position of pacs in the state, the second with the findings of the on-the-spot studies taken up at our instance and the third containing our recommendations for future development including a block-wise plan for re-organization, wherever required.

### SECTION I

#### PRIMARY AGRICULTURAL CREDIT SOCIETIES

6.04 The trends in the growth of membership, paid-up share capital, deposits, borrowings, working capital, loan business and the position of overdues of the pacs in the state for the years 1970-71 to 1974-5, are given in Table 1.

TABLE 1

	1970-71	1971-2	1972-3	1973-4	1974-5
1 (a) No. of societies	9884	9875	9873	9812	9651
(b) Of (a), dormant	235	147	181	164	49
2 (a) Membership (lakhs)	20·81	21·56	22·06	22·73	22·78
(b) Indebted membership at the end of the year (lakhs)	NA	NA	NA	15·06	15·15
(c) Defaulting membership at the end of the year (lakhs)	NA	NA	NA	8·64	8·65
					Rs Crores
3 (a) Paid-up capital	16·18	18·96	21·49	23·00	23·60
(b) Of (a), from government	2·46	3·72	4·54	4·76	4·57
4 Owned funds	22·15	25·76	28·93	31·44	32·32
5 Deposits	4·34	4·73	5·21	5·87	5·95
6 (a) Borrowings	77·51	84·29	93·57	95·18	92·16
(b) Of (a), from ccb	76·17	82·76	71·54	93·16	91·07

PRIMARY AGRICULTURAL CREDIT SOCIETIES

TABLE 1 (contd.)

	1970-71	1971-2	1972-3	1973-4	1974-5
7 Working capital	114.73	127.38	143.78	150.43	142.14
8 (a) Loans advanced	51.41	54.18	60.14	55.62	63.06
(b) Of (a), for sao	39.52	43.05	46.64	46.97	52.08
9 (a) Loans outstanding	83.86	91.78	101.25	102.54	104.47
(b) Of (a), short-term	63.65	70.60	75.86	77.57	78.51
10 Loans overdue	35.81	42.96	47.79	54.66	52.81
11 Percentage of 10 to 9 (a)	43	47	47	53	51

The number of pacs has declined by about 200 during the four-year period from 30 June 1971 to 30 June 1975 mainly on account of weeding out of the dormant institutions. The number of dormant societies for the state as a whole as on 30 June 1975 at 49 is negligible. About one-half of these, i.e., 23 are in the Sidhi district alone forming 10 per cent of the total number of societies in that district.

*Coverage*

6.05 The membership of the pacs increased by about 2 lakhs during the last four years to 22.78 lakhs as on 30 June 1975 forming 35 per cent of the cultivating families in the state at 65.15 lakhs. The overall coverage of cultivating families can be deemed as low. The average membership per society worked out to 236 as against the all-India average of 227 as on 30 June 1974. The state average is better than the all-India average not because the coverage of pacs is better but because the area served by an average society in the state is relatively larger. The zone-wise and district-wise position in respect of the coverage of pacs is given in Annexure 37. Zone-wise, the position is slightly better in the Chhatisgarh and Gwalior zones. The districts in which the coverage of cultivating families is 45 per cent or more as also those where such coverage is 30 per cent or less are given in Table 2.

TABLE 2

Districts in which coverage of cultivating families is	
45 per cent or more	30 per cent or less
BZ Khandwa (55), Raisen (45)	Betul (27), Dewas (29), Khargone (26)
CZ Balaghat (45), Durg (50)	—
GZ Bhind (53), Datia (50), Gwalior (57), Shajapur (60), Ujjain (49)	Morena (27)
JZ Chhindwara (46)	Jabalpur (12), Sagar (30)
VZ Chhatarpur (50), Tikamgarh (60)	Rewa (27), Satna (20)
TZ Dhar (56), Jhabua (74)	Bastar (26), Shahdol (25), Surguja (20)

## INTERNAL AND BORROWED RESOURCES

Significantly, the highest coverage has been in the tribal district of Jhabua (74 per cent) followed by Shajapur and Tikamgarh districts (60 per cent each) and Gwalior district (57 per cent). The lowest coverage at 12 per cent is in Jabalpur district followed by Satna and Surguja districts (20 per cent each) and Shahdol district (25 per cent).

6.06 For the state as a whole, 67 per cent of the members are indebted to their respective societies at the end of June 1975. The proportion of indebted membership to total cultivating families, i.e., the effective coverage, for the state as a whole works out to 23.5 per cent. In eleven out of the fourteen districts with coverage of cultivating families of 45 per cent or more (i.e., barring Datia, Gwalior and Chhatarpur), the proportion of indebted membership to the total membership exceeds 70 per cent. These districts can be deemed to have a relatively higher effective coverage. As against this position, the districts of Betul, Morena, Jabalpur, Rewa, Satna, Bastar, Shahdol and Surguja wherein less than 30 per cent of the cultivating families are members of the societies and not even 60 per cent of them are indebted to their respective societies, can be deemed to have relatively lower effective coverage.

### *Internal and borrowed resources*

6.07 The zone-wise and district-wise position of the level of owned funds, deposits, borrowings and working capital of the societies as on 30 June 1975, is given in Annexure 38. The owned funds of the pacs increased by about Rs 10 crores from Rs 22.15 crores as on 30 June 1971 to Rs 32.32 crores as on 30 June 1975. The increase of about Rs 2 crores has been due to additional share capital contributed by the GOMP. The deposits and outstanding borrowings of the societies increased by Rs 1.61 crores and Rs 14.65 crores respectively during the four-year period. The increase in the working capital has been to the extent of Rs 27.41 crores during the same period. The average paid-up capital, deposits, borrowings and working capital per society for each of the six zones and for the state as on 30 June 1975 and for all-India as on 30 June 1974, are given in Table 3.

TABLE 3

	Average per society (Rs lakhs)			
	Paid-up capital	Deposits	Outstanding borrowings	Working capital
BZ	0.35	0.07	1.38	2.05
CZ	0.19	0.07	0.77	1.22
GZ	0.38	0.08	1.42	2.27
JZ	0.25	0.07	1.04	1.62
VZ	0.17	0.02	0.67	0.87
TZ	0.12	0.04	0.45	0.69
MP	0.24	0.06	0.95	1.47
India	0.18	0.06	0.60	1.03

## PRIMARY AGRICULTURAL CREDIT SOCIETIES

The relevant averages for the state as a whole are better than the all-India averages. The averages in respect of the Bhopal-Indore, Gwalior and Jabalpur zones even exceed the respective state averages. The averages for Chhatisgarh zone, which are below the state averages, are more or less on par with the all-India averages. The averages for the Vindhya and Tribal zones are, however, below the respective averages for all-India with the exception of average borrowing per society in respect of the societies in the Vindhya zone.

### *Loan business*

6.08 The zone-wise and district-wise position of the loans advanced by the societies in 1974-5, their loans outstanding as on 30 June 1975 and the position of overdues as on the latter date is given in Annexure 39. The total loans advanced by the societies increased from Rs 51.41 crores in 1970-71 to Rs 60.14 crores in 1972-3, but declined to Rs 55.62 crores in 1973-4. They, however, increased again to Rs 63.06 crores in 1974-5. The increase during the five-year period works out to Rs 11.65 crores and has been solely due to the increase in the loans issued by the societies for seasonal agricultural operations which increased by Rs 12.56 crores from Rs 39.52 crores in 1970-71 to Rs 52.08 crores in 1974-5. Ninety per cent of the societies, i.e., 8,762 out of a total of 9,651, had advanced loans in 1974-5.

6.09 The loans outstanding at the primary level have increased from Rs 83.86 crores as on 30 June 1971 to Rs 104.47 crores as on 30 June 1975, i.e., by Rs 20.61 crores. Bulk of the increase at Rs 14.86 crores has been due to the rise in outstanding short-term loans which increased to Rs 78.51 crores as on 30 June 1975.

6.10 The zone-wise position as also the position for the state as a whole in respect of the average loans outstanding per society as on 30 June 1975 is given in Table 4.

TABLE 4

Average loans outstanding per society as on 30-6-1975 (Rs lakhs)	
BZ	1.50
CZ	0.92
GZ	1.67
JZ	1.19
VZ	0.64
TZ	0.48
MP	1.08



## LOAN BUSINESS

Taking into consideration the above average position, the existing societies in the Bhopal-Indore, Gwalior and Jabalpur zones should not, by and large, find it difficult to reach the average of Rs 2 lakhs per society over a period of 5 years by ensuring an annual growth rate in loan business not exceeding 15 per cent depending on the existing level. Slightly more efforts will be necessary in respect of the societies in the Chhatisgarh zone. But, the average position in respect of the societies in the Vindhya and the Tribal zones falls appreciably short of Rs 1 lakh which may be considered to be the minimum level, as a society with the existing loan business of Rs 1 lakh can hope to reach a level of Rs 2 lakhs over a period of five years with an average annual growth rate of 15 per cent.

6.11 Actually, the re-organization plan implemented in MP in 1966-7 had assumed a society with a loan business of Rs 0.60 lakh as a viable unit. Since then there has been an appreciable increase in the costs of agricultural operations and inputs and, therefore, every unit retained thereafter should have, by and large, reached the level of loan business of Rs 1 lakh, but for various reasons many societies have not been able to reach this level. A statement containing the district-wise classification of societies according to the size of loans outstanding as on 30 June 1975 is given in Annexure 40. Zone-wise summary thereof is given in Table 5.

TABLE 5

	Number of societies	Societies having loan business below Rs 1 lakh	Percentage of col. (2) to col. (1)
	(1)	(2)	(3)
BZ	1406	558	40
CZ	2615	1846	71
GZ	1896	690	36
JZ	1126	739	66
VZ	1045	862	82
TZ	1563	1362	87
	9651	6057	63

In as many as 24 districts more than 60 per cent of the total number of societies have a loan business of less than Rs 1 lakh each. Their names are given in Table 6.

PRIMARY AGRICULTURAL CREDIT SOCIETIES

TABLE 6

		Proportion of the societies with loan business of less than Rs 1 lakh each to the total societies in the respective district (per cent)		
		60 - 75	75 - 90	Over 90
BZ	Betul Hoshangabad		—	—
CZ	Balaghat Bilaspur		Durg (includes Rajnandgaon)	Raigarh
GZ	Datia Morena Rajgarh Shivpuri		—	—
JZ	Sagar Seoni		—	Jabalpur
VZ	Chhatarpur Satna Tikamgarh		Panna	Rewa Sidhi
TZ	Mandla		Jhabua	Bastar Shahdol Surguja

The causes of low level of business of the majority of the pacs in the above 24 districts and in particular the ten in which over three-fourths of the societies have a business of less than Rs 1 lakh each, have been dealt with in Section II.

*Overdues*

6.12 High level of defaults has been a major shortcoming of the primary credit structure in MP. The overdues of pacs at Rs 35.81 crores forming 43 per cent of the loans outstanding as on 30 June 1971 progressively increased to Rs 54.66 crores as on 30 June 1974 and formed 53 per cent of the loans outstanding. However, they declined slightly to Rs 52.81 crores as on 30 June 1975 and formed 51 per cent of the loans outstanding. The percentage of overdues to outstandings at the primary level for the state has exceeded the all-India average at the end of all the preceding five years. The relevant percentage for all-India stood at 42 as on 30 June 1974.

6.13 The district-wise position regarding the proportion of defaulting members to the total indebted members as on 30 June 1975 is indicated in column 11 of Annexure 37. The districts in which the relevant proportion is very high are given in Table 7.

# OVERDUES

TABLE 7

Percentage of defaulting members to indebted members in the respective district as on 30-6-75				
	55 - 60	60 - 75	75 - 90	Over 90
BZ	Betul (59) Khandwa (58)	—	—	—
CZ	Balaghat (59) Rajnandgaon (59)	Bilaspur (75) Raigarh (70) Raipur (70)	—	—
GZ	—	Datia (73) Morena (70) Shivpuri (75)	—	—
JZ	Jabalpur (56)	Damoh (74) Seoni (63)	—	—
VZ	Rewa (55)	—	Sidhi (87) Tikamgarh (81)	—
TZ	Dhar (57)	—	—	Bastar (94) Shahdol (91) Surguja (100)

6.14 The district-wise position regarding the percentage of overdues to total outstandings at the primary level as on 30 June 1975 is given in Annexure 39. The districts in which the relevant percentage is 60 or above are given in Table 8.

TABLE 8

Percentage of overdues to outstandings at the primary level as on 30-6-75				
	60 - 75	75 - 90	Over 90	
BZ	—	—	—	
CZ	Bilaspur (65) Durg (60) Rajnandgaon (60)	—	—	
GZ	Datia (72) Gwalior (64) Morena (71) Shivpuri (74)	—	—	
JZ	Sagar (71)	—	—	
VZ	Rewa (64)	Sidhi (83) Tikamgarh (80)	—	
TZ	—	Bastar (78) Shahdol (86) Surguja (83)	—	

A comparison of the Tables 7 and 8 with Table 6 indicates that the districts having high level of defaults either in terms of the number of defaulters and/or in terms of the aggregate amount of defaults

# PRIMARY AGRICULTURAL CREDIT SOCIETIES

are, by and large, the same as have a large proportion of societies with loan business of less than Rs 1 lakh each. Incidentally, these are also the districts which account for a lower coverage of cultivating families and/or lower indebted membership.

6.15 The proportion of chronic defaults, i.e., overdues over 3 years, to total overdues at the primary level for the state was 35 per cent as on 30 June 1975 as against the relevant percentage for all-India at 18 as on 30 June 1974. Thus, high incidence of chronic defaults is yet another major problem. The district-wise position in this regard is available in Annexure 39. The districts in which there is a high proportion of chronic defaults at the primary level as on 30 June 1975 are indicated in Table 9.

TABLE 9

Proportion of chronic defaults to total overdues at the primary level as on 30-6-75					
	40 - 50	50 - 60	60 - 75	Above 75	
BZ	Khargone (50)	—	—	—	
CZ	Raigarh (46) Raipur (41)	Durg (54)	—	—	
GZ	Guna (42) Raigarh (50) Shivpuri (48)	Datia (52)	Vidisha (63)	—	
JZ	Sagar (49) Seoni (48)	—	—	—	
VZ	Panna (40) Rewa (48)	Sidhi (54)	—	—	
TZ	--	Surguja (51)	Jhabua (65) Shahdol (63)		

On the basis of the data collected at the time of visits to some societies during the course of the field study in the Bastar district to ascertain the problems of tribals and of institutions operating in the district, to which we have referred extensively in Chapter 7, we feel that the Bastar district should be among the districts with high proportion of chronic defaults. However, as per the period-wise classification of the overdues at the primary level as on 30 June 1975 furnished to us by the ccb of the district, chronic overdues form 21 per cent of the total overdues. In view of the above discrepancy we have included Bastar district among the districts about which some additional information has been collected at our instance to facilitate classification of chronic defaults from the view point of their realisability. The analysis of the information so collected with our suggestions to tackle the problem of chronic defaults, are contained in Chapter 7. The problem should be *prima facie* deemed as acute in the ten districts wherein not only

#### FULL-TIME PAID MANAGERS

the proportion of chronic defaults to total overdues but also the proportion of the latter to total outstandings is very high. These districts are Durg, Rajnandgaon (CZ), Datia, Shivpuri (GZ), Sagar (JZ), Rewa, Sidhi (VZ), Bastar, Shahdol and Surguja (TZ).

##### *Full-time paid managers*

6.16 Every ccb in MP is maintaining a cadre for the secretaries of pacs who are in view of the provision for the appointment of an honorary secretary from the members on the Managing Committee, known as managers of the societies or the *samiti sevaks*. To maintain the cadre, all the ccbs have established a cadre fund to which contributions are made by the affiliated societies as percentage of their loan business as also by the concerned ccb. The arrangement suffers from the following disabilities :

- (i) Since the size of the district level cadre fund depends on the size of loan business of the affiliated societies, many ccbs have not been in a position to provide an independent cadre manager to a large number of societies in their districts.
- (ii) The rates of contribution by the societies as also the grades of pay for the managers differ from district to district; the latter being lower in relative under-developed districts reflects on the quality of cadre managers in such districts.
- (iii) Despite the position indicated in items (i) and (ii) above the cadre funds of many relatively less developed districts are in the red on account of either non-recovery of contributions or inadequacy of the contributions received. On the other hand cadre funds of many other relatively developed districts have large surpluses.
- (iv) The managers of societies belonging to the cadre being treated as employees of the concerned ccb, may eventually claim allowances including dearness allowance at the rates admissible to the bank's staff in which case the rates of contributions to be made by the societies and the ccb will need substantial upward revision. Already there is a growing resentment that their emoluments are lower than those of the peons of their respective ccbs.

While we have dealt with the above issues at length and offered our views in Chapter 8, the position regarding the provision of full-time managers for the pacs is given in the following paragraph.

PRIMARY AGRICULTURAL CREDIT SOCIETIES

6.17 The district-wise position regarding the proportion of the number of societies with independent full-time paid managers to the total number of societies in each district, is contained in Annexure 37. All the societies in the districts of Dewas, Raisen (BZ), Shajapur, Ujjain (GZ), Chhindwara, Narsinghpur (JZ), Chhatarpur (VZ) and Mandla (TZ) have independent full-time paid managers. The districts in which the proportion of the societies with independent managers is below 50 per cent as on 30 June 1975 are given in Table 10.

TABLE 10

Proportion of the societies with independent full-time paid managers to the total societies in the district (per cent)								
	40 - 50		25 - 40		10 - 25		Below 10	
BZ	Betul (44)		Hoshangabad (33)		—		—	
	Khandwa (45)							
CZ	—		Balaghat (34)		Durg (18)		Rajnandgaon (8)	
			Raigarh (35)					
GZ	Rajgarh (45)		Morena (39)		—		Bhind (1)	
	Shivpuri (43)		Vidisha (37)					
JZ	—		—		—		Jabalpur (6)	
VZ	—		—		Rewa (18)		Sidhi (nil)	
							Tikamgarh (nil)	
TZ	—		—		—		Bastar (nil)	
							Jhabua (7)	
							Shahdol (2)	
							Surguja (3)	

Barring the districts of Khandwa (BZ), Bhind and Vidisha (GZ), in all the above districts the primary credit structure is relatively weak. The reasons for relative satisfactory recoveries despite large number of societies not having independent full-time paid managers, in the districts of Bhind, Khandwa and Vidisha, which is unlike the general pattern, would be revealed by the reports on the field studies of pacs in the districts.

*General observations*

6.18 The above district-wise analysis of the position of the primary credit structure brings out that while the coverage of pacs in the state

## ON-THE-SPOT STUDIES

is generally poor, it is even poorer in the districts with high levels of defaults either in terms of number of defaults and/or the aggregate amounts of defaults. The size of loan business of societies is also relatively low in such districts and in turn many of the societies do not have independent full-time paid managers. Thus, *prima facie*, it can be said that the high levels of defaults lead to crisis of confidence in co-operative credit institutions which affects their coverage and in turn their ability to increase loan business and support an independent full-time paid manager. However, this is a known malady. The on-the-spot studies of pacs in the state should help to identify the unknown factors which are responsible for high-level of defaults including chronic defaults, low coverage of cultivating families, lower borrowing membership and the overall weakness of the structure in certain areas.

## SECTION II

### ON-THE-SPOT STUDIES

6.19 As already indicated, we had planned to study in detail the working of about 450 pacs in the state at the rate of one society per block. However, not all the blocks, in particular in a few tribal districts, could be covered on account of the non-availability of the records of the society selected or the difficulties in communication as these studies were taken up during the 1975 rainy season. Thus our findings relate to the on-the-spot studies of 409 pacs completed by the officers of the Co-operative Department, the MPSCB, the ccbs and the Indore Regional Office of the Reserve Bank's ACD. The studies cover 68,089 indebted members including 44,770 defaulters.

#### *Coverage*

6.20 As against the coverage of cultivating families of 35 per cent for the state as a whole, the zone-wise position of the overall coverage of pacs whose working was studied, their coverage of small farmers (i.e., those having holdings below 5 acres), scheduled castes and tribes, is given in Table 11.

# ON-THE-SPOT STUDIES

TABLE 11

	BZ	CZ	GZ	JZ	VZ	TZ	Total
1 No. of societies covered by the studies	64	89	79	52	45	80	409
2 No. of cultivating families in the areas served by above societies	36539	68490	61384	33331	34540	64854	299098
3 Of 2 above,							
(a) Small farmers	10806	33794	23714	12656	13542	23113	117625
(b) Scheduled Castes	3499	10420	11183	4613	4799	4128	38647
(c) Scheduled Tribes	6813	11496	3042	6679	3020	36805	66856
4 Membership of the societies at item 1 above	15891	30089	24213	10712	12077	17395	110377
5 % of 4 to 2	43	44	39	33	35	27	37
6 Of 4 above,							
(a) Small farmers	2334	12465	7552	2771	4548	4258	33928
(b) Scheduled Castes	895	4076	4187	1161	1240	1031	12590
(c) Scheduled Tribes	3039	4890	1049	1672	706	9413	20769
7 (a) % of 6(a) to 3(a)	22	37	32	22	34	19	29
(b) % of 6(b) to 3(b)	26	39	37	28	26	24	33
(c) % of 6(c) to 3(c)	45	43	33	25	23	26	31

The overall coverage of cultivating families is relatively better in the three zones, viz., Bhopal-Indore, Chhatisgarh and Gwalior *vis-a-vis* the position obtaining in this respect in the other three zones, viz., Jabalpur, Vindhya and Tribal. While the overall coverage of the societies at 37 per cent is low, their coverage of cultivating families belonging to the scheduled castes and tribes at 33 per cent and 31 per cent respectively is still lower and in so far as the coverage of cultivating families with holdings below 5 acres is concerned, it is the lowest at 29 per cent. In relation to the overall coverage, the coverage of small farmers is particularly poor in the Bhopal-Indore and Jabalpur zones. The same observation holds good in so far as the coverage of scheduled castes cultivating families is concerned in respect of the Bhopal-Indore, Vindhya and Tribal zones. The coverage of tribal cultivators and the overall coverage are more or less on par, though very low, in the Tribal zone. But the coverage of tribal cultivators is lower by about 12 per cent than the overall coverage of 35 per cent in the Vindhya zone. Summing up, it can be said that small farmers and the scheduled caste cultivators have been particularly kept away from the society of their area in the most prosperous zone of the state, viz., the Bhopal-Indore zone. Further, while the coverage of small farmers is more or less on par with the overall coverage in the Vindhya zone, the coverage of scheduled caste and tribal cultivators is very low indicating that the caste barrier is still strong in that zone.

6.21 The reasons for low coverage of pacs in the state as revealed by the field studies are as under :



## COVERAGE

(i) The managements of the societies do not evince any interest in enrolling new members. In fact, during the course of discussions at the time of visits to the societies, it came to light that the members on the managing committees of some societies were not aware that extending the coverage of their institutions formed part of their responsibility. In one extreme case, i.e., of SCS Kali (Khargone) some of the members of the managing committee did not even know that they were on the managing committee of the society.

(ii) In such a situation, the responsibility for undertaking effective steps with a view to widening the co-operative coverage has been solely on the officials like the *samiti sevak*, the supervisor of the ccb, the extension staff of the block and the inspectorial staff of the Co-operative Department. But none of them appear to have put in concerted efforts for the purpose. However, the drive undertaken in the recent months for enrolling small farmers in pursuance of the instructions of the RCS, has shown that initiative in this direction if taken by the above stated officials can receive sufficient response from the non-officials on the managements of the societies.

(iii) Non-member cultivators seemed to be apathetic to join the society of their area for a variety of reasons which could be summarized as below :

- (a) Unscrupulous hold on the institutions of the members of a family or a few high caste cultivators. The cases of LSS Shahawal (Satna) and SCS Chandi (Rewa) can be cited as instances in point.
- (b) Inability of the society of their area to purvey timely and adequate credit and/or extend services like distribution of inputs, controlled commodities and other consumer goods. For example, the societies given in Table 12 which have been able to integrate credit with supplies and services, have very good coverage :

TABLE 12

	Society	Services offered	Coverage of cultivating families (per cent)
1	SCS Chicholi (Betul)	Handles distribution of consumer goods, controlled cloth and fertilizers in addition to the credit business	79
2	SCS Seeti (Balaghat)	-do-	84
3	SCS Gurur (Durg)	-do-	68
4	LSS Narayangarh (Mandsaur)	-do- (The value of sales made by the society in 1974-5 exceeds Rs 2 lakhs)	70
5	SCS Filozpura (Mandsaur)	-do- (The value of sales effected in 1974-5 exceeds Rs 2.50 lakhs)	76

# ON-THE-SPOT STUDIES

- (c) Crisis of confidence emerging from the earlier malpractices, heavy defaults or defaults by the members on the managing committees which spoil the image of society. For instance, the coverage of VSS Shripura (Mandsaur) has been very low and there was practically no increase in its membership in the last 3-4 years mainly on account of a defalcation case pending against the former President and the Honorary Secretary of the society for misappropriation of recoveries. The case of SCS Bhatnavar (Shivpuri) can also be cited as an instance in point. The extent of defaults by the members on the managing committees of the societies also seem to be widespread as may be seen from the data given in Table 13.

TABLE 13

	Societies covered by the study	Societies in which one or more of the members on the managing committees are defaulters	Of col. (2), societies in which either the President or Vice-President or both are defaulters
	(1)	(2)	(3)
BZ	64	7	—
CZ	89	13	7
GZ	79	6	2
JZ	52	8	1
VZ	45	8	5
TZ	80	NA	NA
<b>Total</b>	<b>409</b>	<b>42</b>	<b>15</b>

N.B. It may not be out of context to mention here that as in the case of the Tribal zone, not all the study reports on the societies from the other zones contained information about the defaults by the members on the managing committees of the societies.

(iv) The instructions of the RCS prohibiting disbursement of cash loans to new members who are big farmers having holdings above 10 acres in each case as also his directions to the ccbs not to disburse even the short-term agricultural loans to such members as had borrowed, though for development or investment purposes, from the commercial banks, had acted as a constraint on increasing the membership in the case of the pacs from the Ujjain and Vidisha districts.

6.22 While most of the reasons enumerated in the above paragraph account equally for the low coverage of the scheduled castes and tribes and the small farmers, the field studies have brought out some special reasons for still lower coverage of these categories of farmers, in

#### COVERAGE

particular the small farmers with holdings below five acres each. These are seriatim given below :

(i) The members on the managing committees of the societies as also the officials functioning at the base level do not maintain any liaison or rapport with the economically weak farmers which results in the creation of a feeling in the latter that the society is not for them.

(ii) Adequate representation to small farmers on the managing committees of the societies may help bring about a change in the apathetic attitude of the managements in enrolling small farmers. But, by and large, the byelaws of the pacs do not provide for a specific representation to small farmers on the managements of the societies. Even in five districts, viz., Dhar, Khandwa, Khargone, Raipur and Ujjain, wherein the byelaws of the societies provide that three out of eleven members on the managing committee should be small farmers, the relevant byelaw provisions stands infringed inasmuch as in several cases not only less than three, but also not a single small farmer is on the managing committee.

(iii) Indifference to enrol small farmers as members on the plea that they would not repay their dues in time, is noticed even in areas inhabited predominantly by the scheduled castes or tribes. In such areas although there are cases of majority of the members on the managing committees belonging to scheduled castes or tribes, as the case may be, small farmers among them have no representation on the committees. The case of SCS Jali and LSS Ratanpur located in the tribal pockets of Khargone and Betul districts respectively can be cited as instances in point.

(iv) Enquiries made during the course of the field studies indicated that the absence of contact with small farmers and the lack of extension work to build up such contact have resulted in their not being aware of their rights and privileges including loan, etc., facilities available from the society of their area.

(v) The relatively greater hold of the moneylenders on scheduled castes and tribes and small farmers keeps them away from the society of their area.

(vi) The small farmers depend more on their earnings as labourers rather than from agriculture. In fact, it is not uncommon amongst small farmers to entrust their lands for cultivation to bigger farmers on lease or *batai* (ie., share cropping). This results in minimizing the need to borrow for agricultural purposes and in turn to join the society of their area.

#### ON-THE-SPOT STUDIES

(vii) The size of holdings being small, the entitlement of a small farmer for credit on the basis of the scales of finance adopted for all categories of farmers is also low. As against this position, like every other member, a small farmer is required to contribute towards entrance fees and initial share capital. This being so, he does not find any attraction in approaching the society of his area for the meagre amount of the agricultural loan admissible to him. He may be willing to join the society if there is arrangement for his receiving even a small loan to meet his consumption needs.

(viii) Above all, the types of services needed by the scheduled castes and tribes and the small farmers are not, by and large, catered by the pacs. These categories of farmers put in their own labour for cultivation of crops. They generally approach the money lender or moneylender-cum-trader for meeting their consumption needs. Unless, therefore, the societies maintain an efficient consumers wing by stocking essential items of daily use and provide consumption loans, though in kind to small farmers and farmers belonging to the scheduled castes/tribes, they may not have any incentive to join a society.

6.23 The findings summarized above lead us to one inescapable conclusion that improving the coverage of pacs and, in particular among the scheduled castes and tribes and small farmers will be facilitated if the societies undertook to provide a variety of services and loans. The first task should, therefore, be to reorganize the pacs so as to make them strong and viable units each capable of integrating dispensation of credit with supplies and services and served by an independent full-time paid *samiti sevak*. A provision in the State Co-operative Societies Act or the Rules framed thereunder for universal membership, adequate representation to scheduled castes/tribes and small farmers on the managements of the societies, effective implementation of the relevant provisions safeguarding the interests of the weaker sections, prompt legal action against malpractices, embezzlements and defaults in repayment by the more affluent sections of the community and adoption of a loaning policy to suit their requirements are some of the measures necessary to overcome the apprehensions and suspicions in the minds of small farmers and persons belonging to scheduled castes and scheduled tribes. At the same time, the responsibility for widening the coverage of the pacs particularly among the weaker sections of the community should rest squarely on the extension machinery, the financing bank and above all on the managing committees of the societies themselves. It will not be enough to provide in the law for universal membership. It is important to see that persons belonging to the weaker sections are not only admitted to the membership of the pacs, but are provided

## EFFECTIVE COVERAGE

with credit and other services. Towards this end definite targets of effective coverage should be fixed and progress reviewed from time to time by the RCS and the MPSCB.

### *Effective coverage*

6.24 Simultaneously, the development block agencies as also the state government's Department of Agriculture may have to give special attention to adoption of modern agricultural practices by farmers belonging to scheduled castes and tribes and economically weak category with a view to ensuring that with the help of institutional credit the business of agriculture becomes an economically viable proposition for them. The policy of prescribing a lower ratio of share linking to borrowings in respect of the small, marginal and economically weak farmers has already been adopted by the co-operative credit institutions in MP. Further, the GOMP have introduced a scheme of advancing government loans to small cultivators for purchasing shares in pacs and has allocated initially a sum of Rs 66 lakhs for the purpose. However, only about one-third of this amount has so far been utilized for granting such loans. The co-operative credit agencies may take full advantage of this laudable scheme of the state government and launch a campaign to ensure greater coverage of small and economically weak farmers which in turn would increase the flow of institutional credit to them.

6.25 The zone-wise position of the proportion of members who borrowed loans in 1974-5 to total membership and the proportion of indebted members to total membership as on 30 June 1975 for the various categories of members in respect of the societies covered by the field studies, is given in Table 14.

TABLE 14

	BZ	CZ	GZ	JZ	VZ	TZ	Total
<b>1 Membership of the societies covered by field studies</b>							
(a) Total	15891	30089	24213	10712	12077	17395	<b>110377</b>
(b) Small farmers	2334	12465	7552	2771	4548	4258	<b>33928</b>
(c) Scheduled Castes	895	4076	4187	1161	1240	1031	<b>12590</b>
(d) Scheduled Tribes	3039	4890	1049	1672	706	9413	<b>20769</b>
<b>2 Members who borrowed loans in 1974-5</b>							
(a) Total	6146	6849	9643	2955	2695	3972	<b>32260</b>
(b) Small farmers	789	2228	2832	806	557	706	<b>7918</b>
(c) Scheduled Castes	294	795	1492	209	239	202	<b>3231</b>
(d) Scheduled Tribes	599	714	121	229	22	2119	<b>3804</b>

# ON-THE-SPOT STUDIES

TABLE 14 (contd.)

	BZ	CZ	GZ	JZ	VZ	TZ	Total
<b>3 Percentages of item</b>							
2(a) to 1(a)	39	23	40	28	22	23	<b>29</b>
2(b) to 1(b)	34	18	37	29	12	16	<b>23</b>
2(c) to 1(c)	33	20	36	17	19	20	<b>26</b>
2(d) to 1(d)	20	15	12	14	3	22	<b>18</b>
<b>4 Indebted members as on 30 June 1975</b>							
(a) Total	9824	18487	16900	6085	6027	10766	<b>68069</b>
(b) Small farmers	1380	7530	4624	1550	2249	2656	<b>19989</b>
(c) Scheduled Castes	696	2951	2959	652	657	560	<b>8478</b>
(d) Scheduled Tribes	1960	3210	688	1345	360	6008	<b>13572</b>
<b>5 Percentages of item</b>							
4(a) to 1(a)	62	61	70	55	50	62	<b>62</b>
4(b) to 1(b)	59	60	61	57	49	63	<b>59</b>
4(c) to 1(c)	78	73	71	58	53	54	<b>69</b>
4(d) to 1(d)	64	65	64	81	51	64	<b>65</b>

Hardly 32360 members or 29 per cent of the total membership of the 409 societies at 110377 had borrowed loans in 1974-5. The proportion of members who borrowed loans in 1974-5 to total number of cultivating families in the areas served by the societies covered by the field studies, works out to 10.8 per cent indicating that about one-tenth of the cultivators had raised their crops with financial assistance from the co-operative agencies in 1974-5. The proportion of indebted members as on 30 June 1975 to total membership and the total number of cultivating families is, however, 62 per cent and 23 per cent respectively. Thus, large scale defaults had rendered many members ineligible to borrow afresh.

6.26 The proportion of members who borrowed loans in 1974-5 to total membership is relatively high in the Bhopal-Indore and Gwalior zones. While the relevant proportion is slightly lower than the respective zone position in respect of small farmers and farmers belonging to scheduled castes, it is relatively very low in the case of tribal members in all the zones with the exception of the Tribal zone. However, it cannot be said that cultivators in these categories are being denied credit as the proportion of indebted members in a category to the total membership of that category is more or less on par with the overall proportion. It can be concluded, therefore, that once a cultivator is admitted as a member, he is not denied credit facilities merely because he is a small farmer or a scheduled caste or a tribal.

## Loan business

6.27 The zone-wise position relating to the average amount of loans issued per society and the average loans outstanding per society in

# LOAN BUSINESS

respect of the 409 societies covered by the on-the-spot studies, is given in Table 15.

TABLE 15

		Rs Lakhs			
	Societies studied	Loans issued during 1974-5	Average loans issued per society	Loans outstanding as on 30-6-75	Average loans outstanding per society
BZ	64	74.86	1.17	95.12	1.49
CZ	89	66.92	0.75	124.52	1.40
GZ	79	84.77	1.07	141.46	1.79
JZ	52	31.92	0.61	56.44	1.09
VZ	45	24.54	0.55	46.21	1.03
TZ	80	31.48	0.39	53.39	0.67
Total	409	314.49	0.77	517.14	1.26

The relevant averages are less than the overall averages for the societies in the Jabalpur, Vindhya and Tribal zones. In respect of the Tribal zone the average loan business of societies is less than Rs 1 lakh.

6.28 A statement containing the district-wise and zone-wise position regarding the classification of societies according to (i) the size of loans outstanding as on 30 June 1975 and (ii) the size of credit potential offered by the area of each society in respect of the 409 societies covered by the field studies, is given in Annexure 41. The zone-wise position is given in Table 16.

Table 16

	BZ	CZ	GZ	JZ	VZ	TZ
Societies covered by field studies	64	87	79	52	45	80
<i>Classification according to size of loan business</i>						
Societies having loans outstanding as on 30 June 1975						
Below Rs 75000	25	39	26	22	23	57
Rs 75000 to Rs 1 lakh	6	10	7	9	5	6
Rs 1 lakh to Rs 2 lakhs	19	20	25	16	12	13
Over Rs 2 lakhs	14	20	21	5	5	5
<i>Classification according to the size of credit potential offered by the area of operation</i>						
Societies with credit potential in their respective areas						
Below Rs 1 lakh	7	3	2	6	3	16
Rs 1 lakh to Rs 2 lakhs	12	44	27	18	15	26
Rs 2 lakhs to Rs 2.75 lakhs	13	16	15	8	10	14
Rs 2.75 lakhs to Rs 5 lakhs	16	20	18	14	8	14
Over Rs 5 lakhs	16	6	17	6	9	10

#### ON-THE-SPOT STUDIES

A comparison of the classification of the societies in each zone according to the size of loan business with the classification according to the size of credit potential in the area of operation brings out interesting results. The comparison indicates that a majority of the societies in each zone having a loan business of less than Rs 1 lakh each are non-viable largely on account of the inadequate credit potential of less than Rs 2 lakhs in the area served by each of them. The inadequacy of the potential in the respective areas of operation in the case of a large number of societies may have arisen either on account of the existence of societies more than what the concerned district or block needs or as a result of the maldistribution of the aggregate cropped area in a district or block among the areas of the societies in that district or block. While the proportion of the number of societies with their areas offering inadequate credit potential to reach a level of business of Rs 2 lakhs each (i.e., with potential below Rs 2.75 lakhs each) to the total number of societies covered by the on-the-spot study exceeds 60 per cent in the Chhatisgarh, Jabalpur, Vindhya and Tribal zones, the same is below 50 per cent in the case of the remaining two zones. The district-wise position given in Annexure 41 in this regard, indicates that the societies having no prospect of attaining viability due to lack of adequate potential in the area served exist not only in districts like Balaghat, Bilaspur, Raigarh, Jabalpur, Rewa, Sidhi, Bastar, Shahdol and Surguja known to be having excess societies than what each one of them can support, but also in the districts like Indore, Khandwa, Khargone, Guna, Ujjain, Vidisha, Chhindwara and Damoh which can easily support the existing number of societies. It is also interesting to note that the areas of operation of some societies, particularly in the districts falling in the latter category, offer a credit potential exceeding Rs 2.75 lakhs or even Rs 5 lakhs each. Thus, the re-organization of the primary co-operative credit structure in MP will involve not merely weeding out some societies in areas where they are in excess or alternatively routing long-term credit business through them, but also, and perhaps more so, the re-adjustment of the territorial jurisdiction of the societies with a view to ensuring that the area of operation of each one of them offers adequate potential to enable it to reach a level of credit business of Rs 2 lakhs and attain a viable status.

6.29 We expect that the pacs in the state should by 1979-80 meet two-thirds of the short-term agricultural credit needs which may, by then, rise to Rs 300 crores from the existing level of Rs 275 crores. On the same analogy, if a society is to reach a level of credit business of Rs 2 lakhs at least by 1979-80, its area of operation should in that year offer a credit potential of Rs 3 lakhs which corresponds to the existing credit potential of Rs 2.75 lakhs. Assuming that on an average



## DEFECTS IN LENDING

one-tenth of the gross cropped area served by each society may have the benefit of irrigation facilities, the gross cropped area served by each society may have to be 2000 hectares so that the existing credit potential would work out to Rs 2.75 lakhs for 1800 hectares of un-irrigated land and 200 hectares of irrigated area. We recommend, therefore, that ordinarily a pacs should serve a gross cropped area of not below 2000 hectares. The extent of cropped area served by each society will have to be still higher in areas devoid of irrigation facilities, but lower in areas having relatively better irrigation facilities than assumed above.

6.30 Some major defects in lending noticed during the course of the field studies are summarized below :

Society	Defect
(i) <i>Chhindwara</i>	Adequate time lag was not maintained between the recovery of old loans and issue of fresh finance. In some cases previous dues were shown to have been recovered on the same dates of fresh advances indicating that the recoveries were through book adjustments.
SCS Bheda	
.. Piplanarayanwar	
.. Moadehi	
<i>Rewa</i>	
SCS Barha	Several instances of the members being overfinanced on the basis of 'ghost' acreages or 'ghost' crops, were noticed.
.. Chandi	
(ii) <i>Panna</i>	
BSS Gunour	
.. Birbahi	
<i>Rewa</i>	
SCS Dadar	
<i>Durg</i>	
SCS Anda	Loan documents and related records in respect of loans issued prior to 1969-70 in the form of fertilizers, seeds, etc., by the block agencies were not available. This was the case with many other societies in Shahdo District.
.. Tarra	
<i>Dhar</i>	
SCS Valnera	In a few cases, the whereabouts of the borrowers were not known indicating that these were the cases of 'benami' loans.
(iii) <i>Satna</i>	
SCS Barti	
<i>Shahdol</i>	
SCS Khaira	In 15 cases, cultivators with very small holdings were issued loans for sinking of new wells/purchase of pumpsets which had become overdue on account of overfinancing.
.. Chandaul	
(iv) <i>Durg</i>	
SCS Surgaon	In 37 cases, coercive action against the defaulters could not be pursued as the details of land owned by them were not available with the society.
.. Sarda	
.. Bhategaon	
(v) <i>Dhar</i>	
SCS Mirjapur	
(vi) <i>Durg</i>	
SCS Gurur	

# ON-THE-SPOT STUDIES

The field studies also revealed that, by and large, the societies including those in a co-operatively developed district like Ujjain, are not maintaining any register or record about the land owned and cultivated by their members.

6.31 With a view to curbing the transactions of the type indicated in paragraph 6.30, a closer and more effective supervision over the pacs by the field staff of the ccbs is necessary. Besides, the credit agencies as also the concerned officials of the Department should, in future, take stern action against the erring staff responsible for such malpractices.

## Conversion facilities

6.32 The position regarding extension of conversion facilities by the societies covered by the field studies in a few districts affected by drought during the years 1972-3 to 1974-5, is given in Table 17.

TABLE 17

District	Soci- ties studied	Rs Lakhs								
		1972-3			1973-4			1974-5		
		VA	CA	CG	VA	CA	CG	VA	CA	CG
Durg (including Rajnandgaon)	14	42	1.63	1.63	24	1.48	1.48	74	8.85	8.85
Raipur	23	21	1.06	1.06	22	1.53	1.53	65	9.66	9.63
Seoni	8	93	1.47	1.42	—	—	—	49	0.29	0.27
Rewa	9	—	—	—	86	—	—	88	1.57	1.28
Sidhi	8	—	—	—	43	0.11	0.11	28	—	—
Dhar	13	64	4.05	3.74	—	—	—	36	0.96	0.91
Jhabua	12	38	0.47	0.47	22	0.66	0.66	18	0.11	0.11

VA :: Percentage of villages affected to total number of villages in the district  
CA :: Amount of conversions applied on behalf of the societies covered  
CG :: Amount of conversions given

It may be observed that all the affected cultivators who applied through their societies for conversion facilities in Durg, Sidhi and Jhabua districts and a majority of such cultivators in Raipur, Seoni, Rewa and Dhar districts, were actually given relief by way of conversion of their short-term dues into medium-term loans. But not all the societies, particularly in Rewa and Sidhi districts, whose areas were affected by drought had approached on behalf of their borrower members for conversion loans as may be seen from Table 18.

# OVERDUES

TABLE 18

	1972-3		1973-4		1974-5	
	A	B	A	B	A	B
Durg (including Rajnandgaon)	7	7	4	4	11	9
Raipur	8	8	9	9	20	19
Seoni	8	8	—	—	4	3
Rewa	—	—	3	—	9	5
Sidhi	—	—	2	1	2	—
Dhar	7	7	—	—	5	5
Jhabua	7	6	4	4	2	1
	37	36	22	18	53	42

A - Societies whose areas were affected by drought

B - Societies which had applied for conversion loans

In view of the position indicated above, it can be said that some of the defaults, though not large in proportion to the total overdues, may have arisen on account of denial of relief under the stabilization arrangements, for one reason or the other, to the concerned borrowers who may be otherwise eligible for the same.

## Overdues

6.33 Sixty-six per cent of the indebted members as on 30 June 1975 of the 409 societies covered by the field studies were defaulters, the aggregate amount in default forming 57 per cent of the loans outstanding at Rs 517.14 lakhs. The zone-wise position as on 30 June 1975 relating to the proportion of defaulter members to total indebted members, the extent of total overdues and of chronic overdues, is given in Table 19.

TABLE 19

	Rs Lakhs					
	BZ	CZ	GZ	JZ	VZ	TZ
1 No. of societies	64	89	79	52	45	80
2 No. of indebted members	9824	18487	16900	6085	6027	10766
3 No. of defaulters	5061	14089	9095	4802	4886	6837
4 % of 3 to 2	52	76	54	79	81	64
5 Loans outstanding	95.12	124.52	141.46	56.44	46.21	53.39
6 Loans overdue	46.12	77.50	74.88	36.41	32.02	28.58
7 % of 6 to 5	48	62	53	64	69	54
8 Period-wise classification of overdues						
Below 1 year	19.21	10.55	20.16	13.45	9.29	6.27
1 - 3 years	15.22	32.29	25.40	10.64	8.51	8.42
3 - 5 years	7.31	17.83	18.12	7.51	7.11	5.59
Over 5 years	4.38	16.83	11.20	4.81	7.11	9.31
9 Chronic overdues, i.e., overdues over 3 years	11.69	34.66	29.32	12.32	14.22	14.90
10 % of 9 to 6	25	45	39	34	44	52

## ON-THE-SPOT STUDIES

Whereas the incidence of default both in terms of the number of defaulters as also the amount, can be deemed as high in all the zones, it is the highest in the Vindhya zone and very high in the Chhatisgarh and Jabalpur zones. Further, about one-half of the defaulted amount is locked up in chronic overdues, i.e., overdues over 3 years, in the Chhatisgarh, Vindhya and Tribal zones. The extent of chronic defaults at about one-third of the total is also on the high side in the other three zones. Thus, high levels of the total as also the chronic overdues is a major problem accounting for weakness of the primary co-operative credit structure in MP.

6.34 The field studies revealed that widespread defaults in repayment by the borrower members of the 409 societies were, by and large, wilful and could be attributed to the following reasons:

- (i) Managements of the societies do not evince any interest in the recovery of dues of their institutions. In fact, in a number of cases the members on the managing committees, including the President and Vice-President, were themselves defaulters.
- (ii) The borrowers are not pressed for prompt repayment of their dues before the due date. Several borrower members of SCS Nadana in Rewa district did not know the due date for repayment of the loan taken by them.
- (iii) A drive for effecting recoveries is generally taken up by the field staff not at the time of harvesting and marketing of produce, but after the due date for repayment of loans.
- (iv) Delay in instituting coercive action against the defaulters or delay in the disposal of recovery cases/decrees spoils the overall climate for recovery and in turn paves the way for increasing defaults.

### *Overdues in relation to size of holdings of defaulters*

6.35 The zone-wise position regarding the classification of indebted and defaulting members and the amounts outstanding against and defaulted by them according to the size of holdings in respect of 68089 indebted and 44770 defaulter members of the 409 societies covered by the field studies, is given in Annexure 42. The position regarding the proportion of the number of defaulters in each size-wise group is given in Table 20.

TABLE 20

Holdings (acres)	BZ	CZ	GZ	JZ	VZ	TZ	State
1 Percentage of indebted members in each size-wise group to total indebted members							
10 and above	60	31	41	44	28	43	30

OVERDUES

TABLE 20 (contd.)

Holdings (acres)	BZ	CZ	GZ	JZ	VZ	TZ	State
5 - 10	22	27	30	30	34	31	29
3 - 5	9	20	16	15	24	14	16
below 3	5	21	11	11	3	10	13
Tenants, etc.	4	1	2	—	1	2	2
Total	100	100	100	100	100	100	100
2 Percentage of de-faulter members in each group to total defaulters							
10 and above	60	25	36	47	28	37	36
5 - 10	23	30	31	27	33	30	29
3 - 5	9	21	18	15	27	17	18
below 3	5	23	14	11	12	14	15
Tenants, etc.	3	1	1	—	—	2	2
Total	100	100	100	100	100	100	100
3 Percentage of de-faulter members in a group to indebted members in that group							
10 and above	52	61	46	83	81	56	58
5 - 10	55	83	55	71	79	61	68
3 - 5	50	81	61	80	89	73	74
below 3	48	85	66	80	75	85	78
Tenants, etc.	37	69	54	100	28	99	56
Total	52	76	54	79	81	63	66

The tenant cultivators form hardly 2 per cent of the total indebted members and the small farmers with holdings below 5 acres each together with tenant cultivators form 30 per cent of the total indebted members. As against this position, 49 per cent of the holdings in the state are small and below 5 acres each. The proportion of defaulters in a group to the total defaulter-members and the proportion of indebted members in that group to the total indebted members are more or less the same in respect of all the groups in all the zones with the exception that the former proportion in respect of big farmers (i.e., with holdings above 10 acres each) is lower by about 5 per cent each than the latter proportion in the Chhatisgarh, Gwalior and Tribal zones. Accordingly, in terms of the number of borrowers, big farmers seem to be slightly better paymasters than the other categories of farmers in the Chhatisgarh, Gwalior and Tribal zones, but the same trend is not noticed in the remaining three zones, wherein barring the tenant-cultivators who form a very negligible percentage, the incidence of default among all the categories of the farmers, viz., big (above 10 acres), medium (5-10 acres), small (3-5 acres) and the smallest of small (below 3 acres), is more or less the same. The same finding is confirmed by the comparative position of the percentage of the

# ON-THE-SPOT STUDIES

number of defaulters in a group to the total number of indebted members in that group, available at item 3 in Table 20 above.

6.36 The observation made in the above paragraph is also substantiated by the position regarding the proportion of the amounts of defaults by the defaulters in each size-wise group which is summarized in Table 21.

TABLE 21

Holdings (acres)	BZ	CZ	GZ	JZ	VZ	TZ	State
1 Percentage of loans outstanding against borrowers in each group to total loans outstanding							
10 and above	71	56	62	58	48	62	60
5 - 10	20	21	25	28	32	27	24
3 - 5	6	8	9	9	15	7	9
below 3	2	14	4	5	5	4	6
Tenants, etc.	1	1	—	—	—	—	1
Total	100	100	100	100	100	100	100
2 Percentage of amount of default by defaulters in each group to total overdues							
10 and above	71	46	53	57	45	57	54
5 - 10	20	26	30	27	34	29	27
3 - 5	6	11	11	10	17	9	10
below 3	2	16	6	6	4	5	8
Tenants, etc.	1	1	—	—	—	—	1
Total	100	100	100	100	100	100	100
3 Percentage of amount of defaults in each group to loans outstanding in that group							
10 and above	49	52	45	63	65	49	51
5 - 10	50	77	63	62	74	58	64
3 - 5	46	80	60	75	78	68	71
below 3	47	70	77	77	57	73	70
Tenants, etc.	28	53	50	100	40	92	43
Total	48	62	53	64	69	54	57

# FULL-TIME PAID SECRETARIES

6.37 However, it may be stated that the pacs in some districts from the Chhatisgarh, Gwalior and Tribal zones which are saddled with chronic overdues accounted mainly by medium and small farmers and arising out of the malpractices involved in disbursement of loans prior to 1969-70 in the form of fertilizers, seeds, etc., by the block agencies, are responsible for the finding that big farmers in these three zones are slightly better paymasters.

## *Full-time paid secretaries*

6.38 The need for an independent full-time paid secretary for every society is universally recognized. This can also be substantiated by a comparison of the overall position of the societies covered by the on-the-spot studies from the Ujjain and Vidisha districts in which more or less similar agricultural conditions exist and which are served by efficient ccbs. All the societies covered in the former district have a full-time paid secretary each but none from the latter district falls in this category. Comparative position about some important aspects is given in Table 22.

TABLE 22

	Ujjain district	Vidisha district
Societies covered by field study	4	7
Societies having full-time paid secretary	5	Nil
Coverage of cultivating families of societies at item 1 (per cent)	41	34
% of indebted membership to total membership	82	64
Average loans issued in 1974-5 per society (Rs lakhs)	1.55	1.12
Average loans outstanding as on 30-6-75 per society (Rs lakhs)	3.46	1.47
% of overdues to outstandings as on 30-6-1975	52	32
Credit gap in the areas of the societies at item 1 above as percentage of credit potential	34	56
Societies handling non-credit business	5	1
% of the amount of overdues covered by coercive action to total overdues over 1 year	Exceeds 100	50

The average position of the societies covered by the field study in Ujjain district *vis-a-vis* the position of such societies in Vidisha district is better in respect of all aspects barring the recovery of loans. Whereas the high level of overdues of the societies in Ujjain district is attributed

to substantial damage to crops in 1973-4 although none of the villages was officially declared as affected by drought, the better recovery performance of the societies in Vidisha district has been attributed to the keen interest evinced by their managements and the influence used by the managing committee members to ensure the recovery of dues of their institutions. However, the fact remains that the services of an independent paid secretary for the societies in Vidisha district would help them improve their coverage, meet adequately the credit needs of their area and integrate the dispensation of credit with supplies and services.

*Summary of findings*

6.39 The findings of the on-the-spot studies of the 409 pacs in the state are in brief as under :

(i) The managements of the societies do not evince any interest in enrolling new members and the responsibility in this respect has to be borne by officials like the *samiti sevak*, the supervisory staff of the ccbs and the extension staff of the block agencies and the Co-operative Department.

(ii) Non-member cultivators are apathetic to join the society of their area on account of (a) the inability of the institution to purvey timely and adequate credit and extend services like distribution of inputs and other controlled/consumer goods, (b) the crisis of confidence emerging from the earlier malpractices, heavy defaults or defaults by members on the managing committee, and (c) unscrupulous hold on the institution of a family or few families.

(iii) Comparatively low coverage of small farmers and those belonging to scheduled castes and tribes can be attributed to lack of rapport of the field staff with them, apathetic attitude of managements and/or indifference shown to enrol them as members and inability of the institution to extend the types of services including consumption loans needed by such class of economically weak farmers.

(iv) A provision in the State Co-operative Societies Act or the Rules framed thereunder for universal membership and adequate representation to scheduled castes/tribes and small farmers on the managements of the societies, effective implementation of the relevant provisions of the law, prompt statutory action against malpractices, embezzlements and defaults in repayment particularly by the more affluent sections and the adoption of a loaning policy to suit the requirements of scheduled castes/tribes and small farmers, are some of the steps necessary to remove the misgivings and suspicions in the minds of persons from the



#### SUMMARY OF FINDINGS

weaker sections and to help the pacs to widen their coverage, in particular, among them.

(v) Once a cultivator is admitted as a member he is not denied credit, etc., facilities merely because he is a small farmer or belongs to a scheduled caste or a tribe.

(vi) Widespread defaults have rendered many members ineligible to borrow afresh.

(vii) A large number of societies in all the zones are non-viable because the area served by each one of them does not offer adequate credit potential which may be the result of either the existence of societies more than what the concerned district or block needs or the maldistribution of the aggregate cropped area in a district or block among the areas of the societies in that district or block.

(viii) The re-organization of the primary credit structure in the state will involve not merely weeding out some societies in areas where they are in excess, but also, and perhaps more so, the readjustment of the territorial jurisdiction of the societies with a view to ensuring that the area of operation of each society offers adequate potential to enable it to reach a level of credit business of Rs 2 lakhs and attain a viable status.

(ix) In normal conditions, every society in the state should serve a gross cropped area of not below 2000 hectares. The extent of such area served will have to be still higher in areas devoid of irrigation facilities, but lower in areas having relatively better irrigation facilities.

(x) Some of the defaults, though not large in proportion to the total overdues, may have arisen on account of denial of relief under the stabilization arrangements, for one reason or the other, to the concerned borrowers who may be otherwise eligible for the same.

(xi) High levels of overdues as also the chronic overdues is a major problem accounting for weakness of the primary co-operative credit structure. The widespread defaults in repayment by the borrower members of the pacs are, by and large, wilful.

(xii) Forty-nine per cent of the holdings are small and below 5 acres each. As against this position, small farmers with holdings below 5 acres each together with tenant cultivators form 31 per cent of the total number of indebted members.

(xiii) Big farmers with holdings above 10 acres each seem to be slightly better paymasters than the other categories of farmers in the Chhatisgarh, Gwalior and Tribal zones, but the same trend is not

## STRUCTURE AT THE PRIMARY LEVEL

noticed in the remaining three zones wherein barring the tenant cultivators which form a very negligible percentage, the incidence of default among all the categories of the farmers is more or less the same. The findings thus confirm the observation of the Overdues Study Team that contrary to popular belief small farmers are not necessarily more prompt in repaying their dues than the medium and the big farmers. High level of chronic overdues arising out of some legacies of the past and accounted for by the medium and small farmers, may have been responsible for the finding that big farmers are slightly better paymasters than the other categories of cultivators in the three zones referred to above.

(xiv) The services of an independent full-time paid secretary for a society help it improve its coverage, meet adequately the credit needs of its area and integrate the dispensation of credit with supplies and services.

## SECTION III

### BLOCK-WISE PLAN FOR RE-ORGANIZATION

6.40 In Chapter 4, we have estimated that the pacs in MP with refinance from the co-operative and commercial banks, should be in a position by 1979-80 to meet short-term agricultural credit needs to the extent of Rs 200 crores. At the rate of Rs 2 lakhs per society, the state as a whole can thus support about 10,000 societies. In paragraph 6.29, we have recommended that every society in the state should normally command a gross cropped area of not less than 2000 hectares so that it may have the prospect of reaching the level of business of Rs 2 lakhs within the next 5 years. On this basis also, the state can, for a total gross cropped area of about 212 lakh hectares, support about 10,000 societies. Thus, from the view point of the position for the state as a whole, there does not appear to be, *prima facie*, any need for re-organization of the primary co-operative credit structure in the state.

6.41 However, the on-the-spot studies of the 409 pacs in the state taken up at our instance, have revealed that a number of societies in all the zones in the state may have difficulty in attaining viability largely because their area of operation does not offer adequate credit potential. This state of affairs exists for two reasons, viz., (i) there are societies more than what certain areas can support and (ii) in certain other areas the available cropped area has not been equitably divided amongst the societies in those areas. In view of this position, a block-wise review is called for to determine the exact number of societies which each block

## PLAN FOR RE-ORGANIZATION

in the state should have so that the societies to be continued in each block can be identified and the available gross cropped area properly allocated among their areas of operation. We have referred to the programme of re-organization of societies which the GOMP had carried out earlier bringing down the number of pacs from about 17,000 to about 10,000. We understand that in carrying out this programme the boundaries of the panchayats were taken note of to ensure that the jurisdiction of one panchayat was not divided between two or more societies. In other words, a society covered one or two or even three panchayat areas wholly. In drawing up the revised plan of re-organization of societies on the lines suggested by us we see no objection to keeping in view of the boundaries of the panchayats and, therefore, if the cultivated area in the jurisdiction of one panchayat is not adequate to make the society viable, the society may cover two or even three panchayats so that the total area thus available increases the business potential of the society to more than Rs 2 lakhs. The state has as many as 14057 panchayats. We have later come to a figure of about 7000 for the pacs/fss/ACSS in the whole state. This will mean that on an average one society will cover an area of operation of two panchayats.

6.42 The most appropriate method of determining the maximum number of societies for a block will be to estimate the level of credit business that may be handled by these institutions by 1979-80 in each block and divide the projected level of credit business so estimated by Rs 2 lakhs. The projected level of short-term credit business that may be handled by the pacs in each block will depend on the available credit potential in each block.

6.43 We have in Chapter 1 estimated that the existing short-term agricultural credit potential for the state as a whole at Rs 273.27 crores (rounded off to Rs 275 crores) may rise by about 10 per cent to Rs 300 crores by 1979-80. On the same basis, the level of credit potential in each block in 1979-80 can be placed at 110 per cent of the level of the existing credit potential.

6.44 The next point which needs consideration is to estimate the extent to which the credit requirements will be met by the pacs in each block by 1979-80. Presently credit gaps widely differ from district to district and as a percentage of the existing credit potential range between 34 per cent for Indore and Ujjain districts and 94 per cent for Shahdol district. With the measures suggested by us for streamlining the working of the various ccbs and for introduction of commercial banks to fill in the credit gaps, regional disparities in the dispensation of credit will be by 1979-80 considerably narrowed down, but cannot be altogether eliminated. We are of the opinion that with the best of

# STRUCTURE AT THE PRIMARY LEVEL

efforts during the next five years, the regional imbalances in the flow of credit can be reduced from 60 per cent of the credit potential as at present to 20 per cent by 1979-80 as we expect that by then the credit gaps will be reduced to 20 per cent of the potential in districts in which they are less than 50 per cent, to 30 per cent in the districts in which they are between 50 per cent and 65 per cent and to 40 per cent in the districts in which they exceed 65 per cent and are up to 94 per cent. In short, we expect that the projected level of credit business that will be handled by the pacs in each block in 1979-80 will be as per the district-wise position indicated in Table 23.

TABLE 23

Projected level of credit business that will be handled in 1979-80 by the pacs in the blocks in the districts named below to the extent of			
	80 per cent of the credit potential	70 per cent of the credit potential	60 per cent of the credit potential
BZ	Indore Khandwa Kharagone	Bhopal (includes Sehore) Raisen	Betul Dewas Hoshangabad
CZ	--	Balaghat Raipur	Bilaspur Durg Raigarh Rajnandgaon
GZ	Bhind Gwalior Ujjain	Mandsaur Morena Ratlam Shajapur Vidisha	Datia Guna Rajgarh Shivpuri
JZ	Damoh Narsinghpur	Chhindwara	Jabalpur Sagar Seoni
VZ	—	Satna Tikamgarh	Chhatarpur Panna Rewa Sidhi
TZ	—	Dhar	Bastar Jhabua Mandla Shahdol Surguja

On this basis, the projected level of credit business that will be handled by the pacs for the state as a whole will, as we have indicated earlier, amount to Rs 200 crores as against the estimated credit potential of Rs 300 crores in 1979-80.

PLAN FOR RE-ORGANIZATION

6.45 A statement showing the block-wise position in respect of each of the 457 blocks in the state of the existing number of societies and of dormant societies, the estimated level of credit potential in 1979-80, the projected level of credit business that will be handled by the pacs in the block and the maximum number of societies which the block can support, is given in Annexure 43. According to the data furnished, the Gaurela I and the Gaurela II blocks in Bilaspur district have been treated as one block, viz., the Pendra Road block, for the purposes of this Annexure which, therefore, contains the position of 456 blocks. Of these, 218 blocks have 1756 excess societies, 25 blocks can support all the existing societies and 213 blocks may be in a position to support 2122 additional societies. The names of the blocks in each category can be located from Annexure 43. The district-wise position in this regard is available in Annexure 44. The same is given in brief in Table 24.

TABLE 24

	Districts in which			
	All the blocks have excess societies	Majority of the blocks have excess societies	Majority of the blocks can support additional societies	All the blocks can support additional societies
	(1)	(2)	(3)	(4)
BZ	—	—	Betul Hoshangabad Khandwa Khargone Raisen	Bhopal (includes Sehore) Dewas Indore
CZ	—	Balaghat Bilaspur Raigarh Raipur	Durg (includes Rajnandgaon)	—
GZ	—	Morena	Datia Guna Ratlam Shivpuri	Bhind Gwalior Mandsaur Rajgarh Shajapur Ujjain Vidisha
JZ	—	Jabalpur Sagar	Chhindwara Damoh Seoni	Narsinghpur
VZ	—	Rewa Satna Sidhi	Chhatarpur Panna Tikamgarh	—
TZ	—	Bastar Jhabua Mandla Shahdol Surguja	Dhar	—
Districts in each category	Nil	15	18	12

#### STRUCTURE AT THE PRIMARY LEVEL

Thus, in as many as 33 out of 45 districts, some blocks have excess societies and some others in the same districts can support additional societies. However, the blocks which can support additional societies may not be in geographical contiguity with the blocks which have excess societies. It may not, therefore, be possible to reallocate areas with a view to supporting the existing societies to the extent possible. Besides, since the extension worker at the village level, viz., *Gram Sevak* is required to function under an authority posted at the block level and all the extension programmes are formulated and implemented block-wise, we would not prefer the area of operation of a society to extend to more than the area of one block. In effect, we suggest that in the 218 blocks in 33 districts accounting for excess societies, the existing societies may be so re-organized as to reduce their number by 1756. The societies to be retained in these blocks may be those as have relatively low overdues and lower bad and doubtful assets and the area of each such society may be extended to the area of adjoining societies which are identified for being weeded out. The societies in the latter category may be starved of credit and allowed to meet a natural extinction if they are saddled with heavy overdues and bad and doubtful assets or if their managements are not willing for amalgamation of their institution with the adjoining good working society identified for retention. The society to be retained should enrol and finance non-defaulter members of the societies to be weeded out from its extended area as also the non-member cultivators from the area. Simultaneously, it should be ensured that the extended area of each society identified for retention should be large enough to offer adequate credit potential to enable the institution to attain a viable status as quickly as possible.

6.46 But the point which needs careful consideration is whether it is at all necessary to weed out such a large number of institutions as the present thinking, we have earlier indicated, is in favour of integration of the short-term and long-term credit for agriculture at least at the primary level. In fact, we have suggested in Chapter 3 the integration of the short-term and long-term co-operative agricultural credit institutions operating at the district level, viz., the ccb and the pldb, in Hoshangabad (BZ), Datia (GZ), Sidhi (VZ), Bastar, Shahdol and Surguja (TZ) districts. We proceed on the basis that the routing of long-term credit for agriculture through the pacs in these six districts is inevitable and the experiment can be extended to other districts in due course, i.e., after gaining experience in the above six districts in the course of the next five years. Assuming that the long-term credit business handled by each of the pacs will form one-third of the level of short-term credit business, every block in the six districts in question

PLAN FOR RE-ORGANIZATION

will be in a position to support one society for a short-term credit business of Rs 1.50 lakhs as against Rs 2 lakhs in other districts. On this basis, the number of blocks accounting for excess societies from the above six districts and the number of excess societies will stand reduced as shown in Table 25.

TABLE 25

District	On the basis of one society for a credit business of Rs 2 lakhs		On the basis of one society for a credit business of Rs 1.50 lakhs	
	Blocks having excess societies	Excess societies	Blocks having excess societies	Excess societies
Hoshangabad	3	9	Nil	Nil
Datia	1	2	Nil	Nil
Sidhi	7	108	7	77
Bastar	26	179	22	118
Shahdol	10	97	8	39
Surguja	23	197	18	119
	<b>70</b>	<b>592</b>	<b>55</b>	<b>343</b>

The number of blocks having excess societies stands reduced by 15 to 203, the number of districts from 33 to 31 and the number of excess societies by 244 from 1756 to 1512. The fifteen blocks which no longer have excess societies are given in Table 26.

TABLE 26

District	Block
Hoshangabad	Babai
	Hoshangabad
	Pipariya
Datia	Datia
Bastar	Charma
	Durg Kondal
	Narayanpur
	Usoor
Shahdol	Jaithar
	Pushparajgad
Surguja	Balrampur
	Bhaiyathan
	Manendragadh
	Rajpur
	Shankargarh

## STRUCTURE AT THE PRIMARY LEVEL

Thus, 1512 excess societies in 203 blocks from 31 districts will have to be weeded out. This process will account for 42 out of the 49 existing dormant institutions in the state as the remaining 7 dormant institutions are in blocks which can support the existing or additional number of societies.

6.47 Simultaneously, the number of blocks which can support the existing or additional societies will rise from 238 (including 25 blocks which can support the existing number of societies) to 253 including 26 blocks which can support the existing number of societies. The Jaithar block from Shahdol district will be the additional block which can support the existing number of institutions. The question is whether new societies should be organized or division of existing societies undertaken in the 227 blocks which can support additional societies. This, in our opinion, does not seem necessary as there can be no objection to an already existing society handling a loan business exceeding Rs 2 lakhs. Instead, we suggest that in so far as these 227 blocks as also the 26 blocks which can support the existing societies are concerned, the efforts should be concentrated on reviving the existing seven dormant societies and for re-adjusting the areas of operation of the existing societies with a view to ensuring that each one of them has the prospect of reaching a minimum loan business of Rs 2 lakhs over a period of the next five years. This is absolutely necessary as the on-the-spot studies of societies have indicated that even in the districts like Indore, Bhand, Gwalior, Mandsaur, Rajgarh, Shajapur, Ujjain and Vidisha, which can support additional societies, there are quite a good number of societies whose areas of operation offer a credit potential of less than Rs 2 lakhs each. We would, in fact, like to reiterate that the area of every society identified for retention in the state should offer a credit potential of not less than Rs 2.75 lakhs.

6.48 The implementation of our above recommendations would mean reduction in the number of pacs from 9651 to 8139, i.e., by 1512. The number of societies which each district will have is indicated in Table 27.

TABLE 27

BZ	Societies	CZ	Societies	GZ	Societies
Betul	136	Balaghat	225	Bhind	199
Bhopal (including Sehore)	194	Bilaspur Durg	459 335	Datia Guna	60 181
Dewas	111				
Hoshangabad	172	Raigarh	186	Gwalior	108
Indore	128	Raipur	526	Mandsaur	183



PLAN FOR RE-ORGANIZATION

TABLE 27 (condt.)

BZ	Societies	CZ	Societies	GZ	Societies
Khandwa	214	Rajnandgaon	217	Morena	191
Khargone	262			Rajgarh	155
Raisen	144			Ratlam	103
				Shajapur	146
				Shivpuri	159
				Ujjain	183
				Vidisha	171
	<b>1361</b>		<b>1948</b>		<b>1839</b>
JZ	Societies	VZ	Societies	TZ	Societies
Chhindwara	166	Chhatarpur	151	Bastar	251
Damoh	124	Panna	95	Dhar	218
Jabalpur	221	Rewa	142	Jhabua	121
Narsinghpur	110	Satna	159	Mandla	115
Sagar	196	Sidhi	151	Shahdol	219
Seoni	150	Tikamgarh	128	Surguja	274
	<b>967</b>		<b>826</b>		<b>1198</b>
			<b>Grand Total</b>		<b>8139</b>

6.49 The zone-wise reduction in the number of societies will be as in Table 28.

TABLE 28

	Societies which may have to be weeded out
BZ	45
CZ	667
GZ	57
JZ	159
VZ	219
TZ	365
<b>Total</b>	<b>1512</b>

The districts in which a large number of societies will have to be weeded out are Bilaspur (256), Raigarh (186), Surguja (199), Jabalpur and Bastar (113 each), Rewa (85), Sidhi (77) and Jhabua (62).

6.50 We have indicated in paragraph 5.22 of Chapter 5 that the GOMP has under the Tribal Sub-Plan decided to cover the 172 tribal blocks in 21 districts with special types of societies catering to a variety of services including credit for agriculture and consumption needed by the tribals. These societies will be of two types, viz., (i) *hat* level and (ii) block level. The society of the former type will cover a rural population of 10,000 and the latter will cover an entire block.

#### STRUCTURE AT THE PRIMARY LEVEL

The tribal blocks in the state have, on an average a rural population of 50,000 and the number of *hat* level societies needed in each block may be at the average rate of 5 per block. The state government proposes to organize 19 block level societies and cover the remaining 153 tribal blocks with *hat* level societies. Thus, the total number of special types of societies to be organized will number 784 ( $19 \text{ block level} + 153 \times 5 = 765 \text{ hat level}$ ) as against 1968 viable primaries proposed for the 172 tribal blocks as shown in Annexure 43. The total number of societies will, therefore, further decline by 1184 (1968 less 784) to 6955.

6.51 Our terms of reference require us to identify areas suitable for the organization of fss. We, however, have not made a detailed exercise in this regard as the GOMP, on the basis of guidelines issued by the GOI, have already initiated action for organization of 28 fss in 24 districts in the areas covered by SFDA/MFAL/DPAP or TDA schemes. Each of these fss will cover approximately 10,000 population. The GOI have recently advised the GOMP to organize at least 20 fss in the two districts of Hoshangabad and Raisen for which a new rrb has been formed.

6.52 The GOMP have already initiated action for organization of 2 fss, one in each of these two districts. Thus the GOMP will have to organize additional 18 fss in these two districts taking the total number of fss in the state to 46. But we find that six of these fss have been proposed in the wholly tribal districts of Bastar (2), Dhar (1), Jhabua (1), Shahdol (1) and Surguja (1). For these tribal districts, we have suggested in Chapter 5 the organization of special types of societies, viz., ACSS which will be similar to fss. Hence, in drawing up the block-wise plan of re-organization of pacs, we may take note of only 40 fss leaving those proposed in the wholly tribal districts as indicated above.

6.53 Each fss will cover an area of about 3 viable pacs, as each society of the latter type proposed by us is expected to cover about 600-800 families as against 2000 covered by the fss. The organization of 40 fss will, therefore, reduce the number of pacs for the state as a whole by 80, i.e., from 6955 to 6875.

6.54 What we have given above is only a tentative figure of the various types of pacs that will finally emerge. The actual number will, however, be determined after an assessment of the credit potential block by block and the re-distribution of the areas of pacs which may become necessary for the reasons given by us earlier. We suggest that the MPSCB and the RCS should jointly undertake the exercise in this

## PLAN FOR RE-ORGANIZATION

behalf and complete the whole programme of re-organization according to the time schedule indicated below:

(i) Identification of societies to be weeded out may be completed by the RCS in consultation with the concerned ccbs by 31-12-76.

(ii) The societies so identified should be allowed six months time, i.e., from 1-1-77 to 30-6-77 to go into voluntary liquidation or amalgamate voluntarily with the adjoining society identified for retention.

(iii) If no action is taken or even initiated by the societies within the stipulated time, the RCS may use his statutory powers to bring about the required re-organization and the ccbs should deny fresh finance to such institutions.

(iv) The entire programme of re-organization should be completed by 30 June 1978.

(v) Simultaneously, in so far as the blocks which are to retain all the existing societies are concerned, the Assistant Registrar of each district should draw detailed plans for reallocation of the areas of operation, wherever warranted, secure the approval of the RCS therefor and complete the work before 30 June 1978.

(vi) The organization of fss and of special societies in the tribal belt may be completed in two years, i.e., by 30 June 1978.

6.55 If a concrete programme of re-organization of the primary credit structure on the lines indicated above is drawn up and approved for implementation, we recommend that each one of the re-organized societies may receive government contribution to its share capital at the rate of Rs 10,000 per society, if it has not received such contribution. The amount can be placed at Rs 20,000 per society in the case of the fss, at Rs 25,000 per society in the case of the *hat* level societies and at Rs 75,000 per society in the case of block level societies in the tribal belt. The total contribution will work out to as given in Table 29.

TABLE 29

	Rs Lakhs
19 ACSS of block level type	14.25
765 ACSS of <i>hat</i> level type	191.25
40 fss of smaller model	8.00
6051 viable pacs	605.10
	<b>818.60</b>

#### STRUCTURE AT THE PRIMARY LEVEL

As against this position, the pacs in the state had as on 30 June 1975 received government contribution to their share capital to the tune of Rs 456.85 lakhs. Besides, the RBI has already sanctioned loans for the purpose amounting to Rs 13.77 lakhs inclusive of Rs 1 lakh for 5 fss. The balance contribution necessary will, therefore, amount to Rs 347.98 lakhs. We recommend that the GOMP should make the necessary provision in the state budgets for the years 1976-7, 1977-8 and 1978-9 for the above amount so that by 1978-9 all the societies will have received the required contribution to their share capital from the state government. We also recommend that the RBI may sanction corresponding loans to the GOMP out of its LTO Fund.

6.56 Our recommendations regarding the provision of the services of qualified and trained staff to every society are contained in Chapter 8.

#### *Concluding observations*

6.57 In a state like Madhya Pradesh (or for that matter any other state in our country) where distances are great, communications in rural areas difficult and the number of farmers to be attended to very large, there can be no alternative to channelising agricultural production credit through the pacs which are in a position to operate on a mass basis and keep down the cost of administration and supervision within reasonable limits. It is also important that these institutions operating at the base level are strong enough to integrate the dispensation of credit with supplies of seeds, fertilizers, etc. and extension of services in the form of technical guidance or advice to farmers. It is in this context that the speedy implementation of our recommendations in this chapter is of great significance. For, any laxity in this regard will render it impossible to build the superstructure and to achieve the targeted growth of short-term production credit for agriculture, envisaged by us.

## CHAPTER 7

### PROBLEM OF OVERDUES

7.01 LACK of irrigation facilities, relatively high proportion of the area covered by forests and hilly terrain and the highest proportion among all states of the population comprising scheduled castes and tribes, are some unfavourable factors which have restrained the development of institutional credit for agriculture in MP. However, despite the existence of these factors, the co-operative credit agencies have made notable progress during the decade 1960-61 to 1970-71. The total loans issued at the primary level increased three fold and the loan business of the societies increased four fold during the ten-year period. But the co-operatives have not been able to maintain their expansion of credit since 1970-71 mainly because of the increase in overdues which have since emerged as a major problem.

7.02 The proportion of overdues to loans outstanding at the primary level increased from 18 per cent at the end of June 1961 to 36 per cent at the end of June 1967 and further to 51 per cent at the end of June 1975. In fact, as a result of the high level of defaults, the business of the co-operative credit agencies at all levels has, during the last three years, almost stagnated. If this state of affairs continues, the projected expansion of credit that we have envisaged, will not be achieved even though our block-wise targets in this respect have been fixed after giving due consideration to the existence of the influence of unfavourable natural and other factors in each area.

7.03 The problem of overdues of the co-operative credit institutions in MP can thus be deemed to have assumed such proportions as to create serious doubts about the ability of the institutions to discharge effectively the role assigned to them for ensuring successful implementation of the agricultural programmes. Our terms of reference, therefore, require us to examine the problem in detail with a view to considering the feasibility of re-scheduling the overdue loans in respect of non-wilful defaulters so that the line of credit to institutions and individuals can be re-opened. We are also required to suggest measures including the administrative arrangements necessary for ensuring prompt recovery of the overdues from wilful defaulters.

#### *Magnitude and dimensions of the problem*

7.04 While the bank-wise/district-wise position at the level of ccbs/pacs of the total overdues and the chronic overdues, i.e., overdues over

# PROBLEM OF OVERDUES

three years, as on 30 June 1975 is given in Annexures 13 and 39, the zone-wise position in this behalf at the two levels is given in Table 1.

TABLE 1

	Rs Crores					
	BZ	CZ	GZ	JZ	VZ	TZ
<b>At ccb level</b>						
(1) Total overdues	8.22	11.99	10.58	6.16	4.07	3.18
(2) Chronic overdues	2.65	5.47	5.14	2.08	1.31	1.55
(3) Percentage of (2) to (1)	29	38	35	30	33	40
<b>At pacs level</b>						
(1) Total overdues	9.24	14.37	14.53	6.89	3.77	4.01
(2) Percentage of (1) to outstandings	44	60	46	52	57	53
(3) Chronic overdues	2.65	5.47	5.14	2.08	1.30	1.55
(4) Percentage of (3) to (1)	29	38	35	30	35	38

It will be seen from the above table that the overdues at the ccb level at Rs 4.07 crores are higher than the overdues at the level of pacs at Rs 3.77 crores in the districts in the Vindhya zone. This position appears to have arisen because according to the normal practice, recoveries received from societies have been adjusted at the ccb level towards the payment of interest and only the balance towards principal. The figure of overdues at the level of pacs relates to overdues under principal only as the overdue interest has been shown separately in their respective balance sheets. The total overdues in absolute amount exceed Rs 10 crores each at both the levels in Chhatisgarh and Gwalior zones. The level of overdues can be deemed as high in the case of the Chhatisgarh zone which comprises six districts as against twelve in the latter zone. As a percentage to outstandings at the primary level, the total overdues exceed 50 per cent in the case of the Chhatisgarh, Jabalpur, Vindhya and Tribal zones. In so far as the chronic overdues are concerned they exceed one-third of the total overdues at the levels of the ccbs as well as pacs in the case of all the above four zones barring Jabalpur as also in the Gwalior zone wherein the total overdues at the primary level are within 50 per cent of the loans outstanding. Thus three zones, viz., Chhatisgarh, Vindhya and Tribal can be identified broadly as areas having not only a high level of overdues but also the greater proportion of chronic defaults.

7.05 The districts in which the overdues at the primary level exceed 50 per cent of the total outstanding loans and the proportion of the chronic overdues exceeds 45 per cent of the total overdues, number 11 as shown in Table 2.

# MAGNITUDE AND DIMENSIONS

TABLE 2

	Districts
BZ	—
CZ	Durg, Raigarh
GZ	Datia, Shivpuri
JZ	Sagar, Seoni
VZ	Rewa, Sidhi
TZ	Bastar, Shahdol, Surguja

In addition, in Jhabua district although the total overdues at the primary level at 45 per cent are below 50 per cent of the loans outstanding, the proportion of chronic defaults, which form 65 per cent of the total overdues, is quite high.

7.06 However, what is important is not the size of overdues in amount but their magnitude in relation to, in the first instance, the disposable internal resources comprising the owned funds and deposits of the institutions and secondly their disposable owned funds. Assuming the disposable internal resources at two-thirds of the owned funds and deposits of the institutions, not only the total overdues but also the chronic overdues exceed the disposable internal resources at the level of pacs in as many as thirteen districts mentioned in Table 3.

TABLE 3

	Districts
BZ	Khargone
CZ	Durg, Raipur
GZ	Datia, Rajgarh, Shivpuri
JZ	Sagar
VZ	Rewa, Sidhi, Tikamgarh
TZ	Jhabua, Shahdol, Surguja

The total overdues exceed the total owned funds and deposits of the pacs in all the districts barring Khandwa and Damoh. Even in the case of the latter two districts the total overdues of pacs exceed their internal disposable resources in the respective districts.

7.07 At the level of ccbs the total overdues exceed the entire internal resources in the case of six banks, viz., Durg, Raigarh, Raipur (CZ), Shivpuri (GZ), Panna and Tikamgarh (VZ). The total overdues exceed the disposable internal resources of the respective banks in the case of nineteen banks as shown in Table 4.

TABLE 4

	ccbs
BZ	Barwani, Betul, Raisen
CZ	Balaghat, Bilaspur
GZ	Bhind, Gwalior, Morena, Neemuch, Ratlam, Shujalpur
JZ	Chhindwara, Sagar, Seoni
VZ	Satna, Sidhi
TZ	Bastar, Dhar, Surguja

## PROBLEM OF OVERDUES

In the remaining seventeen banks barring Vidisha, the total overdues exceed the owned funds of the respective banks.

7.08 The chronic overdues of the banks exceed the owned funds of the respective banks in the case of nine banks, viz., Barwani (BZ), Durg, Raigarh, Raipur (CZ), Guna, Shivpuri (GZ), Jhabua, Shahdol and Surguja (TZ). There are twelve other banks in which the chronic overdues exceed their respective disposable owned funds. They are given in Table 5.

TABLE 5

	ccbs
BZ	Betul
CZ	Bilaspur
GZ	Datia, Morena, Raigarh
JZ	Sagar, Seoni
VZ	Panna, Sidhi, Tikamgarh, Vindhya
TZ	Dhar

7.09 The above analysis indicates that the problem of high level of defaults is acute throughout the state with the exception of Vidisha district inasmuch as not only the overdues at the primary level exceed the internal disposable resources of the institutions but also the overdues at the level of ccbs exceed the owned funds of the respective banks.

7.10 Another disquieting feature is the high proportion of chronic defaults which exceed 35 per cent of the total overdues at the primary level for the state as a whole and the relevant proportion is higher than the state average in the Chhatisgarh, Vindhya and Tribal zones. The problem of chronic overdues can be deemed as relatively acute in districts wherein, (i) such defaults at the primary level exceed not only, say, thirty per cent of the total outstandings but also the internal disposable resources of the institutions and (ii) the chronic defaults at the level of ccbs exceed the disposable owned funds of the respective ccbs. On this basis the level of chronic defaults can be considered as high in the eleven districts mentioned in Table 6.

TABLE 6

	Districts
BZ	Khargone
CZ	Durg, Raigarh
GZ	Datia, Shivpuri
JZ	Sagar
VZ	Rewa, Sidhi
TZ	Jhabua, Shahdol, Surguja



# MAGNITUDE AND DIMENSIONS

In the case of Bastar district the period-wise classification of overdues at the level of pacs and ccb furnished to us indicates that the chronic defaults are within 20 per cent of the total overdues at each level. However, the accuracy of the above data is doubtful inasmuch as information gathered in this regard during visits, taken up at our instance, to some branches of the Bastar bank and a few societies in the district revealed that the problem of chronic defaults is quite acute in this district also. The relevant data collected during the study are given at appropriate place in this chapter. We, therefore, add Bastar as the twelfth district to the list of eleven districts given in Table 6.

7.11 The existence of the high proportion of chronic defaults not only affects adversely the flow of credit but also the ability of the ccbs to mop up deposits in the area because of a somewhat tarnished image. This is evident from the data in respect of the ccbs serving nine out of twelve districts identified as having acute problem of chronic overdues. The relevant data are given in Table 7.

TABLE 7

ccb	Rs Lakhs					
	Deposits as on 30 June			Loans issued during		
	1973	1974	1975	1972-3	1973-4	1974-5
Raigarh	35.03	39.08	44.49	75.97	79.51	81.06
Datia	10.97	14.31	28.23	24.73	17.26	34.62
Shivpuri	55.49	65.69	75.29	54.46	56.04	56.86
Sagar	61.46	89.53	96.60	179.02	157.53	172.30
Sidhi	28.55	28.65	32.35	18.35	26.33	19.16
Vindhya	41.59	61.31	63.17	68.52	101.82	65.69
Bastar	39.71	42.51	48.90	59.10	25.78	4.84
Shahdol	26.46	24.57	31.92*	26.18	32.07	20.71
Surguja	37.37	39.55	39.17	63.53	61.39	7.96

\* Excludes long-term deposit from GOMP at Rs 32.60 lakhs since treated as a loan

The above position brings out that unless the problem of chronic defaults is effectively tackled, it may not be worthwhile to rely on the concerned ccbs for adequately meeting the credit needs of their respective areas.

7.12 The high level of chronic defaults signifies the presence of large amounts as overdue interest since the recovery of interest itself becomes difficult in the case of such defaults. Resultantly the earning

# PROBLEM OF OVERDUES

capacity of the concerned bank is greatly eroded thereby making it impossible for it to build up reserves. The relevant data for the year 1973-4 readily available in respect of four ccbs are given in Table 8.

TABLE 8

	Rs Lakhs			
	ccb			
	Vindhya	Bastar	Shahdol	Surguja
(1) Interest receivable on loans	18.94	11.07	14.02	4.55
(2) Balance of profit	6.05	0.97	0.44	2.97
(3) Amount available for appropriation	Nil	Nil	Nil	Nil
(4) Loans outstanding	112.20	118.03	71.70	68.81
(5) Percentage of (3) to (4)	Nil	Nil	Nil	Nil

While the position analysed in the above paragraphs is no doubt critical in areas having high incidence of chronic defaults, it should not be construed that chronic defaults alone affect adversely the ability of a ccb to mobilize resources, expand loan business and earn sizeable profit, as the existence of high level of overdues also leads to these shortcomings, though to a smaller extent. For instance, the analysis contained in Chapter 3 indicates that the performance of a majority of the ccbs in the spheres of deposit mobilization and meeting adequately the credit needs of the areas served, has been poor *vis-a-vis* the all-India position in these respects. Besides, many banks in the state have not been able to declare dividend in the recent years. The gravity of the problem may, therefore, require an assessment of the causes of overdues.

## *Causes of overdues*

7.13 The field studies of 409 pacs taken up at our instance have revealed that the defaults in all the zones have been by and large, wilful and the instances of a borrower incurring default on account of denial of relief under stabilization arrangement in a year of natural calamity are proportionately insignificant. These studies have also indicated that the incidence of default is of the same degree among the big farmers, medium farmers, small farmers and the smallest of the small farmers. A comparison of the level of overdues at the primary level in a district affected by natural calamity in two out of last three years with the relevant position in the case of a district not at all affected by such calamity in respect of each of the six zones furnished in Table 9 also confirms that there is no positive correlation-ship between the incidence of overdues at the pacs level to the frequency and extent of natural calamity in the district.

# CAUSES

TABLE 9

District	% of villages affected by natural calamity to total villages			% of over-dues to total outstandings as on 30-6-75
	1972-3	1973-4	1974-5	
BZ Bhopal	1.9	—	—	50
Betul	79.2	—	9.3	46
CZ Raigarh	10.7	2.4	12.0	56
Raipur	19.8	20.6	61.7	56
GZ Morena	—	—	—	71
Mandsaur	—	18.5	—	47
JZ Sagar	0.4	—	—	71
Chhindwara	33.6	—	17.4	48
VZ Tikamgarh	—	8.6	—	80
Rewa	3.4	90.7	93.1	64
TZ Bastar	19.3	19.3	2.7	78
Jhabua	38.0	41.5	17.6	45

7.14 We have not attempted to establish the relationship of overdues with the extent of the area irrigated or un-irrigated and that under cash crops or food-crops as irrigation facilities throughout the state are relatively poor, e.g., the gross irrigated area constitutes only 8 per cent of the total cropped area in the state as against the all-India percentage of 23 and as agriculture is dominated by food-crops throughout the state. The existence of chronic defaults is, however, a peculiar problem in MP warranting not only close examination but also serious consideration.

## Special studies

7.15 In view of the heavy incidence of chronic defaults in as many as twelve districts mentioned in paragraph 7.10 which may cripple the co-operative credit institutions in those districts, we decided that the officers of the Team's secretariat should undertake two special studies, the first in Rewa district to ascertain the causes of the stagnation of the co-operative credit movement in that district and the second in Ujjain district to ascertain the causes of relative success. The studies were completed in September and October 1975 respectively under the supervision of the Team's Member-Secretary. While the study in Rewa district as also the special study in the tribal districts of Bastar and Jhabua referred to later have brought out that the chronic defaults could, by and large, be attributed partly to certain extraneous factors and partly to negligence of the then managements of the credit institutions, the study in Ujjain district has indicated that prompt and effective action for the recovery of dues, either by way of persuasion or coercion and without fear or favour, can retrieve the position of the institutions.

# PROBLEM OF OVERDUES

## Study in Rewa district

7.16 The study in Rewa district indicated that the business of the ccb and pacs in the district had stagnated mainly on account of heavy overdues which resulted in the inability of the bank to secure adequate credit limits from the MPSCB and the RBI. The position of the overdues of the Vindhya ccb in relation to demand for the years 1972-3 to 1974-5 with relevant break-up in respect of all types of facilities extended by it, is given in Table 10.

TABLE 10

	Percentage of overdues to demand as on 30 June		
	1973	1974	1975
Short-term agri. loans (Normal)	29	37	36
(do) (Taccavi)	54	67	76
Medium-term agri. loans mainly out of taccavi funds	64	88	91
Overall position	45	52	54

The unsatisfactory overall position of recoveries is in order of seriousness, attributed to (i) incidence of chronic defaults, (ii) inability to extend relief under stabilization arrangements to all affected borrowers in 1973-4 and 1974-5 when drought conditions were widespread and (iii) lack of arrangements to extend similar relief to borrowers of short-term *taccavi* loans. Medium-term *taccavi* loans issued prior to 1969-70 account for two-thirds of the chronic defaults and as their recovery has not been forthcoming, the overall level of the overdues of the bank as percentage to demand has assumed an alarming proportion.

7.17 At the level of the societies, chronic overdues at Rs 30.99 lakhs form 48 per cent of the total overdues at Rs 64.28 lakhs as on 30 June 1975. An assessment made by the Vindhya ccb through its supervisory staff of the overdues over three years at the primary level as on 30 June 1974, revealed the position as shown in Table 11.

TABLE 11

	Default- ers	Rs Lakhs		
		Amount		
		Principal	Interest receivable	Total
(a) Overdues over 3 years as on 30-6-74 at the primary level	4237	24.74	24.45	49.19

# STUDY IN REWA DISTRICT

TABLE 11 (contd.)

(b) Of (a) above, amount covered by cases in respect of which loan documents are not available and/or repayments have been misappropriated	2856	16.50	20.17	36.67
(c) Of (b) above, amount covered by cases in respect of which either records of the concerned societies have been destroyed or records are with the police on account of alleged embezzlements of the funds of the societies	2163	10.06	15.33	25.39

7.18 Enquiries made during the course of the field study brought out that although MP was, perhaps, the first state to implement the policy of channelling *taccavi* funds through the co-operative credit structure, such loans issued in the initial years, i.e., prior to 1969-70, were not subject to the same discipline as observed by the credit agencies in respect of their normal agricultural loans. For instance, in Rewa district medium-term *taccavi* loans amounting to Rs 49.56 lakhs were disbursed in 1963-4 and 1964-5. The disbursement was entrusted to the block agencies without bringing the ccb in the picture and on the basis of disbursement lists furnished by them, the ccb and the pacs were required to pass the necessary entries in their books as also ensure completion of the loan documents for the disbursements so made. Firstly, the loans were largely misutilized. Secondly, many cultivators denied the receipt of the amount shown to have been disbursed to them and, therefore, the necessary documents could not be got completed from them. Thirdly, there was a general feeling that the loans were not required to be repaid. Above all, the chaotic conditions that prevailed gave scope for large scale misappropriations/embezzlements by the managements of the societies. Several instances of misappropriation of the loan amounts or the recoveries by the office bearers or *samiti sevaks* have come to light. In as many as eleven societies, complete records were either burnt or disposed of obviously with a view to destroying the evidence of misappropriation. The result has been that chronic defaults have occurred in respect of not only medium-term *taccavi* loans but also other types of loans. Thus, the chronic overdues at the level of the societies and in turn of the ccb in Rewa district are a legacy of these misdeeds.

7.19 The above sins of the past have greatly affected the image of co-operative credit institutions in Rewa district. The membership of the pacs in the district which rose by about 9,000 during the five-year period ending 30 June 1970, increased by about 3,000 only during the subsequent five years ending 30 June 1975. Since the existing coverage

## PROBLEM OF OVERDUES

of cultivating families of the pacs in the district is 27 per cent only, there is enough scope for increasing the membership of the societies. However, it may not be possible to tap this available potential adequately unless the line of credit to institutions and individuals is re-opened.

### *Study in Bastar district*

7.20 As in the case of Rewa district, high level of defaults has been the major cause of stagnation in business of the ccb and pacs in the tribal district of Bastar. At present the overdues of pacs in the district form 78 per cent of the total loans outstanding. The deterioration of position in this respect seems to have occurred during 30 June 1966 to 30 June 1971 inasmuch as the overdues at primary level as percentage of outstandings more than doubled during the period. Reportedly, the main cause of this deterioration was the indiscriminate disbursement of *taccavi* loans in the form of paddy seeds and fertilizers by the block agencies in 1966-7 and again in 1969-70 and the resultant malpractices/misappropriations that occurred as in the case of Rewa district.

7.21 However, as per the period-wise classification of the overdues at the primary level as on 30 June 1975 furnished in the relevant pro-forma prescribed by us, the chronic defaults form hardly 20 per cent of the total overdues. We have reason to doubt the accuracy of this data as the information obtained in this regard during visits to some branches of the ccb and a few societies during the course of the field study revealed a much different picture as may be seen from Table 12.

TABLE 12

Branch/Society visited	Societies affiliated	Rs Lakhs	
		Overdues as on 30-6-1975 at society level	
		Total	Of which over 3 years
<b>Branches</b>			
Dantewada	23	5.76	4.40
Sukma	16	4.13	2.02
Kondagaon	36	5.91	2.42
Narayanpur	13	1.19	0.30
<b>Societies</b>			
Sukma S.S.	—	0.47	0.37
Dantewada S.S.	—	0.45	0.33
Pandripari S.S.	—	0.26	0.10

# STUDY IN BASTAR DISTRICT

We proceed on the basis, therefore, that a detailed scrutiny to trace the original date of every loan, which will bring out the correct position of the period of defaults, should indicate that the high level of chronic defaults is also a major problem in Bastar district.

7.22 The visits to the bank's branches during the course of the field study also gave some indication of the quantum of defaults at the primary level. The position in this regard is given in Table 13.

Table 13

Branch	Rs Lakhs						
	Overdues at primary level as on 30-6-75		Award cases filed		Award cases not filed		Average amount of default (in rupees) in respect of defaulters in col. (4a)
	Defaulters	Amount	Defaulters	Amount	Defaulters	Amount	
(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5)
Dantewada	2217	5.76	453	4.54	1764	1.22	69
Sukma	1468	4.13	381	3.90	1087	0.23	21
Kondagaon	3214	4.71	1081	2.88	2134	1.83	86
Narayanpur	798	1.19	530	0.86	268	0.33	123

In Sukma branch the average amount of default in respect of cases not covered by coercive action works out to hardly Rs 21. It was stated that in many cases the defaults range between Rs 10 and Rs 15. In respect of other three branches the relevant average is relatively on the high side. But in the case of these branches also it was stated that in many cases the defaults are for Rs 50 or below. Besides, it was indicated that the defaults for paltry sums were in respect of tribal members many of whom have disputed the receipt of loans. In view of the small amounts involved in defaults, coercive action was not launched in these cases because the fees for filing award cases and execution petition would together work out to Rs 12.50 in each case.

7.23 Some indication of the number of loan cases at the primary level wherein either the loan documents were not available or recoveries supported by *pucca/kaccha* receipts had been *prima facie* misappropriated (which are locally known as *farji* loan cases) was available during the visits to the branches of the central bank. The information in this behalf is given in Table 14.

# PROBLEM OF OVERDUES

TABLE 14

Branch	Rs Lakhs			
	Overdues at primary level as on 30-6-75		Farji loan cases	
	Defaulters	Amount	Defaulters	Amounts
Dantewada	2217	5.76	35@	0.21@
Sukma	1468	4.13	816	0.68
Kondagaon	3214	4.71	634	0.69
Narayanpur	798	1.19	202	0.16

@ Figures do not include cases wherein loan documents were not available but relate only to misappropriation of recoveries

The above information in respect of four out of 16 branches of the bank is a rough indication that a large number of defaulters at the primary level most of whom are reportedly tribals, are the victims of malpractices resorted to by others.

7.24 The study in Bastar district thus leads to another important finding that the amount of default in several cases is so small that the expenditure on coercive action as also the time and energy of the concerned staff may not be worthwhile.

## Study in Jhabua district

7.25 As in the case of Rewa and Bastar districts, the study in the tribal district of Jhabua brought out that the chronic defaults, which form two-thirds of the total overdues at Rs 45.46 lakhs at the primary level, related to the period prior to 1969-70. The defaults are mainly by tribal members. In the case of non-tribals, the defaults are for relatively higher amounts. It was stated that in respect of loans issued in the form of fertilizers/seeds in 1964-5 or earlier by the block agencies, the branches of the ccb and the pacs had booked the loan transactions on the basis of lists furnished by the block agencies on which the acknowledgements for receipt of fertilizers/seeds of the concerned cultivators were not available. No documents existed in respect of these loan transactions. Even in the later years, although the loan documents and complete records were available, the defaults had mainly arisen reportedly as a result of dumping of fertilizers at the insistence of the government agencies. These fertilizers were obviously not properly utilized. Besides, it was stated by the supervisors/branch agents of the bank that many defaulters, particularly tribals, in respect of fertilizer/seed loans were aggrieved inasmuch as full or part quantity of fertilizers/seeds shown as issued to them,



## NON-WILFUL DEFAULTS

had actually not been received by them. Further, in several cases of tribal defaulters, the defaults under principal were for less than Rs 50 and in some cases amounted to as low as Rs 11. In such cases coercive action had not been resorted to by the ccb.

### *Future course of action*

7.26 In addition to the extraneous factors accounting for chronic defaults, the study in Rewa district has brought out that the cultivators in the district which was extensively affected by drought in 1973-4 and again in 1974-5 could not get the benefit of relief under stabilization arrangement because the central bank of the district was not in a position to extend conversion facilities in 1973-4 and such facilities extended by it in 1974-5 were, as a proportion to the total amount due for conversion, meagre. The on-the-spot studies of 409 pacs have also shown that some defaults at the primary level, though not large in proportion to the total overdues, had arisen because the concerned borrowers were, for one reason or the other, denied relief under the stabilization arrangements although they were entitled for it. Such type of defaults have been categorized as Non-wilful by the Overdues Study Team. We have no reason to take a different view in the matter.

7.27 In the light of the broad analysis contained in earlier paragraphs, the overdues of the co-operative credit institutions in MP can be broadly classified into three categories, viz., non-wilful, chronic and wilful. The importance of solving the problem in the interest of rehabilitation and revival of the institutions and their borrowers cannot be undermined as we expect these institutions to play a much greater and effective role in supporting agricultural development in the state. Recognizing the urgent need for remedying the situation, we have offered certain practicable solutions in respect of each of the above categories of defaults.

### *Non-wilful defaults*

7.28 A non-wilful defaulter has been defined by the Overdues Study Team as one who could not repay his dues for reasons beyond his control and in whose case the stabilization assistance which was introduced to meet such a contingency was unfortunately not extended. In Maharashtra a rehabilitation programme aimed at providing relief to non-wilful defaulters, who had incurred defaults during the drought years 1970-71 to 1972-3, was implemented during April-June 1973. The Overdues Study Team observed that the cultivator-borrowers in other parts of the country were also denied stabilization loans for one reason or the other. Besides, relief in the second consecutive year of calamity was, by and large, never given. The Team, therefore,

# FUTURE COURSE OF ACTION

recommended a rehabilitation programme to provide relief to all defaulters with cultivated holdings in villages affected by natural calamity in one or more years during the three-year period 1970-71 to 1972-3. The details about the criteria adopted by the Overdues Study Team for defining a non-wilful defaulter and the nature and extent of relief suggested by it, are contained in Annexure 45.

7.29 The above recommendation of the Overdues Study Team was not implemented in MP presumably because the crop conditions were normal throughout the state in 1970-71 as also in 1971-2. A statement showing the district-wise position of the number of villages affected by natural calamity in the state in each of the years from 1968-9 to 1974-5, is given in Annexure 46. It will be seen therefrom that relatively bad agricultural years for 12 and 18 districts in the state in 1968-9 and 1969-70 respectively, were followed by two normal years. The drought conditions were relatively widespread in 1972-3 and again in 1974-5. The districts in which more than 25 per cent of the total number of villages were affected by drought during the period 1972-3 to 1974-5 are given in Table 15.

TABLE 15

Districts in which more than 25 per cent of the villages were affected by drought in				
	1972-3		1973-4	
BZ	Balaghat (41)	—	—	—
CZ	Durg (includes Rajnandgaon) (42)	—	—	Balaghat (45) Bilaspur (32) Durg (includes Rajnandgaon) (74) Raipur (65)
GZ	—	—	—	—
JZ	Chhindwara (34) Seoni (93)	—	—	Seoni (49)
VZ	—	Rewa (86) Sidhi (43)	Panna (38) Rewa (88) Satna (61) Sidhi (28)	
TZ	Dhar (64) Jhabua (38) Mandla (78)	Jhabua (41)	Dhar (36) Shahdol (49)	

NB: Figures in brackets indicate the percentage of the villages affected by drought to total number of villages.

The above data indicate that, by and large, the districts from three zones, viz., Chhatisgarh, Vindhya and Tribal were affected by drought during 1972-3 to 1974-5. Durg, Raipur (CZ) and Jhabua (TZ) are the only three districts in which more than 15 per cent of the villages

#### NON-WILFUL DEFAULTS

were affected by drought in each of the three years 1972-3 to 1974-5. The scarcity conditions were, however, quite widespread in as many as 14 districts mentioned in Table 15 at least in one or two years during the three-year period 1972-3 to 1974-5.

7.30 Since a large number of affected borrowers may not have approached their society for conversion facilities and since not all who approached, received such relief, we are in agreement with the Overdues Study Team that relief is called for in the case of all such defaulters as were affected by famine and whose defaults are on account of denial of stabilization loans to them for one reason or the other.

7.31 The next question is what should be the criteria for defining a non-wilful defaulter in so far as MP is concerned. The crop conditions in the state were normal in 1970-71 as also in 1971-2. Thus, the cultivators affected by natural calamity in 1968-9 and/or 1969-70 had received the benefit of two successive normal years for clearing their earlier defaults. The incidence of drought was, however, widespread in as many as fourteen districts in the state in one or more years during the period 1972-3 to 1974-5. We, therefore, recommend that all defaulters with cultivated holdings in villages affected by natural calamity in one or more years, i.e., where the *annewari* declared was 6 annas or less, during the three-year period 1972-3 to 1974-5 should be considered as non-wilful and eligible for relief under a rehabilitation programme, provided their defaults had occurred during the period November 1972 to June 1975, with the exception of the following categories of borrowers :

- (a) those who have either deceived the society by showing false landholdings or crops with a view to securing more credit than they would have been otherwise eligible for or have been issued fresh finance although they were in default to their society;
- (b) those who had obtained loans for cash crops like sugarcane, irrigated cotton and groundnut in conjunction with other crops provided the income from the former is at least 75 per cent of their gross agricultural income;
- (c) those whose gross agricultural income is above Rs 5,000 per annum; and
- (d) those who are income-tax assesseees.

The exclusion of defaulters in category (d) is necessary to deny relief to those who no doubt may have small holdings and, therefore, low

## FUTURE COURSE OF ACTION

agricultural income, but in actual fact are having non-agricultural income of taxable level and are relatively affluent.

7.32 Assuming the repaying capacity of a borrower at 58.33 per cent (60 per cent for convenience of accounting) of the value of gross produce, the Overdues Study Team made an exercise to decide on the nature and extent of relief which might be given to non-wilful defaulters which is given in Annexure 45. We suggest adoption of the recommendations of the Overdues Study Team in this behalf, subject to certain minor modifications which are necessary as a different period has been reckoned to define a non-wilful default. Accordingly, we recommend that in the case of MP the nature and extent of relief to non-wilful defaulters defined in paragraph 7.31 may be as under:

(i) *Default under one loan*

If the default is in respect of only one short-term loan, the amount may be converted into three-year medium-term (rehabilitation) loan. The annual repayments in respect of this loan together with the repayment of fresh short-term loan for current agricultural operations will be well within the borrower's repaying capacity.

(ii) *Default under two loans*

A member might have borrowed a short-term as well as a medium-term loan in a year and if that year was affected by natural calamity and if the member was not granted conversion under the normal stabilization arrangements, the default might be subsisting under both the loans. A six-year rehabilitation loan will be required to accommodate within the repaying capacity, the aggregate burden in respect of those two loans as well as the short-term loan for current agricultural operations.

(iii) *Default under three loans*

If the natural calamity recurs for the second consecutive year and the borrower is granted conversion facilities in the first year but denied rephasing facilities in the second year, the default might be in respect of three loans, viz., a conversion loan, a short-term loan and a medium-term loan, the latter two having been borrowed in the second year of natural calamity. In such a situation, 50 per cent of the conversion loan, the earliest loan in point of time, may have to be written off and the aggregate of balance of this loan and the remaining two loans can then be rescheduled as a seven-year loan which will keep the annual repayments within the repaying capacity.

## NON-WILFUL DEFAULTS

### (iv) *Default under four loans*

If the calamity was for three successive years and if the borrower was granted conversion facilities in the first year followed by rephasing facilities in the second year, but denied rescheduling facility in the third year, the default can be, though it may merely be a theoretical proposition, under four loans, viz., three short-term loans including the one not converted in the third year and a medium-term loan. In such an extreme case the write off may have to be for (i) the full amount of the first conversion loan and (ii) 50 per cent of the second conversion loan. If this is done, the balance of the overdue loans can be rescheduled as a seven-year loan.

### (v) *Part repayment of defaulted amount as pre-condition for relief*

The current year (1975-6) is a normal year from the view-point of agriculture throughout the state. Besides, most of the defaulters eligible for relief might have enjoyed the benefit of one or two normal year or years during the three-year period 1972-3 to 1974-5. Such of those as are eligible for inclusion under the rehabilitation programme, but have also enjoyed the benefit of one or two normal years during the three-year period 1972-3 to 1974-5, should pay at least 25 per cent of the aggregate principal amount under default together with overdue interest (but excluding penal interest) to be eligible for relief as indicated at items (i) to (iv) above. However, if the aggregate payment as above exceeds 60 per cent of the value of gross produce of the concerned defaulter, that part of the excess should be reduced from the principal amount required to be paid by the defaulter and the balance converted as a rehabilitation loan. Full payment of overdue interest (exclusive of penal interest) should, however, be insisted even in cases where none of the preceding three years was a normal year. Further, it may be noted that on account of the insistence on the repayment of part amount of principal in default before granting relief, the annual repayment schedule in respect of defaults under two to four loans at items (ii) to (iv) above can be suitably reduced and in the case of defaults under three or four loans, there may not be any need to resort to write off a part of the aggregate defaulted principal amount as suggested.

### (vi) *Penal interest*

As indicated at item (v) above, the entire overdue interest (exclusive of penal interest) will be recovered in all cases before granting relief under the rehabilitation programme. We, however, suggest that on all overdue loans eligible for inclusion under the

## FUTURE COURSE OF ACTION

rehabilitation programme, penal interest should be waived. Such a waiver will not affect the profits of the society or the ccb as the income by way of penal interest is only a contingent income and the society does not forgo any part of its normal margin.

7.33 While we would prefer to consider the financial arrangements necessary at the level of ccbs to enable them to extend the affiliated societies and their defaulters the relief as suggested above at a suitable place later in this chapter, it may be worthwhile to have an estimate of the total defaulted amount that may be eligible for relief.

7.34 A rough estimate of the total overdue amount that may qualify for conversion into rehabilitation loans, has been made district by district in Annexure 47 on the basis of overdues upto three years as on 30 June 1975 at the level of the pacs and the proportion of villages affected by natural calamity to the total number of villages in each of the three years 1972-3, 1973-4 and 1974-5. The above estimate indicates that the non-wilful default may account for about Rs 4.59 crores forming about 9 per cent of the total overdues at the primary level at Rs 52.81 crores as on 30 June 1975. The zone-wise position is indicated in Table 16.

TABLE 16

Rs Lakhs

	Overdues at primary level as on 30-6-75	Estimated non-wilful default	% of col. (2) to col. (1)
	(1)	(2)	(3)
BZ	924.14	17.12	2
CZ	1436.54	256.49	18
GZ	1453.10	16.79	1
JZ	688.96	56.25	8
VZ	376.79	51.86	14
TZ	401.73	59.38	15
<b>Total</b>	<b>5281.26</b>	<b>458.89</b>	<b>9</b>

The districts in which the estimated amount of non-wilful default accounts for around 20 per cent or more of the total overdues at the primary level are given in Table 17.

# NON-WILFUL DEFAULTS

TABLE 17

Rs Lakhs

	District	Estimated non-wilful default
BZ	Betul	8.42
CZ	Balaghat	28.40
	Bilaspur	51.53
	Durg (includes Rajnandgaon)	69.27
	Raipur	104.41
GZ	—	—
JZ	Chhindwara	25.01
	Seoni	19.16
VZ	Chhatarpur	9.31
	Panna	10.33
	Rewa	23.65
TZ	Dhar	30.32
	Mandla	7.90

## Financial arrangement — Non-wilful defaults

7.35 No separate financial assistance is considered necessary to the concerned ccbs for conversion of non-wilful defaults into medium-term rehabilitation loans as equivalent funds of the banks are already locked up in overdues. However, as a result of such conversions, the term investments of a ccb may exceed its term resources. Besides, the banks will take up higher lending programme to finance, among others, the non-wilful defaulters and may, therefore, face difficulties in ensuring adequate non-overdue cover for the borrowings from the MPSCB. In view of this position, we reiterate the recommendation of the Overdues Study Team that the RBI may take a liberal view of the share capital requirements of such banks as have to provide sizeable relief to non-wilful defaulters. The period of retirement of the share capital loans, may, however, be limited to the period of repayment allowed for rehabilitation loans.

7.36 In Madhya Pradesh the period of rehabilitation loans may not go beyond five years and there may not be any necessity to resort to write off as the on-the-spot studies of the 409 pacs have indicated that there are no borrowers having defaults under three or four loans.

7.37 The work of identification of non-wilful defaults and deciding the period of rehabilitation loans in each case may be taken up by the branch-level assessment committees with constitution as indicated later in paragraph 7.55. The whole work should be completed by the end of June 1976 so that the non-wilful defaulters become eligible for fresh finance and are actually released such finance in time.

## FUTURE COURSE OF ACTION

### *Assessment of chronic defaults*

7.38 In order to have an estimate of the chronic defaults which are accountable and those which are not, we decided to collect data about such defaults in respect of about 100 societies from each district having the problem. The information received relates to 505 pacs from Bastar, Rewa, Sidhi, Shahdol and Surguja districts and is tabulated district-wise in Annexure 48. The overall position is summarized below in Table 18.

TABLE 18

	Rs Lakhs
1 Chronic overdues	62.88
2 Interest receivable	45.65
3 Of 2 above, penal interest	10.14
4 Interest receivable exclusive of penal interest	35.51
5 Percentage of 4 to 1	56
6 Of 1 above, cases in which recovery may not forthcome	16.54*
7 Percentage of 6 to 1	26
8 Of 1 above, cases in which amount recoverable does not exceed Rs 100 in each case :	
(a) Number of cases	6342
(b) Amount	2.95
9 Percentage of 8(b) to 1	5

\* Does not include cases in which although the loan documents are not available, the borrowers can be identified on the basis of disbursement lists.

The overall position given above indicates that interest receivable (excluding penal interest) on chronic defaults roughly works out to 50 per cent of the principal amount in default and that about 25 per cent of the amount of principal and interest together may have to be written off. The amount involved in cases wherein the total recoverable amount does not exceed Rs 100 in each case, works out to 5 per cent of the total amount of chronic defaults.

7.39 In order to decide on the financial arrangement that may be necessary if the chronic defaults in some districts are to be tackled on a special footing it is essential to find the resources which can be gainfully employed to absorb these defaults so that the line of credit can be opened for the affected institutions both at the primary and intermediate levels.

### *Conversion of taccavi dues into long-term loan*

7.40 Recognizing the difficult position in which certain ccbs are placed in so far as the recovery of chronic overdues especially arising out of *taccavi* transactions is concerned, the GOMP accepted in principle that it would be difficult for the ccbs to meet their commitments



# CONVERSION OF TACCAVI DUES

to the apex bank in respect of *taccavi* borrowings from the latter and by the latter to the government. In November 1974, therefore, the GOMP agreed to convert the *taccavi* dues from certain ccbs to the apex bank borrowed before 31 December 1973 and outstanding as on 31 December 1974 into a ten-year loan on the following conditions:

- (i) The state government will charge interest at 8 per cent per annum to the apex bank. (The apex bank, in turn, has advised the central banks that it would charge interest at 9 per cent per annum).
- (ii) The central banks will repay to the apex bank every year one-tenth of the loan with interest.

The facility has been extended to ten ccbs in all including the Vindhya, Bastar and Jhabua banks. The bank-wise position of the amount of *taccavi* dues converted into a ten-year loan is given in Table 19.

TABLE 19

Rs Lakhs

ccb	Taccavi dues converted into 10 year loan		
	Short-term	Medium-term	Total
Bastar	21.00	8.66	29.66
Betul	Nil	6.72	6.72
Datia	13.00	1.03	14.03
Jhabua	Nil	2.14	2.14
Panna	15.00	0.89	15.89
Satna	34.89	23.63	58.52
Shahdol	11.35	21.25	32.60
Sidhi	3.63	3.30	6.93
Surguja	Nil	14.60	14.60
Vindhya	Nil	24.67	24.67
<b>Total</b>	<b>98.87</b>	<b>106.89</b>	<b>205.76</b>

7.41 Since the interest earnings of the state co-operative bank which is a scheduled bank are subject to Interest Tax, the bank will have to pay the tax and hence in effect it will be passing on the loan from the government almost at the same rate as the borrowing rate so far as the financial year ending 31 March 1976 is concerned. For the current year, there is to be no tax on interest on the loans for periods exceeding seven years and hence the apex bank will get full benefit of the margin of one per cent, it has decided to retain. The decision of the government to spread the repayment of the loan over a period of ten years has immediately spared the central banks from default to the apex bank and the latter bank to the state government. The arrangement is, however, not wholly satisfactory firstly because a considerable portion of the *taccavi* loans may prove irrecoverable for the

#### FUTURE COURSE OF ACTION

reasons given above and hence to the extent to which the loans have to be written off the central banks will find it difficult to honour their obligations to the government as the internal resources of these banks are admittedly poor. Secondly, unless the loans due to the banks from the societies and to the latter from individuals are themselves re-scheduled into ten-year loans, the societies and individuals will continue to remain in default and thus ineligible for fresh accommodation. Finally, since the recovery of the principal under overdue loans from the societies and individuals is itself in doubt, the banks and the societies may have to forgo the interest and hence they will find it difficult to pay the interest at 9 per cent to the apex bank.

7.42 In view of the above problems we feel that if the full benefit of assistance from the government is to accrue to the banks/societies/individuals, the GOMP may agree firstly to treat the entire amount of Rs 2.05 crores with the ten banks listed in Table 19 in paragraph 7.40 as loans repayable in a period of 12 years with grace period for the first two years. Secondly, in order that the burden of interest payable by the concerned ccbs is reduced, the loans from the GOMP to the MPSCB on behalf of these banks may carry interest at six per cent per annum while the rate charged by the apex bank to the ccbs may be only four per cent per annum. In other words, the MPSCB will bear the burden of about Rs 4 lakhs in the first 2 years and a progressively decreasing burden in subsequent years as repayments received by it annually from the central banks are passed on to the state government. We feel that this contribution from the MPSCB is justifiable in the interest of rehabilitation of the ccbs and the pacs in these ten districts. We also suggest that the GOMP may take a sympathetic view of the difficulty a ccb may have to face in an year in the future in meeting the annual instalment of the long-term loan. Finally, we recommend that re-scheduling of the loans due from societies and individuals may also be carried out to correspond to the repayment of the loans by the ccbs to the MPSCB and by the latter to the GOMP. The recommendations which we have made about reduction in the rate of interest and extension of the period of the loans to 12 years may be given retrospective effect from 1 April 1976. However, care will have to be taken to see that recoveries of the re-scheduled loans are taken to a separate account at each level called "Re-scheduled Loan Account" and are not diverted to repayment of other loans and booked only into this account at all the levels.

7.43 While the measures suggested by us for re-scheduling the loans amounting to Rs 2.05 crores at different levels of the co-operative credit structure will provide considerable relief to the institutions,

## REHABILITATION OF WEAK CCBS

it may not prove adequate as a part of the chronic defaults may prove irrecoverable and may have to be written off.

### *Rehabilitation of weak ccbs*

7.44 The Vindhya and Jhabua banks as also two other banks, viz., Satna and Shivpuri, have been brought under the Central Sector Plan Scheme for rehabilitation of the weak ccbs and have actually received contribution to the 'Rehabilitation fund for the weak banks' to the extent of Rs 28.21 lakhs in the case of Vindhya ccb and Rs 13.20 lakhs in the case of Jhabua ccb. The relevant figures in the case of the Satna and Shivpuri banks are about Rs 30 lakhs and Rs 13 lakhs respectively. The cases of three other banks, viz., Panna, Shahdol and Surguja, have also been recommended by the GOMP for such assistance. These cases are pending consideration of the GOI. If the GOI agree to make their share of contribution in respect of each of the three banks, the banks will have with them 'Rehabilitation fund for weak banks' amounting to Rs 9.94 lakhs in the case of Panna ccb, Rs 18.20 lakhs in the case of Shahdol ccb and Rs 23.83 lakhs in the case of Surguja ccb. Besides, a few other banks like Bastar and Sidhi, which are facing the problem of heavy overdues including chronic overdues, have also been identified as weak needing rehabilitation, but their cases do not satisfy the criteria laid down by the GOI in this behalf. Whatever assistance is received by the banks under the above scheme should, in our opinion, be treated as additional to that recommended by us in paragraphs 7.40 to 7.42 because the quantum of chronic overdues and the likely bad debts would justify assistance under both the heads as the assistance under the Centrally sponsored scheme is available for only writing off bad debts and that too in respect of certain specified categories of borrowers indicated in paragraph 7.45.

7.45 In September 1975 the GOMP finalized, on the basis of guidelines issued by the GOI, the rules for writing off bad debts, accumulated losses and other overdues over three years under the Central Sector Plan Scheme. The rules provide that the write off should be limited to cultivators with holdings below 10 acres and effected only in the cases where (i) the borrower and his sureties are insolvent, (ii) the borrower is absconding or has no attachable property and (iii) no record or documents are available regarding the loan transaction. Thus, the cases of misappropriation of recoveries and of farmers with holdings above 10 acres are not covered. As per the estimates of the Vindhya ccb, the dues amounting to Rs 9.23 lakhs (inclusive of interest receivable) in respect of 1280 borrowers are eligible for being written off as against

#### FUTURE COURSE OF ACTION

Rs 49.19 lakhs (inclusive of penal interest receivable) locked up at the primary level in chronic defaults, of which recovery of Rs 36.67 lakhs is doubtful or at least likely to be a long drawn out process, as has been indicated in paragraph 7.18.

7.46 The assessment in other banks is reportedly in progress. But not all the ccbs having the acute problem of chronic defaults are covered by the Central Sector Plan Scheme and even those which are covered are not likely to be helped much in so far as the opening of the line of credit to the affiliated societies and their members is concerned.

#### *Chronic defaults — identification of areas/institutions*

7.47 The analysis contained in the earlier paragraphs leads us to one conclusion that an effective solution to the problem of chronic overdues in some districts has to be found to place the institutions at the intermediate and base levels in these districts, in a position to carry out the task which may be assigned to them. In view of the complexity of the problem, recovery through persuasion may not be easily possible and that through coercive action will be a dilatory process even in the case of identifiable defaulters. Non-identifiable defaulters may have to be treated differently.

7.48 In order to decide on the financial arrangement that may be necessary if the chronic defaults in some districts are subjected to a special treatment, it is essential to identify the districts which may be considered as eligible for such treatment. The chronic defaults as a percentage of total overdues are quite high in a number of districts. For instance, the relevant percentage is 63 in the case of Vidisha district. But the overall percentage of overdues to outstandings for the district being 14, the structure in the district is in a position to absorb the entire overdues, let alone the chronic overdues. The criteria may have, therefore, to be related to total loans outstanding. We are of the opinion that the twelve districts identified in paragraph 7.10 having chronic overdues at the primary level in excess of 30 per cent of the loans outstanding may be deemed as eligible for special treatment in respect of the chronic defaults at the primary and intermediate levels. It will be seen from Annexure 48 that the chronic defaults of 103 societies in Bastar district amount to Rs 17.12 lakhs. For 364 societies the figure can be notionally placed at Rs 40 lakhs, i.e., at about one-half of the total overdues at the primary level at Rs 75.77 lakhs. The amount of chronic defaults (principal only) at the primary level in each of the twelve districts is given in Table 20.

# CHRONIC DEFAULTS

TABLE 20

	District	Chronic defaults (Rs lakhs)
BZ	Khargone	120.09
CZ	Durg (excluding Rajnandgaon)	113.86
	Raigarh	38.84
GZ	Datia	17.27
	Shivpuri	60.01
JZ	Sagar	75.52
VZ	Rewa	30.99
	Sidhi	24.17
TZ	Bastar	40.00*
	Jhabua	29.43
	Shahdol	29.63
	Surguja	28.23
	Total	608.04

\* Notional

## *Chronic defaults — nature and extent of relief*

7.49 The objective of suggesting a separate solution in respect of chronic defaults in twelve districts is to ensure a larger flow of credit through the institutions at the intermediate and primary levels so that they are enabled to widen their effective coverage, which at present is relatively low, and provide production credit facilities to a larger number of farmers. The intention is not to give any benefit to a wilful defaulter against whom action for recovery will be pursued with all vigour, but simultaneously to ensure that because of his default and certain malpractices that took place at the hands of bank staff or non-official office bearers a non-defaulter or a new member does not suffer. Thus, writing off some defaults which are unaccountable will become necessary although suitable disciplinary action may have to be taken against the erring staff/non-officials. In view of this position the twelve districts identified as having the problem of chronic overdues may be grouped in two categories, viz., (i) the districts from which malpractices warranting write off have not been reported and the ccbs of which do not need any external financial assistance for absorbing the chronic defaults, but re-scheduling the demand in respect of such defaults will help the banks to claim higher credit limits and ensure larger flow of credit through them, and (ii) the remaining districts. The districts of Khargone, Durg and Sagar come in Category I and the remaining nine districts, viz., Raigarh (CZ), Datia, Shivpuri (GZ), Rewa, Sidhi (VZ), Bastar, Jhabua, Shahdol and Surguja (TZ) fall in Category II.

## FUTURE COURSE OF ACTION

### *Districts in Category I*

7.50 In so far as the districts in Category I are concerned, the best course is to block all chronic defaults in a separate collection account within the institutions themselves both at the primary level as well as at the level of the ccb. At the level of a primary credit society, all loan accounts in default for over three years may, inclusive of interest receivable but excluding penal interest, be transferred to a separate loan ledger called 'Loans in collection account' ledger. In the general ledger of the society, a new account styled 'Loans in collection account' may be opened with debit balance equivalent to the total of all loan accounts transferred to the ledger for loans in collection account. Another new account may be opened in the general ledger of the society styled 'Borrowings from the central bank under collection account' to match the debit balance under 'Loans in collection account'. However, the share capital of the society held by each chronic defaulter should also be transferred to a third new account in the general ledger which may be known as 'Paid-up capital in collection account' and the borrowings from the central bank in collection account should be less to that extent. Thus, if the dues from the defaulters in collection account amount to Rs 10000 and these defaulters have contributed Rs 1000 to the share capital of the society, the position will be as under:

	<i>Credit</i> Rs		<i>Debit</i> Rs
Paid-up capital in collection account	1,000	Loans in collection account	10,000
Borrowings from the central bank in collection account	9,000		
	<b>10,000</b>		<b>10,000</b>

7.51 At the central bank level, a separate ledger as also a new account in the general ledger for loans to societies in collection account will have to be opened. The balance in respect of each society in collection account will correspond to the borrowings from the central bank shown by the society in collection account in its books. Thus, out of the existing outstanding principal and interest against the society at the central bank level, corresponding amount may be transferred to the loan account of the society in collection account in the books of the central bank. It is not necessary to find resources at the central bank level to match these loans in collection account in the case of the three ccbs in Category I as they will be able to sustain such loans out of their internal resources as even otherwise also their equivalent internal resources are locked up in chronic defaults.

## CHRONIC DEFAULTS

7.52 Although the individual borrowers whose loans are blocked in the collection account as proposed above at the society level will continue to be deemed as defaulters, in so far as the society and the ccb are concerned, the demand in respect of such loans may be reckoned at 20 per cent of the amount in the collection account at the end of the first co-operative year, 40 per cent at the end of the second year, 60 per cent at the end of the third year, 80 per cent at the end of the fourth year and 100 per cent at the end of the fifth year. We recommend that this arrangement may be accepted by the RBI for the purpose of deciding the eligibility of the Khargone (BZ), Durg (CZ) and Sagar (JZ) ccbs for short-term and medium-term agricultural credit limits from it provided the MPSCB agrees to make good the shortfall between the actual recoveries and the demand by way of sanction of a term loan for equivalent amount which will go to improve the liquidity of the ccb. The loan may be repayable as and when corresponding recoveries are actually made and may carry interest at a rate higher by at least 2 per cent than the normal lending rate for short-term agricultural purposes. Besides, the concerned ccb should appropriate out of its profits annually a sum equivalent to five per cent of the shortfall in recovery to bad debt reserve. The involvement of the MPSCB as proposed above will ensure that due pressure is exerted on the concerned ccb for the recovery of chronic defaults and that they do not encounter a difficult financial position if the expected level of recoveries is not actually reached.

7.53 If the above proposal is implemented say, by 30 June 1976, the bank-wise position of chronic defaults blocked in collection account and the amount of demand that will accrue at the end of each of the next five years, will be as in Table 21.

TABLE 21

ccb	Amount of chronic defaults*	Demand as on 30 June				
		1977	1978	1979	1980	1981
Barwani	180	36	72	108	144	180
Durg	170	34	68	102	136	170
Sagar	112	22	44	66	89	112
<b>Total</b>	<b>462</b>	<b>92</b>	<b>184</b>	<b>276</b>	<b>369</b>	<b>462</b>

\* Including overdue interest assumed at 50 per cent of principal but excluding penal interest.

7.54 Although the banks will not be permitted to transfer the penal interest in respect of the chronic defaults to collection account and they may have to write off such interest under interest receivable account by debit to their profit and loss account, there is no objection to their

## FUTURE COURSE OF ACTION

charging penal interest at the time of actual recovery and treating it as their income.

7.55 With the implementation of the above recommendation, the Khargone, Durg and Sagar ccbs will be in a position to take up a larger lending programme than hitherto for financing non-defaulters and new members adequately. At the same time, sizeable internal resources of the banks will continue to be locked up in chronic defaults. Since the banks may find it difficult to sustain the increased loan business, the RBI may take a liberal view of the share capital requirements of these banks to improve their liquidity and consider sanctioning to the GOMP on their behalf loans from the LTO Fund up to 10 per cent of the loans blocked in the collection account. The period of retirement of share capital loans may, however, be limited to the period of repayment allowed for loans blocked in the collection account.

### *Districts in Category II*

7.56 In the case of the nine districts in the second category, the same procedure as explained above to block the chronic defaults in a collection account both at the level of the pacs and the concerned ccb may be followed. Here again, the banks may not transfer penal interest on chronic defaults to the collection account, but write off the same against the profit and loss account. This will not pose any difficulty as each of the nine banks has in its balance sheet some balance of profit adequate for the purpose which represents the unrealized income. Even if such write off results in creating some loss balance, the same can be wiped out against the future profits.

7.57 The chronic defaults blocked in collection account as above will be of two types, viz., (i) the defaults which can be accounted for and can, therefore, be recovered over a period of time, say, five years and (ii) defaults which are unaccountable representing the cases of loans without documents, misappropriation of recoveries, benami loans or loans otherwise irrecoverable, etc. The defaults of the second type may have to be written off. Besides, the resources position of the nine banks in question being relatively weak, they may not, as is the case presently, be in a position to absorb the defaults of the first type. In view of these considerations, the following procedure should be followed in this behalf:

(i) Blocking of the chronic defaults in a collection account both at the level of the pacs and the concerned ccbs may be completed by 30 June 1976.



#### CHRONIC DEFAULTS

(ii) Necessary funding arrangements as outlined later may be made by providing resources to each ccb to match the principal of loans against societies held in collection account.

(iii) A Branch-level Assessment Committee comprising the Senior Co-operative Inspector/Co-operative Extension Officer, the concerned branch manager and a non-official from the area should investigate every individual loan case to decide whether the defaulted amount can be accounted for and recovered over a period of time or whether the default is unaccountable and has to be written off. The investigation of the Assessment Committees should conform to the guidelines for the purpose which may be issued by the RCS.

(iv) The proposals of the Assessment Committees in a district may be put up for final approval to a 'District Level Review Committee' comprising the Chairman and Manager of the ccb, the ARCS of the district and the Divisional Officer of the MPSCB. The decision of the 'District Level Review Committee' may be ratified by the board of directors of the concerned ccb.

(v) The whole work may be completed by 30 September 1976 by which date the aggregate amount of loans which are accountable and which are not, should be available.

(vi) The aggregate demand in respect of the accountable loans may be spread over a period of five years as in the case of the banks in the first category.

(vii) Coercive action against the small farmers/tribals among the accountable defaulters whose dues are less than Rs 100 in each case, may not, as far as possible, be taken. These defaulters may be persuaded to repay their dues in small instalments over a period of time not exceeding five years. A suitable agreement in a prescribed form should be taken from them for this purpose and in that case they may not be treated as defaulters and allowed fresh finance. In fact such a decision has already been taken by the RCS and conveyed to all the ccbs in the state on 4 February 1976. The RCS circular, however, does not touch on the point of taking an agreement in writing from the concerned small/tribal farmer about the revised time schedule mutually agreed. A modified circular may have, therefore, to be issued.

(viii) The benefit of partial write off may be given in cases where the defaulter can produce some authentic evidence of part repayments which have been made by him, but not accounted in the books of the society.

## FUTURE COURSE OF ACTION

We recommend that the RBI may accept the arrangement outlined above for the purpose of deciding the eligibility for credit limits from it of the Raigarh (CZ), Datia, Shivpuri (GZ), Vindhya, Sidhi (VZ), Bastar, Jhabua, Shahdol and Surguja (TZ) ccbs, provided the GOMP and the GOI agree to make financial arrangements on the lines indicated in the paragraphs that follow.

### *Chronic defaults — Financial arrangements*

7.58 Although the banks will be carrying chronic defaults along with overdue interest (excluding penal interest) to the collection account, it may be adequate if they are provided with funds to match only the principal of such loans in the collection account. Overdue interest accountable and recoverable can be taken by the banks to their profit and loss account and treated as income as and when it is actually recovered. Such interest, if unaccountable, may be written off by debit to the same account. The banks shall not appropriate their profits unless the balance thereof exceeds the total interest receivable including that held in the collection account. The participation of the banks in the proposed scheme will thus be in the form of absorption of the interest burden. If the assessment of bad debts estimated in the 505 pacs from the five districts as given in paragraph 7.38 is projected to apply to nine districts where the chronic defaults are heavy, the total amount of bad debts may amount to Rs 67.18 lakhs as indicated in Table 22.

TABLE 22

		Rs Lakhs		
ccb		Principal amount blocked in collection account at ccb level <sup>(a)</sup>	Amount which may be written off at 25 per cent of col. (2)	Funds available with the ccb
				Long-term loan from GOMP      Rehabilitation fund for weak pacs
	(1)	(2)	(3)	(4)      (5)
CZ	Raigarh	34.96	8.74	—      —
GZ	Datia	15.54	3.89	14.03      —
	Shivpuri	54.00	13.50	—      30.00
VZ	Vindhya	27.89	6.97	24.67      28.21
	Sidhi	21.75	5.44	6.93      —
TZ	Bastar	36.00	9.00	29.60      —
	Jhabua	26.49	6.62	2.14      13.20
	Shahdol	26.67	6.67	32.60      18.20*
	Surguja	25.41	6.35	14.60      23.83*
	<b>Total</b>	<b>268.71</b>	<b>67.18</b>	<b>124.57      113.44</b>

<sup>(a)</sup> At 90 per cent of the principal amount in chronic default at primary level

\* Expected to be received

## CHRONIC DEFAULTS

We have taken into account only 90 per cent of the chronic defaults at the primary level for reckoning the amounts to be written off at the ccb level because 10 per cent of the amount in chronic default may be offset by a corresponding contribution to share capital of the pacs by the individual members. It will be necessary to find the required amount of funds to facilitate the write off of the irrecoverable dues from societies at the level of the ccbs. In this context, it may be advantageous to see how far benefit can be availed of under the Central Sector Plan Scheme for rehabilitation of weak ccbs. Under this scheme assistance is available from the GOI, the state government and the state co-operative bank for rehabilitation of weak ccbs. Assistance is available on the basis of the quantum of chronic defaults, although the actual write off is limited to loans due from certain categories of farmers. Under the Scheme, assistance to three ccbs aggregating Rs 71.41 lakhs will be available as indicated in column (5) of Table 22. The cases of two ccbs, viz., Shahdol and Surguja for assistance amounting to Rs 42.03 lakhs are reported to be under consideration of the GOI. We suggest that the cases of the remaining four ccbs, viz., Raigarh (CZ), Datia (GZ), Sidhi (VZ) and Bastar (TZ) may also be examined for similar assistance. In that case the total assistance under the Central Sector Plan Scheme should prove more than adequate to take care of the likely bad debts at the level of pacs estimated by us in the aggregate at Rs 67.18 lakhs. However, the actual write off might be less than the assistance released, because only certain categories of defaulters at the societies' level are eligible for the benefit of write off under the Scheme. This will mean that assistance for rehabilitation of the ccbs will in some cases prove to be more than the actual write off that may be effected at the pacs level. We suggest, therefore, that assistance released under the Scheme be carried to a separate fund on which the ccb should allow with effect from 1 April 1976 or the date when the assistance is received by the ccb whichever is later, interest at 2.5 per cent lower than the rate it charges to societies in respect of loans for short-term agricultural purposes. The interest earnings on this fund may be utilized by the ccb in effecting write off in case of those individuals who do not qualify for that relief by directly drawing on the funds released under the Scheme.

7.59 Even after the release of assistance under the Central Sector Plan Scheme to four banks as proposed above, if there is some shortfall to cover the principal amount in collection account in any of the banks, the same may be taken care of by the GOMP by reallocation of the long-term loan (already released) among the banks.

7.60 Since the above proposal and the Central Sector Plan Scheme have the same objectives and the former is more beneficial than the

## FUTURE COURSE OF ACTION

latter from the view point of the needed expansion of credit, it should not be difficult for the GOMP and the GOI to accept our recommendations. Further, to improve the liquidity of each of the nine banks in question, the RBI may consider their cases for sanction of additional share capital loans on the lines indicated in paragraph 7.55.

### *Follow-up action*

7.61 The institutions to benefit from the programme of rehabilitation of non-wilful defaulters and the special treatment in respect of the chronic defaults are operating in relatively under-developed areas of the state. The solution to minimise the burden of chronic defaults has been suggested out of sheer expediency to facilitate the institutions to come up to the projected level of performance by 1979-80. It should be the primary responsibility of the managements of the institutions, both at the intermediate and primary levels, to make concerted efforts for the recovery of wilful defaults including those blocked in collection accounts. The performance of the managements should be under constant review and any slackness noticed should be firmly dealt with by stern action including supersession, as the very purpose of the suggested solutions will be defeated if the institutions again revert to stagnancy. It should be obligatory on each of the twelve banks in question to create a separate section entrusted with the work of recovery. The MPSCB may also create a separate cell to closely supervise the performance of each of the twelve banks in this respect and the position should be reviewed from time to time by the apex bank's board. The banks may draw lessons from the energetic steps for recovery taken by the Ujjain ccb in 1974-5.

### *Study in Ujjain district*

7.62 The field study in Ujjain district revealed that as on 30 June 1974 the overdue of the pacs in the district had reached Rs 262.86 lakhs and formed 55 per cent of the total loans outstanding. The overdue at the ccb level as on that date formed 53 per cent of the demand. The deterioration in the position had occurred during 1973-4 on account of partial failure of crops although none of the villages in the district was declared as affected by scarcity by the government. However, on account of prompt steps for recovery taken by the Ujjain ccb and the necessary help given by the affiliated societies, the overdue of the pacs in the district declined to Rs 157.61 lakhs forming 38 per cent of the loans outstanding as on 30 June 1975.

7.63 The steps taken by the bank in this regard are enumerated below:

#### POSITION IN UJJAIN DISTRICT

(i) The management of the bank decided to cover all defaults at primary level as on 30 June 1974 by coercive action. It may be stated in this connexion that byelaw No. 40(c) of the affiliated primary agricultural credit societies empowers the central bank to take such action as is necessary for the recovery of loans and for this purpose resolution of the managing committee of the concerned society is not necessary. It is in terms of this provision that the *samiti sevaks* from the bank's cadre filed arbitration cases seeking necessary assistance from the concerned supervisor of the bank. The stamp duty necessary for filing of cases and execution of awards is borne by the bank by debiting legal charges account of the concerned society under other assets and the recoveries are first adjusted to wipe out these dues.

(ii) The bank created a separate recovery section at its head office. To head the section it recruited a retired Deputy Collector with previous experience in the line. The said officer is assisted by an officer of the rank of branch manager, a supervisor and 3 *samiti sevaks*. The section is expected to look after organization of recovery campaign, watching the progress of preparation and filing of award cases, pursuing the disposal of pending award cases and execution petitions and rendering suitable assistance to the supervisors (who are nominated as sale officers) in the matter of attachment and disposal of defaulters' properties.

(iii) Persuasive methods for recovery were continued even after resorting to coercive action. This helped to secure recoveries in many cases even before the award cases came up to execution stage.

(iv) Since it is difficult to find bidders for the landed property brought to auction, the policy was to attach as far as possible the movable properties of the defaulters for which bidders could be found.

(v) In recalcitrant cases the supervisor entrusted with serving of the attachment order was not only accompanied by one or two other officers but also was given protection of a police constable or a home-guard. In this connexion it may be stated that in one case a defaulter threatened the bank's supervisor at the gun-point. To curb recurrence of such instances the bank immediately filed a police complaint against the concerned defaulter under section 353 of the Indian Penal Code for obstructing a public servant in the discharge of his duties. It is learnt that the police had seized the weapon of the defaulter and had also registered a case against him under the Arms Act for misuse of the licensed gun.

(vi) To ensure speedy disposal of award cases by the Assistant Registrar of the district and execution petitions by the Special Recovery Officers (normally two but four in recovery season), the bank took the initiative of attaching five *samiti sevaks* to the Assistant Registrar and six *samiti sevaks* to the Special Recovery Officers to render suitable help to them in discharge of their duties.

(vii) As an incentive to the field staff in particular and the staff of the bank in general, the board of directors of the bank approved a scheme of linking additional bonus over and above the statutory minimum with the recovery performance in excess of 65 per cent of the demand. According to the scheme a *samiti sevak* is entitled to additional bonus in relation to recovery performance of the society under his charge, a supervisor in relation to the recoveries of the societies under his charge, the staff at a branch in relation to the recoveries of

## FUTURE COURSE OF ACTION

societies attached to the branch and the staff attached to the head office in relation to the recovery performance of the entire bank. At the same time, if the recoveries are below a particular level, suitable deterrent action is being taken against the concerned staff.

(viii) Finally, the directors of the bank not only did not obstruct the recovery efforts of the bank's staff but on the other hand rendered them suitable help whenever warranted. The chairman, vice-chairman and the honorary secretary of the bank also reviewed the overall position at periodical intervals and offered necessary guidance.

7.64 The above steps taken by the bank have had the desired results as may be seen from Table 23.

TABLE 23

Particulars	Defaulters involved	Amount (Rs Lakhs)
Overdues as on 30.6.74 at the primary level	27892	262.86
Award cases pending as on 1.7.74	1470	22.27
Award cases filed during 1974-5	17840	213.29
Award cases disposed of during 1974-5	12222	159.87
Award cases pending as on 30.6.75	7088	75.69
Execution petitions pending as on 1.7.74	1698	32.66
Execution petitions filed during 1974-5	12222	159.87
Execution petitions disposed of during 1974-5	6407	115.11
Execution petitions pending as on 30.6.75	7513	77.42@

@ Includes execution petitions with-held as partial recoveries had forthcome and balance payment was promised.

As many as 12222 award cases and 6407 execution petitions involving over Rs 1 crore in each case have been disposed of in a period of one year. This may perhaps be the record in so far as MP is concerned.

### *Wilful defaults*

7.65 Our recommendations regarding writing off unaccountable defaults and rescheduling the recovery of non-wilful and chronic defaults in certain circumstances will together account for overdues amounting to about Rs 10.50 crores as against the total overdues at the primary level of about Rs 52 crores as on 30 June 1975. Thus, prompt steps for the recovery of the balance of the overdues at about 80 per cent of the total which can be deemed as wilful, will be necessary. These overdues are spread over the entire state including the relatively prosperous districts comprising the Bhopal-Indore and Gwalior zones. We would, therefore, urge on the managements of all the ccbs to emulate

#### POSITION IN RAIPUR DISTRICT

the example of the Ujjain ccb and undertake a time bound programme for the recovery of overdues and keeping them within as low a level as possible. On the basis of the district-wise data given in Annexure 49 about coercive action taken for the recovery of overdues, it can be concluded that almost all the banks barring a few like Ujjain have not so far made concerted efforts even for the recovery of defaults for periods over one year. We would, therefore, urge on the banks not to show any mercy to the wilful defaulters. The managements of the banks should also bear in mind that even after resorting to coercive action, persuasive steps for recovery should be continued and towards this end they should guide and actively help the supervisory staff in taking concerted action for recovery.

7.66 The GOMP should fully support the institutions in their efforts for recovery. The state government has initiated action for implementing the various measures suggested by the Overdues Study Team for the recovery of wilful defaults. In particular, we would urge on the government to consider actively for implementation the recommendations of that Team relating to (i) the setting up of a Corporation to acquire lands brought to auction for the satisfaction of co-operative dues, as during our zonal discussions we were given to understand that lack of bidders, for one reason or the other, whenever the lands are brought to auction, is a major problem and (ii) the denial of voting rights in annual general meeting or election of office-bearers to the defaulters and their sureties.

#### *Study in Raipur district*

7.67 It has been the experience that the recovery of agricultural loans is greatly facilitated if there is an arrangement to bring about an effective link between credit and marketing. A study of the co-operative rice mills in Raipur district was, therefore, undertaken in September 1975 at our instance by the officers of the secretariat to find out how far these institutions can help the recovery of production loans through the sale proceeds of paddy pooled with them or sold to them. The study revealed that MP has a network of rice mills in the co-operative sector which are owned/managed by either the apex marketing federation or the primary co-operative marketing societies. Although these units handle sizeable quantity of paddy produced in the state and have been successful in ensuring a fair return to the paddy cultivator, not much attention has so far been given by them to ensure recovery of production loans through linking. At the same time, it has to be admitted that the establishment of a large number of rice mills in the co-operative sector in the state has created the necessary infrastructure for ensuring linking of credit with marketing. In such circumstances, we suggest that the

## FUTURE COURSE OF ACTION

GOMP and the MPSCB may consider introduction of an arrangement whereby rice mills are enabled to link credit with marketing so as to give the benefit of a fair return to the concerned cultivators and simultaneously ensure recovery of their production loans. We also urge on the GOMP not to discourage the recovery of co-operative dues up to the extent of 50 per cent of the sale proceeds in the case of agricultural commodities like wheat, paddy, etc., subject to compulsory levy.

### *Ban on sale of lands of small farmers*

7.68 As a measure of relief to small farmers, the GOMP have issued a circular on 6 March 1976 directing all ccbs and pacs in the state that they should not attach or bring to auction the lands of such cultivators as have unirrigated holdings below 10 acres and irrigated holdings below 5 acres, but their lands could be given on lease. Lest this gives the impression that action even to attach moveable properties belonging to the defaulters is not also to be taken and the attached properties brought for sale in auction, a clarification from the state government in the matter will be very useful and we hope this will be immediately forthcoming from the government. The government desire that all defaulters owning lands below the ceiling prescribed are not dispossessed of their ownership rights in satisfaction of the dues to the co-operative credit institutions. Under the scheme which the GOMP had drawn up some time back, the lands of such defaulters are to be given on lease to other farmers. Consequently, the defaulter to a co-operative credit society will be deprived of the right to cultivate the land for a given period and this though falling short of the maximum penalty of losing the right to own the land, should be regarded as a sufficient penalty to induce the defaulters to clear their defaults. The denial of right to cultivate the land for the period of lease should itself create the necessary fear in the minds of the defaulters. If nobody comes forward to take the land on lease, the scheme drawn up by the government envisages the sale of the ownership rights also and hence we feel that the decision of the GOMP is not likely to affect adversely the climate for prompt repayment. However, since the lessee is to be allowed time up to three years to repay the amount in default to the credit societies, the measure will affect adversely the liquidity of the societies and consequently of the ccbs. In view of this, the GOMP on the advice of the RBI had placed Rs 50 lakhs at the disposal of the MPSCB as *Patta Fund* when the scheme was first introduced about 4 years ago. The amount to the credit of the fund was to be utilized in the same manner as the amounts to the credit of the stabilization funds are used in circumstances in which loans have to be rescheduled on account of failure of crops. All



## BAN ON SALE OF LANDS

that is necessary, therefore, is to see whether the amount to the credit of this fund will prove adequate for providing the necessary relief to the ccbs as the scope of the relief now envisaged is wider than when the measure was introduced for the first time. In this context we have attempted an exercise which is given in the following paragraphs.

7.69 In paragraph 6.36 of Chapter 6 we have given the break-up of the loans outstanding according to the size of holdings in respect of 68089 indebted members of the 409 pacs covered by the on-the-spot studies. On the basis of this data, loans outstanding against cultivators with holdings below 5 acres form 16 per cent of the total loans outstanding. The relevant percentage is 24 in respect of cultivators with holdings between 5 and 10 acres. But the irrigated holdings in this group will not be covered by the government's decision. For the state as a whole, the total area covered by holdings between 5 and 10 acres is 31.48 lakh hectares, of which 6.84 lakh hectares receive the benefit of irrigation. Thus, the proportion of irrigated area to total area under cultivation in this size group works out to 21.5 per cent. The proportion of credit accounted by the irrigated cultivators in this group to total credit outstanding against all the cultivators in the same size group may be placed at 43 per cent, i.e.,  $21.5 \times 2$ . On this basis the outstandings against cultivators with unirrigated holdings between 5 and 10 acres will form 14 per cent of the total outstandings as against 24 per cent for all cultivators in this size group.

7.70 In view of the estimate made above, the cultivators covered by the state government's circular dated 6 March 1976 will roughly account for 29 per cent of the total credit at the primary level. We expect the pacs in the state to handle a credit business of Rs 200 crores by 1979-80, of which Rs 58 crores will be accounted for by the small farmers as defined by the GOMP. Assuming a recovery of 60 per cent, their overdues will amount to Rs 23 crores.

7.71 As per the existing practice of the ccbs, coercive action is resorted to only in cases of defaults over one year and hardly 10 per cent of such cases come up to the stage of execution. Presently the percentage of overdues over one year to total overdues at the primary level works out to 60. On this basis, the overdues for periods over one year of the small farmers, as defined by the state government, may be around Rs 14 crores in 1979-80 and of this amount a sum of Rs 1.40 crores may have to be recovered through the process of execution. Assuming that a part of the amount will be recovered by attachment of movables, we estimate that recovery to the extent of about Rs 1.25 crores may be affected due to the state government's decision.

#### FUTURE COURSE OF ACTION

7.72 As stated earlier, a sum of Rs 50 lakhs is available with the MPSCB under *Patta Fund* to grant financial accommodation to the affiliated ccbs against decrees obtained in respect of farmers treated as small by the state government whose dues will be recovered through the lease rent over a period of time. We recommend that the GOMP should make additional contribution of Rs 75 lakhs to the fund in suitable instalments during the next four years so as to ensure that the fund reaches a level of Rs 1.25 crores by 1979-80. We also recommend that the MPSCB should, in consultation with the RCS, finalize rules for extending assistance from the fund. Further, in all such cases of leasing the lands of small farmers, the lessee should be asked, as in the case of the earlier scheme, to pay one-third of the decreed amount or Rs 500 whichever is more (Rs 200 or one-fourth of the decreed amount in the case of scheduled tribe lessee in the tribal area). The balance amount should be treated as a medium-term loan repayable over three years.

7.73 In view of the analysis made above, we do not consider that the decision of the state government is likely to adversely affect the overall recovery position of the ccbs and pacs in the state and the same should not be put forth as an excuse for poor recoveries.

#### *Concluding remarks*

7.74 With the launching of the 'Programme of intensive cultivation', MP made satisfactory progress on the farm front during the ten-year period from 1965 to 1975 despite relatively poor irrigation facilities. Greater attention is now being given to develop irrigation. The state is the third biggest user of the funds provided by the ARDC, the first being Maharashtra followed by Uttar Pradesh. At present minor irrigation schemes worth about Rs 50 crores are in operation. The outlook for the future is very bright. One major anxiety which is causing concern is the paucity of funds with the co-operative credit institutions. Ironically the funds which they have are locked up in heavy overdue. We hope that due attention will be given by all concerned to this aspect so as to ensure that the co-operative credit structure does not fall short of the expectations from it.

## CHAPTER 8

### MANAGERIAL AND OPERATIONAL ASPECTS

8.01 ONE major reason accounting for the tardy growth of the co-operative credit institutions in our country has been that unlike the commercial banking sector, scant attention has so far been given by the institutions and the concerned authorities to the aspects which help ensure the maintenance of a certain degree of managerial competence and operational efficiency. The tide has, however, changed in the recent years and the question of providing professionalized managements to the institutions is receiving increased attention. This change in the attitude of all concerned is most welcome in view of the growing and complex responsibilities that are likely to devolve on the co-operative banks and the institutions at the primary level. We have in the earlier chapters assigned a very big role to the co-operative credit structure and, therefore, our report will not be complete without a review of the position regarding the provision of trained and competent personnel to the institutions at all levels and functioning throughout MP and also the examination of certain operational aspects.

#### SECTION I

##### MANAGERIAL ASPECTS

8.02 MP can take pride in being one of the few states which have taken steps to introduce a cadre for *samiti sevaks* for the pacs (hereafter referred to as cadre for secretaries) and a cadre of key personnel for ccbs. Our task is, therefore, to make complementary recommendations to ensure that every pacs is served by an independent full-time and trained secretary and that every ccb has the services of all the necessary key officers drawn from a state level cadre.

##### CADRE FOR SECRETARIES

8.03 We have indicated in paragraph 6.16 of Chapter 6 that every ccb is maintaining a cadre for secretaries of the pacs in its area, but the arrangements in vogue suffer from certain defects, the most important of which is that in as many as 20 districts not even 50 per cent of the total number of societies have the services of a full-time secretary. For the state as a whole, only 4635 pacs forming 48 per cent of the total number of pacs at 9651, are served by a full-time secretary. The main

## MANAGERIAL ASPECTS

difficulty as indicated earlier is that contributions received in the cadre fund maintained at the district level, are not adequate to support the services of an independent secretary for each and every society in respect of a large number of districts where the level of credit provided is still very low.

8.04 In Maharashtra, a common cadre for secretaries was introduced in 1971. However, unlike Madhya Pradesh, the secretaries were the employees of a district level co-operative society set up for the management of the cadre. The funding for meeting the cost of secretaries was also on a district-wise basis as is the case presently in MP. In 1973, the question of scales of pay, service conditions, etc., for the secretaries, was entrusted for examination to a committee known as the 'Evaluation Committee for Secretaries Caderization Scheme 1973' (Kore Committee). The Committee observed that the question of providing an independent hand with adequate remuneration according to the needs of work, to every society is closely linked with the question of viability inasmuch as over a period of time the institution itself should be in a position to support an independent and well paid secretary. The Committee further observed that until this materializes the surpluses in the cadre funds of affluent district should, in the fitness of things, be utilized to even out shortfalls in relatively under developed districts. Like the Rajasthan Study Team which also examined the matter recently, we are in full agreement with the above observations of the Kore Committee. For, the viability of a society and providing an independent full-time paid secretary to it is like a vicious circle. The former cannot happen unless the latter is ensured and the latter is not economically feasible unless the former is attained.

### *Secretaries cadre fund*

8.05 We have already proposed a block-wise plan of action for the re-organization of the pacs. By 1979-80, every society identified for retention should be in a position to become viable and support the services of an independent secretary. Until then, deficits arising in some areas should, to the extent possible, be absorbed within the structure itself. With a view to evening out the shortfalls in contributions collected in the cadre funds of some central banks it may be advantageous to pool the collections from all the districts in a fund at the state level. In other words while the management of the cadre of secretaries will remain with the respective ccbs, the contributions will be pooled at the state level. We, therefore, recommend that a 'cadre fund' may be created at the state level to be maintained by the MPSCB.

## CADRE FOR SECRETARIES

8.06 Contributions to the cadre fund may be collected from the societies as well as the ccbs in relation to their loan business. In the case of societies the contributions may be at the rate of 1.75 per cent of the loans borrowed by a society during the year from the ccb (2 per cent in the case of borrowings from the MPSCB/commercial banks where they are acting as central financing agencies-cfas) and these may be credited to the state level cadre fund. The ccbs may themselves contribute to the said fund at the rate of 0.25 per cent of the short and medium-term loans issued to them in a year by the MPSCB.

8.07 The services of a secretary from the cadre maintained by the concerned ccb may also be provided to a society attached for financing to a commercial bank or the MPSCB. However, unlike a ccb, the commercial banks and the MPSCB, where they are acting as cfas, may not make contributions to the cadre fund, but may lend to the societies financed by them at a rate lower by 0.25 per cent than the rate they would have otherwise charged to the societies and recover from the latter for transfer to the cadre fund a contribution at 2 per cent of the loans issued by them to the societies.

8.08 There will have to be a built-in mechanism to ensure that there are no arrears in the recovery of the contributions to the cadre fund from the pacs. With a view to ensuring prompt recovery, they may be styled as 'caderization fees', given precedence over the recovery of interest, etc., as in the case of audit fees and should have the first charge on the remittances by the society to the cfa. The cfas should collect the contributions, i.e., the 'caderization fees' along with the recoveries of loans and interest thereon.

8.09 The posting and transfer of the secretary attached to a society financed by a commercial bank should be done by the ccb with the concurrence of the concerned commercial bank. However, a commercial bank will have option to have a secretary of its choice outside the cadre with prior notice to the concerned ccb. In that case the society may be considered outside the purview of the caderization scheme till such secretary, who will also be a non-cadre employee, continues with the society. In such cases if the society is not in a position to meet the cost of the secretary, the commercial bank should give outright grant or subsidy to meet the deficit.

8.10 The ccbs may take suitable action to make available independent secretaries to each society that will be identified for retention under the re-organization plan as suggested in Chapter 6.

8.11 Equity in remuneration and opportunities of promotion for secretaries in the cadres maintained by different ccbs will necessarily

#### MANAGERIAL ASPECTS

have to follow our suggestions of funding at the state level and recovery of contributions at an uniform rate from all societies. We, therefore, suggest the following modifications in the existing arrangement:

(i) In the cadre of secretaries in all districts there may be two uniform grades, viz., A and B with higher and lower scales of pay and allowances respectively.

(ii) Suitable scales of pay and allowances may be fixed by the GOMP taking into consideration the conditions obtaining in the state.

(iii) The GOMP may prescribe appropriate qualifications for these grades.

(iv) Allocation of secretaries to the different societies including the fss and ACSS may be in relation to their loan business on the lines indicated below. A society with a loan business:

- (a) of Rs 3 lakhs or below may be provided with the services of a secretary from Grade B;
- (b) between Rs 3 lakhs and Rs 5 lakhs may be given the services of a secretary in Grade A; and
- (c) above Rs 5 lakhs may be provided two hands from the cadre, one each from Grades A and B.

(v) Each society, which will be retained on re-organization of pacs on the lines indicated in Chapter 6, should have an independent full-time paid secretary right from the beginning.

(vi) The existing secretaries in the cadre of ccbs may be absorbed in the various grades with due scrutiny and simultaneously a programme for recruitment may be undertaken to meet the shortfall in the requirements.

(vii) The management of 'cadre fund' at the state level should be the responsibility of the MPSCB which should make suitable allocations from the fund to different districts for meeting the salaries of secretaries.

8.12 Under the arrangement proposed above the secretaries posted to various pacs will continue to be the employees of the respective ccbs. However, if for one reason or the other it is considered necessary to delink the cadre of secretaries from the concerned ccbs it may be advantageous to introduce alternatively, an arrangement as in vogue in Maharashtra on the lines indicated below:

(i) (a) A State Cadre Co-operative Society (SCCS) for secretaries may be organized for (1) the management of the state level cadre fund

## CADRE FOR SECRETARIES

in which contributions from all societies may be pooled and (2) to formulate policy and procedures for administration of the cadre by a district level body for every district which may be known as the District Cadre Co-operative Society (DCCS).

(b) The DCCS will manage appointments, transfers, etc., of the secretaries within the district and will work within the general directions given to them by the SCCS. Thus, the secretaries though under the control of the concerned ccbs will not be its employees so as to avoid the difficulties of the type indicated in item (iv) of paragraph 6.16 of Chapter 6.

(ii) The SCCS may require the DCCS to manage that portion of the cadre fund which is earmarked and made available to it.

(iii) All co-operative agricultural credit institutions in a district will be affiliated to the respective DCCS. The SCCS will be the federation of the DCCS.

(iv) The GOMP may also make small contributions to the share capital of the state and district societies.

(v) (a) The executive powers for the day-to-day administration of the state as well as district society will vest in the member-secretary of the concerned society.

(b) Removal and dismissal of employees and inter-district transfers, if necessary, will be made by the board of management of the state society on the recommendation of the board of management of the district society.

(vi) The composition of the committees of management of SCCS and DCCS may be as under:

### *State Cadre Co-operative Society*

Chairman, MPSCB

Ex-officio Chairman

RCS, MP

Member

Two non-officials from amongst the directors of the MPSCB representing ccbs from the areas/zones other than the one represented by the Chairman, to be nominated by the board of the MPSCB

Members

## MANAGERIAL ASPECTS

One representative of  
commercial banks financing  
pacs to be nominated by  
the GOMP

Member

MD, MPSCB

Ex-officio  
Member-Secretary

### *District Cadre Co-operative Society*

Chairman, ccb

Ex-officio Chairman

Deputy Registrar or Assistant  
Registrar of Co-operative  
Societies who is in charge  
of the district

Member

Two non-officials from  
amongst the directors of the  
ccb representing pacs to be  
nominated by the board of  
the concerned ccb

Members

A representative of the pacs  
in the district not on the  
board of the ccb to be nominated  
by the RCS

Member

A nominee of MPSCB

Member

A representative of the  
Lead Bank in the district

Member

Manager, ccb

Ex-officio  
Member-Secretary

(vii)(a) The apex bank will set up a separate cell with necessary staff at its head office to function as the secretariat of the SCCS.

(b) In the case of the DCCS, similar cell will be created by the concerned ccb to administer the cadre. These cells will be directly under the charge of the member-secretary of the concerned society.

(viii) The expenses of the meetings, stationery, etc., will be a charge on the cadre fund.



## CADRE FOR SECRETARIES

(ix) The contributions recovered from the societies in a district should be passed on to the account of the state cadre fund with the MPSCB by the DCCS according to the directions of the SCCS.

(x) The work of a secretary may be evaluated on the basis of a confidential report recorded annually by the chairman of the concerned society. The adverse remarks, if any, should be brought to the notice of the concerned employee. If the management of a primary society is not satisfied with the work of a secretary, it should have the right to move the district society for suitable/disciplinary action against the erring secretary or for his transfer. However, to avoid the possibility of miscarriage of justice against the secretary, the confidential reports should be revisable by the DCCS and there should be a built-in provision for appeal against the adverse remarks noted in the confidential reports by the boards of management of the primary societies.

8.13 The adoption of either of the two alternatives will necessitate suitable amendment to the State Co-operative Societies Act and we suggest that the GOMP should initiate necessary action for the purpose with a view to giving a firm legal footing to the arrangement preferred for introduction. The byelaws of the banks and the societies will also need suitable amendments.

### *Arrangements for training*

8.14 The appointment of a full-time paid secretary for each primary unit in itself will not necessarily help to achieve the requisite degree of managerial efficiency. What is further required is that a secretary posted at each society should have the necessary expertise to discharge efficiently the duties entrusted to him. With a view to equipping a secretary to manage the affairs of the society efficiently, it is necessary to arrange for a job-oriented training for him. We suggest that such an arrangement for training may be made in the existing co-operative training centres in the state. The duration of the training may be 4-6 months. The facility for training should be extended to all those secretaries who are in the service and also to the fresh recruits. In the case of fresh recruits it would be advisable to give them training after their selection, but prior to their posting.

### *Avenues for promotion*

8.15 With a view to attracting and retaining talented persons in the cadre, it is necessary to provide them not only the security of service but also opportunity for bettering their career. Thus, there should be avenues for promotion to the cadre employees. At present the ccbs

## MANAGERIAL ASPECTS

are considering the eligible secretaries in their respective cadres for appointment as supervisors in the services of the bank. This is a wholesome policy and should be continued. Besides, we endorse in this connexion the recommendation of the Rajasthan Study Team which has suggested that the state government in their recruitment to various subordinate services may give preference to the secretaries of pacs by giving due weightage to their length of service as secretary. A non-cadre secretary attached to a society financed by a commercial bank may also be considered eligible for such posts.

### *Strength of secretaries and recruitment policy*

8.16 According to the plan of re-organization given in Chapter 6, at the end of June 1978 there will be 6,875 societies at the base level comprising 6,051 pacs, 40 fss, 784 ACSS including 19 of the block-level type. Each of these societies is to be provided with one or two hands from the proposed grades depending on the size of business handled, although in the case of the ACSS and the fss, the services of additional hands necessary including that of the MD will be the charge on Tribal Sub-Plan in the case of former and the sponsoring bank in the case of the latter.

8.17 The services of one hand from the cadre may be provided to each of the 6,051 re-organized pacs to start with and in the case of fss and ACSS, each of them may be made available with the services of two hands, one each from the Grades A and B, as their level of loan business is likely to be above Rs 5 lakhs. In the case of block-level ACSS the number of hands from the cadre may be three, i.e., one from Grade A and two from Grade B. On this basis, the number of secretaries in each grade may have to be as indicated in Table I.

TABLE I

Society		Secretaries required (in grades)	
Type	No.	A	B
pacs	6051	—	6051
fss	40	40	40
ACSS ( <i>hat</i> level)	765	765	765
ACSS (block level)	19	19	38
	<b>6875</b>	<b>824</b>	<b>6894</b>

Thus, the strength of the cadre of secretaries will have to be 7,718, of which initially 824 will be in Grade A and 6,894 in Grade B. As on 30 June 1975 there were 4,635 societies having full-time paid secretaries. Assuming that all these secretaries are continued under

## CADRE FOR SECRETARIES

the proposed arrangement, the short-fall in the requirement for the state as a whole will be of the order of 3,083. This shortfall will have to be made good by 30 June 1978, i.e., by the time the reorganization plan is fully implemented. It would, therefore, be necessary to initiate action for recruitment immediately and the same will have to be completed by the end of 1977 so that all the societies will have the required number of trained secretaries by the end of June 1978. We have recommended completion of recruitment by 31 December 1977 keeping in view the period of training that will have to be given to the new candidates before their regular posting. Thus, in a period of about one and half years, i.e., 1 July 1976 to 31 December 1977 the recruitment of about 3,083 secretaries will have to be completed. Accordingly, a phased programme of recruiting about 1,000 candidates during each of the half-years commencing from 1 July 1976 may have to be drawn up and implemented. This would facilitate their training and posting as and when the re-organized units come into being.

### *Economics of the scheme*

8.18 Some of the secretaries will be in Grade A and some others in Grade B. The total emoluments in these grades may be assumed at Rs 350 and Rs 250 per mensem respectively. Although the exact number of secretaries in each grade can be fixed, a majority of them will be in Grade B. For the purpose of working out the economics of the cadre scheme, therefore, the salary and allowances of each secretary can be assumed at a flat rate of Rs 3,500 per annum. Further, as the programme of recruitment is to be phased over one and half years the year-wise strength of the secretaries may be as in Table 2.

TABLE 2

1976-7	4635 for first 6 months 5663 for the remaining 6 months
1977-8	6691 for the first 6 months 7718 for the remaining 6 months
1978-9 and 1979-80	7718 throughout each of the two years

On the above basis the year-wise expenditure towards the cost of secretaries will be as in Table 3.

TABLE 3

	Rs Lakhs
	Expenditure
1976-7	180.22
1977-8	252.16
1978-9	270.13
1979-80	270.13

# MANAGERIAL ASPECTS

8.19 The societies will contribute to the state level cadre fund every year at the rate of 1.75 per cent of the loans borrowed by them from the concerned ccbs. Such borrowings may be placed at 75 per cent of their total loan business which is expected to rise at the annual growth rate of 15 per cent from Rs 95 crores in 1974-5 to Rs 200 crores by 1979-80. Besides, each ccb will contribute at the rate of 0.25 per cent of the loans borrowed from the MPSCB which in the aggregate may be placed at 90 per cent of the loans issued by them to the pacs. On this basis, as against the estimated expenditure in paragraph 8.18, the contributions to the state level cadre fund are expected to be as in Table 4.

TABLE 4

	Rs Crores		
	Loan business		Contributions by cfas and pacs
	Outstandings	Loans issued	
1976-7	138	104.50	2.06
1977-8	158	118.50	2.34
1978-9	181	135.75	2.68
1979-80	200	175.00	3.46

8.20 The estimated expenditure on the secretaries and the contributions to the cadre fund during the four-year period, i.e., 1976-7 to 1979-80 will be as in Table 5.

TABLE 5

	Rs Lakhs		
	Income	Expenditure	Surplus (+) Deficit (—)
1976-7	206.37	180.22	+ 26.15
1977-8	234.05	252.16	— 18.11
1978-9	268.05	270.13	— 2.08
1979-80	345.63	270.13	+ 75.50

The contributions in the cadre fund will be less than the expenditure on the cadre secretaries in the years 1977-8 and 1978-9. The deficit in these years can be met out of the surplus in the fund during 1976-7. However, this estimate is subject to the loan business reaching the expected level and the actual expenses of the cadre remaining within the anticipated level. The GOMP may not have any objection to meet the deficit, which may not arise after 1978-9, in the interest of complying with the essential requirement of providing an independent secretary to every society. In fact, no outside assistance may be necessary

## CADRE FOR SECRETARIES

for maintenance of the cadre secretaries because if the existing cadre funds of the ccbs are pooled in a state level fund there may be already a surplus balance in the fund. In view of this, the shortfall, if any occurs, which will not be large, may be met by way of subsidy to the state level cadre fund by the GOMP.

### *Supervisors of the ccbs*

8.21 We have in the foregoing paragraphs outlined the arrangements for the maintenance of a cadre for secretaries and arrangements for their training, etc. This, however, will not in itself ensure improvement in the affairs of the pacs, unless there is effective supervision over them by the intermediate level financing institutions. The cfas exercise supervision over the indebted institutions through their cadre of supervisors. We have now envisaged that the re-organized pacs will handle not only the credit business but also the non-credit business of supply of inputs and consumer goods and the marketing of agricultural produce. This will make supervision over the societies an intricate proposition. The average charge of societies per supervisor as on 30 June 1975 ranged between 4 societies and 16 societies. While the former average relates to the Chhindwara and Ujjain banks, the highest charge per supervisor was in Bishnudatta bank. The bank-wise position is given in Annexure 50. The zone-wise position is summarized in Table 6.

TABLE 6

	Charge of societies per supervisor	
	Maximum	Minimum
BZ	13 (Bhopal)	5 (Dewas, Barwani)
CZ	12 (Durg)	10 (Balaghat, Bilaspur, Raipur)
GZ	12 (Datia)	4 (Ujjain)
JZ	16 (Bishnudatta)	4 (Chhindwara)
VZ	14 (Satna)	5 (Tikamgarh)
TZ	15 (Surguja)	8 (Dhar, Mandla)

8.22 However, from the view point of the work load it is not only the number of societies per supervisor that is material but also the loan business handled by the societies. It is quite likely that a supervisor may not be in a position to discharge his duties satisfactorily even when the number of societies is less if the loan business handled by them is large. It is, therefore, necessary to correlate the charge of societies per supervisor not only in relation to the number but also the loan business handled by the society. Linking the number

## MANAGERIAL ASPECTS

of supervisors to loan business of pacs is especially necessary in the case of MP which will have various types of societies. Besides, the average loan business of societies in some prosperous districts which can really support a larger number of societies than recommended as per the block-wise plan, will be higher than Rs 2 lakhs. Normally, a supervisor is expected to control 10 societies each having a business of Rs 2 lakhs. In view of this position, we recommend that a supervisor, irrespective of the number of societies, may control a loan business of Rs 20 lakhs. This will enable him to regularly undertake periodical inspection of the societies under his charge, check the books of accounts of the societies and guide the secretary in the discharge of his duties. This, however, will be the position if the societies accounting for the above level of business are in a compact area. If the area is geographically wide, the quantum of business to be controlled by a supervisor will have to be suitably reduced.

### CADRE OF KEY PERSONNEL FOR CCBS

8.23 We have referred in paragraphs 2.06 to 2.09 in Chapter 2 to the scheme of cadre of key personnel for the ccbs which has been introduced by the MPSCB in the year 1967-8. We have pointed out therein that the scheme, however, faces certain problems in its day-to-day management which are both financial and operational.

#### *Operational difficulties*

8.24 We have already mentioned that not all the ccbs are having the key officers from the existing cadre maintained by the MPSCB and there are also instances where the managements of the ccbs have refused to take the officer/s in their respective banks from the cadre. This is because the scheme is not compulsory. If the scheme is to be enforced with a view to obtaining the desired results, it is necessary to make it obligatory on every ccb to accept the services of the personnel from the cadre for the key positions in the bank. In such a situation obviously the question of existing officers who are in the employment of the central banks will have to be sorted out. We recommend in this behalf that all the existing officers in the employment of the central banks who are occupying key posts may be absorbed, with due scrutiny, in the common cadre of key personnel.

#### *Strength of key officers*

8.25 The normal requirement of the key officers for the central co-operative banks will be 225 officers at the rate of 5 officers each for 45 banks. (At present there are 44 ccbs for 45 districts). In

#### CADRE OF KEY PERSONNEL

addition to these 225 officers additional, say, 10 per cent, officers may be included in the strength of the cadre of key personnel for taking care of leave, training, etc., vacancies. Thus the total strength of the cadre personnel will be 250. The leave reserve officers may be posted in the MPSCB. Even after scrutiny and absorption of the existing personnel in key posts in the ccbs, if any vacancies remain, other eligible staff of the ccbs, MPSCB and Department may be given preference in filling up these vacancies. Similarly, the officers in the cadre should be considered for higher posts in the service of the MPSCB.

8.26 In the existing five key cadre personnel there is one officer designated as Chief Marketing Officer. Normally, the volume of marketing finance of the ccbs is not large and, therefore, the services of the Chief Marketing Officer can be profitably utilized as the Inspector of Branches. He should be made responsible to supervise and guide the affairs of the branches of the bank in addition to handling the work relating to marketing finance. Besides, the Assistant Manager may preferably be designated as Chief Administrative Officer.

#### *Cadre Committee*

8.27 The existing cadre is managed by a cadre committee appointed by the board of the apex bank. The committee has no legal entity inasmuch as it does not derive its constitution from any legal provision contained in the State Co-operative Societies Act. Apart from the RCS, there is no other representative of the state government on the committee. In such a situation, the managements of the ccbs, being aware that they or their institutions are not liable to be subjected to any disciplinary action, legal or otherwise, have on many occasions preferred to disregard the decisions of the committee. This state of affairs which defeats the very laudable objective of the scheme should no longer continue. We suggest, therefore, that the cadre of key personnel maintained by the MPSCB should be given a legal framework. Its management may, however, continue with a sub-committee, i.e., the cadre committee which may derive its constitution from a provision in the State Co-operative Societies Act and which may comprise the following members :

Chairman, MPSCB	Ex-officio Chairman
Secretary, GOMP, Co-operation Department	Member
RCS, MP	Member

## MANAGERIAL ASPECTS

Two directors of the MPSCB representing central co-operative banks from the zone other than the one represented by the Chairman, to be nominated by the Board of the MPSCB

Members

MD, MPSCB

Ex-officio  
Member-Secretary

The power of day-to-day administration of the cadre may vest with the member-secretary who may have a free hand in deciding the posting of the officers from the cadre to the various ccbs. However, powers relating to selection, appointment and punishment will vest with the committee. The services of the key cadre personnel should be transferable after a period of say three to five years and such transfers may be made after an annual review. This will ensure continuity in the day-to-day management of the ccbs. For such general transfers, however, the sanction of the committee should be obtained.

### *Grades of the key personnel*

8.28 The existing key personnel in the cadre have been divided into four grades, the lowest being Rs 250-500 and the highest being Rs 550-1,000. We, however, would suggest that the qualifications, etc., for recruitment to the cadre may be prescribed in conformity with the qualifications indicated by the RBI for management trainees. With a view to attracting talented and competent persons in the cadre, an upward revision of the grades may be considered by the MPSCB.

### *Key Personnel Cadre Fund*

8.29 At present the monthly salary of cadre officers is met by the concerned ccb. Despite an annual grant-in-aid of Rs 15,000 by the MPSCB from the existing key personnel cadre fund many weak ccbs find it difficult to maintain all the cadre officers and have, therefore, to manage with only two or three such officers. In the interest of toning up the working of such banks so as to place them in a position to attain the expected level of efficiency and business in 1979-80, it is very necessary that they have the services of cadre officers in all the key posts as soon as possible. Toward this end, the principle of pooling the contributions from all ccbs in relation to their loan business in the key personnel cadre fund at the state level to maintain the cadre officers will have to be adopted. The contribution of each



#### CADRE OF KEY PERSONNEL

bank will be linked to the amount of loans borrowed by it in a year from the MPSCB, which may, as at present also make some contribution to the fund. The contributions by the central banks may be fixed at 0.50 per cent of the short-term agricultural loans borrowed by them out of a margin of 2.5 per cent available to them on such business. On this basis, the amount available in the fund will be around Rs 35 lakhs in the very first year, i.e., 1976-7. The contributions from the ccbs to the fund will be adequate to meet the expenditure on the cadre of officers even if their grades are revised upwards. If the expected level of loan business is not reached initially, there may not be any shortfall as increasing the strength of the cadre officers from 118 as at present to 250 will take some time when the loan business and in turn the contributions will adequately increase. Besides, the balance in the existing Key Personnel Cadre Fund with the MPSCB and the future contributions to be made by it will provide additional cushion. In fact, within the next two-three years it may be possible to recruit some management trainees in the cadre to eventually man the future positions. In view of this position, we recommend that the GOMP and the MPSCB should actively consider introduction of our suggestion outlined above for improvement in the existing cadre for key personnel of ccbs. The GOMP should give suitable broad legal footing to the cadre so as to make it obligatory for every ccb to accept the cadre officers and contribute to the Key Personnel Cadre Fund as proposed.

#### *State Co-operative Bank*

8.30 In the package of recommendations that we have made in this report for ensuring sustained progress of the co-operative credit agencies, the MPSCB has been assigned a pivotal role. The added responsibilities devolving on the bank will call for dynamism on the part of its officials and the management. We have, therefore, already emphasized the need for strengthening of the apex bank both organizationally and financially. A team of officers from the Reserve Bank's ACD at Bombay undertook recently a detailed study with the sole purpose of offering recommendations/suggestions for evolving suitable staffing pattern in the ccbs in MP and the MPSCB. Their report is expected to be comprehensive and will touch all aspects of the matter in great detail. While we urge on the concerned authorities in the GOMP and MPSCB to actively consider for implementation the recommendations/suggestions that will be made in the above report, we would like to consider certain broad aspects as in the paragraphs which follow.

#### MANAGERIAL ASPECTS

8.31 As we have indicated in paragraph 2.03 of Chapter 2, almost all the powers of the board of directors of the MPSCB are, in practice, being exercised by its Managing Committee. But none belonging to a scheduled caste or tribe is on the bank's Managing Committee although a third of the state's population is made up of these relatively backward communities. We suggest that the MPSCB in consultation with the GOMP may amend its relevant byelaw relating to the constitution of the Managing Committee so as to give suitable representation to the above referred economically less developed communities on the bank's management.

8.32 Since there may not be any difficulty in convening the meetings of the Managing Committee of the MPSCB as and when necessary especially because the quorum for a meeting consists of 5 members, the number of sub-committees constituted by the bank can be considered as far too many. We feel that the MPSCB should reduce the present number of sub-committees in consultation with the RCS. We also suggest that whenever the meetings of the managing committee are held to interview and decide on the selection of candidates for the posts of officers in the bank, an outside expert may be especially invited as his association will facilitate proper assessment of the candidates.

8.33 The MPSCB is presently financing a co-operative sugar factory and a spinning mill. One more sugar factory in the co-operative sector is being organized in Indore district. But the apex bank and the ccbs in the state are not, by and large, dealing with industrial co-operatives to any considerable extent. However, there is enough scope for organization of industrial and processing societies especially the rice mills, cotton ginning and pressing units and handloom weavers co-operatives. The MPSCB may eventually have to organize an industrial section as proposed by the Working Group on Industrial Financing through Co-operative Banks. In the meantime, we suggest that the GOMP may consider nomination of the Director of Industries on the board of directors of the MPSCB.

8.34 In the context of a much greater role that may have to be played by the MPSCB in the provision of agricultural and non-agricultural credit, the existing level of staff in the bank both in terms of number and quality needs to be strengthened by infusion of new blood as also by providing promotional avenues to such competent hands as are already in its employment. The bank is seized of the problem. This question will also be examined in the report of the team of officers of the Reserve Bank's ACD at Bombay, referred to in paragraph 8.30. But, in the meanwhile, the bank may initiate

## CO-OPERATIVE DEPARTMENT

action to introduce the scheme of management trainees suggested by the RBI. Further, in order to ensure that the top executives of the bank are not saddled with routine matters, we recommend the pattern given in the Chart on page 210 for the top three categories of officers of the bank. We also suggest that suitable administrative and financial powers may be delegated to the above seven senior executives of the bank and in particular to the MD and for this purpose the MPSCB in consultation with the RCS may carry out suitable amendments in its byelaws.

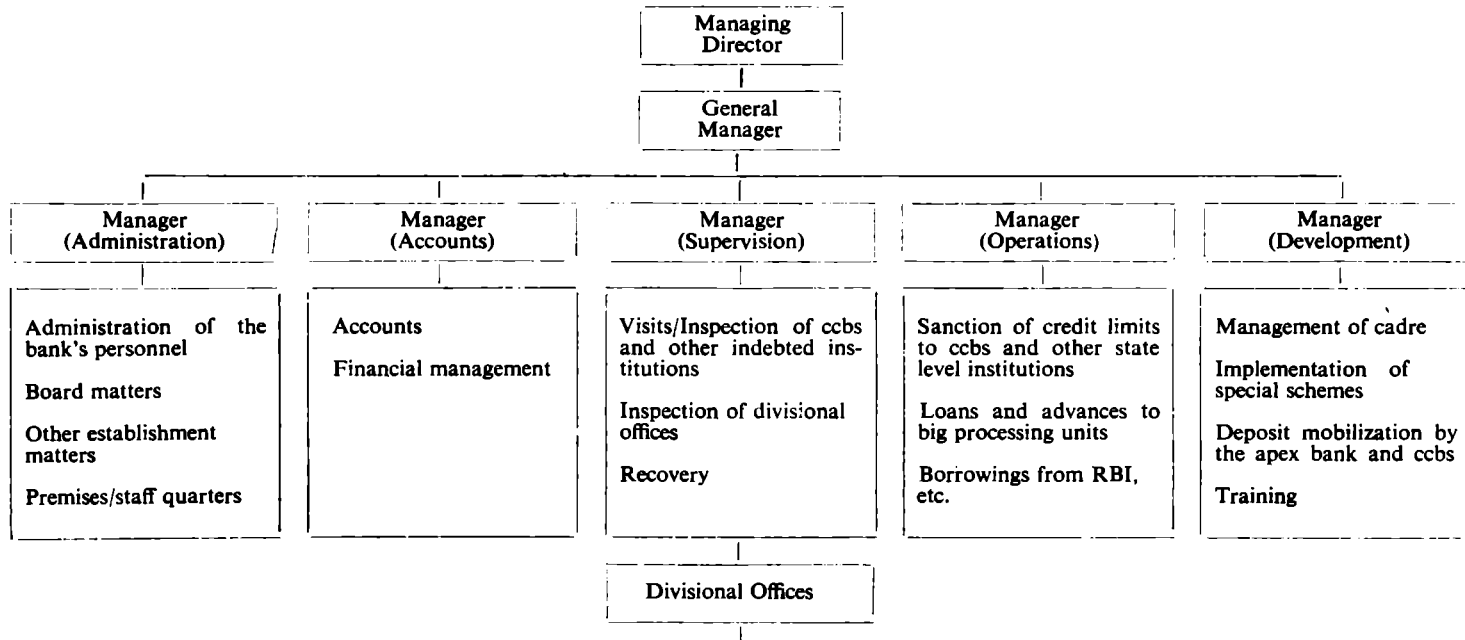
### *Co-operative Department*

8.35 We have indicated in Chapter 7 the recovery procedure in vogue in MP. The awards are passed by the Assistant Registrars of the districts and in many districts the Assistant Registrars have to attend to this work in addition to their normal duties. Consequently there are delays in disposal of award cases. For ensuring quick disposal of award/arbitration references separate posts of Assistant Registrars to attend to this work have since been sanctioned by the GOMP for 11 districts which are in the tribal areas and are served by weak central banks. We suggest that the GOMP may sanction a separate post of the Assistant Registrar for dealing with award references for the districts which though non-tribal have been classified by us in Chapter 7 as having acute problem of chronic overdues.

8.36 According to the existing practice, the concerned supervisor of the ccb is in a majority of cases, designated as the sale officer for executing the decrees. Instances have occurred in the past when these sale officers during the course of their official work were threatened with violence or assaulted and have been implicated in criminal proceedings on trumped up charges like theft, dacoity, etc. We, however, note that the GOMP have since issued an Ordinance to treat these officers as public servants for the purpose of discharge of duties by them as sale officers.

8.37 The implementation of the recommendations made in this report will have to be largely ensured by the RCS which obviously would substantially increase his responsibilities. It is, therefore, necessary that the staff in the Registrar's Office in the Headquarters as well as at the districts will have to be strengthened to enable him to discharge his heavy responsibilities. The GOMP may take note of this position and take suitable action to provide the necessary staff at the required levels in the Department.

# ORGANIZATIONAL CHART OF MPSCB



## DEPOSIT MOBILIZATION

### SECTION II

#### OPERATIONAL ASPECTS

8.38 The implementation of our recommendations regarding the provision of trained and qualified personnel to the institutions at the intermediate and the base levels will equip the institutions to attain the desired degree of efficiency in their operations. We urge on the non-officials to adequately back the efforts of the officials entrusted with the management of their institutions for attaining the above objective. One major problem which has handicapped the institutions in this respect has been inadequacy of the internal resources with them. While we presume that suitable supervision and guidance to ensure the desired degree of operational efficiency will be provided to these institutions by the GOMP and the MPSCB, we would like to consider some important aspects like deposit mobilization, interest margins, financing of small farmers and the need for provision of consumption finance to them.

#### *Deposit mobilization*

8.39 We have estimated that the co-operative banking sector will be in a position to meet the agricultural credit requirements in the state of the order of Rs 160 crores in 1979-80. Normally for sustaining this high level of lending which would necessitate borrowings from the higher financing agency it is necessary for the lending institution to have adequate internal resources by way of owned funds and deposits. In this connexion it may be mentioned that under the deposit mobilization scheme, a ccb to qualify for a loan from the RBI at a concessional rate of interest has to put in from its own resources Re 1 for every Rs 2 from the RBI. In other words, its contribution has to be one-third of the total advances above the base level. Thus, for every Rs 100 of additional short-term loans, the bank has to invest Rs  $33\frac{1}{3}$  from its internal resources to qualify for Rs  $66\frac{2}{3}$  from the RBI at the concessional rate of interest. The owned funds ordinarily contribute 5 per cent or Rs 5 leaving Rs  $28\frac{1}{3}$  to be put in from the deposits. Taking into account the statutory and optimum liquidity at  $33\frac{1}{3}$  per cent of deposits, additional deposits to be mobilized will be of the order of Rs 45. Thus, for advancing every Rs 100, a ccb may have to mobilize Rs 45. If, however, the ccb has to cater to other activities, it will require higher level of deposits say at about Rs 80. But if the involvement of the bank in non-agricultural advances is low, the deposits to be mobilized for every Rs 100 of short-term loans outstanding can be placed at Rs 66.

8.40 In Chapter 6 we have indicated the projected level of credit business that will be handled by the pacs in each district by 1979-80.

# OPERATIONAL ASPECTS

A part of this credit business, i.e., Rs 40 crores will be coming from the commercial banking sector leaving Rs 160 crores to be made available by the state and central co-operative banks. In order to ensure the level of credit business of the above order at the primary level, each ccb will have to issue short-term loans in 1979-80 to the extent of 90 per cent of the projected level of business to be handled by the pacs in the district in that year with refinance from it. With a view to sustaining the lending programme as estimated with refinance from the MPSCB/RBI at a concessional rate, the level of deposits should be at 65 per cent of the loaning. On this basis the level of deposits that is required by 1978-9 and the annual growth rate that will be necessary to reach that level with reference to the deposits as on 30-6-1975 are worked out in detail in Annexure 51. The bank-wise position in respect of annual growth rate of deposits is summarized in Table 7.

TABLE 7

Annual growth rate	BZ	CZ	GZ	JZ	VZ	TZ
51 - 55	—	—	—	—	Satna (55) Tikamgarh (54)	Surguja (55)
46 - 50	—	—	—	—	—	Bastar (47)
41 - 45	—	Raigarh (45)	—	—	—	—
36 - 40	Barwani (36)	Raipur (40) Balaghat (37)	—	—	Panna (37)	—
31 - 35	Betul (35) Nimar (33)	—	Shujalpur (32)	—	Sidhi (32)	Mandla (35)
26 - 30	Raisen (27)	—	Gwalior (28) Bhind (26)	Chhindwara (27) Seoni (26)	—	—
21 - 25	—	—	Neemuch (25) Morena (25) Ratlam (25)	Sagar (22)	—	Jhabua (22)
16 - 20	Harda (20)	Durg (16)	Rajgarh (18) Ujjain (18)	Bishnudatta (19) Damoh (17) Narsinghpur (16)	Vindhya (18)	Dhar (20) Shahdol (19)
15 or below	—	Bilaspur (13)	Datia (14) Shivpuri (14) Vidisha (13) Guna (5)	—	Chhatarpur (15)	—

# DEPOSIT MOBILIZATION

In the case of 34 banks the annual growth rate of deposits required is more than 15 and ranges between 16 and 55.

8.41 As against this position, we have estimated in Chapter 3 the available potential for deposits for each ccb with reference to the area served by it and the type of population in the area. If the banks are to achieve this level of deposits at least by 1978-9, the annual growth rate required is given bank-wise in col. 8 of Annexure 51. The bank-wise position is summarized in Table 8.

TABLE 8

Growth rate	BZ	CZ	GZ	JZ	VZ	TZ
51 - 60	—	—	—	Bishnu-datta (56)	Satna (57)	—
41 - 50	—	—	—	—	Panna (41)	Surguja (41)
31 - 40	—	Raigarh (40) Durg (34)	Gwalior (36)	—	Tikamgarh (39) Sidhi (36)	Bastar (34)
21 - 30	Betul (29) Harda (29) Nimar (21)	Balaghat (28) Raipur (29)	Rajgarh (28) Ratlam (21)	Sagar (28) Seoni (23)	Vindhya (30)	Mandla (23) Shahdol (26)
16 - 20	—	—	Datia (18)	Chhindwara (16)	Chhatarpur (19)	—
15 and below	Barwani (13) Raisen (10) Dewas (9) Indore (5) Bhopal (0.1)	Bilaspur (15)	Bhind (10) Guna (5) Neemuch (9) Morena (11) Shujalpur (10) Shivpuri (15) Ujjain (7)	Damoh (4) Narsinghpur (2)	—	—

Even on the basis of area served and type of population in the area, most of the banks have to make efforts to reach the expected level of deposits which could be easily mobilized in their areas.

8.42 On a comparison of the two growth rates worked out in Table 7 and 8 the ccbs can be classified into four categories as in Table 9.

OPERATIONAL ASPECTS

TABLE 9

	BZ	CZ	GZ	JZ	VZ	TZ
<i>Category I</i>						
ccbs which have achieved a level of deposits necessary to sustain the proposed level of lendings in 1979-80, but still have scope to tap the available potential.	Bhopal Dewas Indore	—	—	—	—	—
<i>Category II</i>						
ccbs in respect of which both the growth rates are below 25 per cent	—	Bilaspur	Datia Guna Morena Neemuch Ratlam Shivpuri Ujjain Vidisha	Damoh Narsinghpur	Chhatarpur	Dhar Jhabua
<i>Category III</i>						
ccbs where one of the two growth rates is below 25 per cent and the other is above 25 per cent	Barwani Harda Nimar Raisen	Durg	Bhind Rajgarh Shujalpur	Chhindwara Bishnuddatta Sagar Seoni	Vindhya	Mandla Shahdol
<i>Category IV</i>						
ccbs in respect of which both the growth rates exceed 25 per cent	Betul	Balaghat Raigarh Raipur	Gwalior	—	Panna Satna Sidhi Tikamgarh	Bastar Surguja

We have to suggest that the banks in Category I should aim at tapping the available potential, the banks in Category II should attain the higher of the two growth rates, the banks in Category III should ensure annual growth rate of at least 25 per cent in the mobilization of additional deposits and the banks in Category IV should strive hard to attain the lower of the growth rates. The implementation of our suggestion would mean that eleven banks in Category IV will have to ensure an annual growth rate exceeding 25 per cent in mobilizing additional deposits. This should not be difficult for them as the level of the existing deposits is low.

8.43 At the same time, we have to point out that a majority of banks in Categories III and IV, particularly in Category IV, will have



## INTEREST MARGIN

to show a much greater degree of aggressiveness in the mobilization of deposits. We would emphasize that the most important thing in this context is to improve the image of the banks by providing not only a variety of deposit schemes but also greater banking facilities and services. We would also suggest that to enable these banks to improve their image in the public eye, the MPSCB may consider sanctioning them loans for giving a face-lift to their offices provided the ccbs agree to appropriate a portion of their future profits towards the repayment of credit facilities so extended. Besides, we would urge on the GOMP to recognize the state and central banks for the purpose of receiving deposits from the public institutions and local bodies under their control. We understand that for the purpose of deposits of municipalities and other local bodies the GOMP have recognized only the scheduled banks. Since the ccbs cannot fall in the category of scheduled banks, we suggest that the state government may recognize for the purpose at least the ccbs in 'A' or 'B' class of audit as per the practice in vogue in Gujarat. If necessary, GOMP may consult the MPSCB in the matter.

### *Interest margin*

8.44 The data furnished to us reveal that no uniform policy is being followed in MP regarding the retention of interest margins at different levels as may be seen from Annexure 52. This question was examined in detail by the Rajasthan Study Team which has suggested that out of a total margin of 5.25 per cent (exclusive of tax liability) available to the co-operative credit structure a margin of 0.75 per cent be retained at the apex bank level, the share of the ccbs and the pacs being 2 per cent and 2.50 per cent respectively. In MP the ultimate lending rate in respect of short-term loans is, by and large, 14 per cent per annum. In districts where it exceeds this level, it should be brought down to 14 per cent per annum. This means the total margin available to the three-tiers will be 6 per cent exclusive of the tax liability. We suggest that the share of the MPSCB, the ccbs and the pacs may be 0.50 per cent, 2.50 per cent and 3.00 per cent respectively. If the same margins are retained in respect of medium-term agricultural loans the ultimate lending rate in respect of such loans will be 14½ per cent per annum.

### *Interest receivable*

8.45 In MP the ccbs at the time of annual closing, debit the interest accrued on loan accounts to 'Interest receivable account' and equivalent credit is afforded to 'Interest received account'. This procedure is followed irrespective of the fact whether the principal amount is current

#### OPERATIONAL ASPECTS

or overdue. In Maharashtra the central banks follow the same procedure, but in terms of Section 65 of the Maharashtra Co-operative Societies Act, 1969, the banks in that state have to make a provision for interest accrued on overdue loan accounts by debiting 'Interest received account'. This provision is held under the 'Provision for overdue interest account'. In this procedure the latter account is debited and 'Interest received account' is credited only on realization of interest on defaulted accounts. By virtue of adoption of this procedure, profits declared by banks in Maharashtra are not book profits inasmuch as they are computed on the basis of realized income. However, in Madhya Pradesh accrued income, even if the income so accrued is in respect of overdue loan accounts wherein the recovery of principal amount itself is not expected to be forthcoming within a reasonable period of time, is reckoned for arriving at the profits. The RCS in terms of his circular instructions, however, has advised the banks not to appropriate their profits unless the amount of profits exceeds the balance under the 'Interest receivable account'. Although this procedure ensures that the unrealized profits are not frittered away by way of appropriations, the fact remains that the profit position indicated in the annual accounts does not reveal the true position of the business of the institution. Further, such misleading picture of profits leads to expectations from the employees of higher wages/bonus. We, therefore, recommend that the procedure in vogue in Maharashtra in this behalf may be adopted in Madhya Pradesh and the GOMP may initiate suitable action to amend the State Co-operative Societies Act for the purpose.

#### *Financing of small/marginal/economically weak farmers*

8.46 We have suggested in paragraph 6.23 in Chapter 6 that, besides ensuring admission of weaker sections to the membership of the pacs, targets may be fixed for their effective coverage and the position reviewed in this behalf from time to time by the RCS and the MPSCB. The enrolment of membership of the weaker sections should not be a difficult proposition with the fixation of a lower ratio of share linking and availability of loans for the purpose from the GOMP.

8.47 With a view to ensuring that conscious efforts are made by the co-operatives in financing the small farmers, the RBI from the year 1971-2 has linked the operations on the short-term credit limits sanctioned on behalf of the ccbs to a certain percentage of outstandings against small farmers. The condition was that each ccb should have at least 20 per cent of its outstanding borrowings from the apex bank covered by outstanding loans to societies against small farmers. It

#### SMALL AND MARGINAL FARMERS

was, however, noted that the methods adopted by the ccbs in complying with this condition were defective inasmuch as while some of the banks reported their figures with reference to the advances proposed by the societies to small farmers, some others reported them with reference to the loans outstanding against such farmers at the societies' level. The Reserve Bank, from the year 1975-6 has, therefore, linked the condition regarding advances to small farmers to the loans issued. Accordingly, the state co-operative banks have now to ensure that not less than 20 per cent of the central banks' advances to primary societies during the year (1 April to 31 March) are issued for financing small/economically weak farmers.

8.48 The existing parameter for a small farmer in MP is not uniform for all the districts. It is 3, 5 and 7.5 acres. It was observed that the ccbs in MP, by and large, could not issue 20 per cent of their fresh loans to the small farmers during the period from April to July 1975. The bank-wise position in this behalf is given in Annexure 53. The RBI on a request from the state government and the state co-operative bank granted the following relaxations to enable the ccbs to operate on their credit limits :

(i) Where on the basis of the existing parameter a ccb has already advanced 10 per cent or more of the total short-term loans to small farmers, no upward revision of the parameter may be made for the year 1975-6 but the concerned ccb should continue to maintain the proportion it has already reached.

(ii) Where the loans issued are less than 10 per cent, an upward revision of the parameter may be made from 3 acres to 5 acres and from 5 acres to 7.5 acres and the ccbs should ensure that at least 10 per cent of the loans issued are to the small farmers. In the case of such ccbs they will be allowed to draw on the limit only for financing small farmers until they reach the level of 10 per cent. The free operation on the limit will be allowed only after reaching the above percentage.

(iii) The parameters will not be revised upwards beyond 7.5 acres and the minimum percentage will not also be reduced below 10 per cent.

8.49 The RBI also had indicated that the parameters and the percentage of loans to small farmers appropriate for each ccb for the operation on the credit limits for the year 1976-7 will be fixed by the end of December 1975 so that the ccbs will have enough time to make efforts to enrol more small farmers as members of pacs. The RBI has since fixed the parameters and percentages in respect of each

## OPERATIONAL ASPECTS

ccb for the year 1976-7 which have been given in Annexure 54. We are confident that with the present awareness in all the concerned quarters, the co-operatives will be in a position to increase not only the membership of small farmers but also ensure the supply of adequate credit to them.

### *Consumption finance*

8.50 In the context of moratorium on the rural debts granted by the state government the supply of credit from private agencies like moneylenders has come to a stop. Consequently, it is necessary to institutionalize credit for the non-agricultural purposes particularly for meeting the consumption needs of the rural poor. The on-the-spot studies of the 409 pacs have revealed that if such credit is made available by the pacs to small and economically weak farmers, they may be attracted in greater number to the society of their area. The co-operatives can, therefore, lend support for meeting such credit requirements, but their main task is to meet adequately the growing needs of finance for agriculture and cottage and small-scale industries. It is therefore, not advisable to divert the scarce resources of the institutions to non-developmental purposes. At the same time, a note has to be taken of the situation that has arisen on account of the stoppage of credit from non-institutional agencies and, therefore, the co-operatives may lend a helping hand in meeting such requirements. However, in view of the inadequate resources position, the lowest priority should be granted for financing such activity and the financing should not lead to meeting extravagance in expenditure.

8.51 Considering the pros and cons of the matter, we suggest that the co-operatives in MP may out of their own resources grant such loans to the members of co-operative societies belonging to weaker sections of the community engaged in some productive occupations and as are eligible for short-term agricultural loans, for specific purposes like medical aid, death ceremonies, marriages (dowry excluded). The quantum of such loans may, however, be limited to 10 per cent of the total short-term loans advanced to an individual with a ceiling of Rs 250 per member. Such loan may be granted along with production credit.

8.52 Further as advised by the Reserve Bank of India recently central banks may also grant loans against the pledge of jewellery excluding precious stones directly to individuals who may be enrolled as nominal members for the purpose. Suitable arrangements for valuation of pledged jewellery may be made with a local jeweller at the branches of ccbs. However, with a view to avoiding carrying of considerable risk

# AUDIT CLASSIFICATION OF CCBS

in regard to safe custody, suitable ceiling may be fixed in absolute quantum on such loans to be advanced by the branches.

## *Audit classification of ccbs*

8.53 The standards of audit classification for ccbs prescribed in Madhya Pradesh are indicated in Table 10.

TABLE 10

Particulars	A	B	D
Overdues under principal	Upto 20%	20% to 40%	Over 60%
Overdues under interest	Upto 5%	5% to 10%	Over 15%
Position of S.T. liabilities vis-a-vis S.T. investments minus overdues	Not to exceed	Not to exceed	Not prescribed
Bad debts plus 50% of doubtful debts	Should not exceed bad debt reserve	Should not exceed bad debt reserve plus reserve fund	Exceeds owned funds
Maintenance of fluid resources	No defaults	No defaults	Defaults on several days
Loans issued for the short-term purposes	At least 50% of the total	At least 40% of the total	M.T. loans exceed 75% of the total
% of defaulting societies to indebted societies	Below 35	Below 50	Over 60
Profit (+) / Loss (—)	Worked at profit	Worked at profit	Worked at loss
Management/staff	Efficient and qualified	Efficient and qualified	Not satisfactory

N.B. (i) The banks which do not fall in any of the above categories should be given audit class 'C'.

(ii) A bank will be allotted a particular class of audit only when it satisfies all the tests. The audit classification of banks should not be done on the basis of the majority of tests.

Source : Manual for co-operative societies in MP Vol. II Standards of audit classification.

A perusal of the prescribed standards indicates that if a sound bank fails to satisfy even one out of the nine standards stipulated for either 'A' or 'B' class, it will be placed in audit class 'C'. On the other hand if a weak bank is able to show a better position in respect of even one of the nine standards prescribed for classifying a unit in 'D' class, it will also be classified in 'C' class. The chances are many good and bad banks may go together in 'C' class of audit thereby defeating the very purpose of classifying the various central banks in different classes of audit. This statement is borne out by the fact that out of 43 banks in the state as many as 36 were awarded audit classification

#### OPERATIONAL ASPECTS

'C' for the year 1972-3 and none of the other 7 was placed in audit class 'D'. A bank like Ujjain on the one hand and the banks like Bastar and Sidhi on the other hand received the same audit classification, i.e., 'C' for the year 1972-3.

8.54 The Ujjain central bank was awarded audit class 'C' for the years 1970-71 and 1972-3 because firstly, according to the auditor the bank's short-term liabilities exceeded its short-term investments less overdues and secondly, the proportion of defaulting societies to total indebted societies was on the high side. However, on the basis of percentage of overdues to demand the bank was eligible for audit class 'B' for both the years. It appears that it would be incorrect to classify the bank in a lower class merely because the number of defaulting societies is high although the amount of defaults may be lower because this would mean assessing the bank's performance on two counts in respect of the same aspect of its business. As regards the position of short-term liabilities *vis-a-vis* short-term investments is concerned, it may be stated that according to the prescribed procedure, fixed deposits over one year with the apex bank are not reckoned for the purpose of arriving at the central bank's short-term investments. Actually such deposits though not due within one year should be like government securities, treated as liquid assets or short-term investment as the central banks concerned can in times of need always obtain funds thereagainst from the apex bank. It is for this reason that such deposits are treated as liquid assets/short-term investments for the purposes of Section 22(3)(a) or 24 of the Banking Regulation Act. Had these deposits been reckoned for the purpose of computing the Ujjain central bank's short-term investments, the bank's such investments would have exceeded its short-term liabilities in both the years under reference and in that case the bank would have received audit class 'B'.

8.55 However, the main point for consideration is whether a central bank's position should be assessed on the basis of its overall performance or whether it should be given a lower audit classification merely because it fails to satisfy one or two out of the many standards. In the light of the position explained in the earlier paragraph, the correct assessment of a bank should be on the basis of its overall performance. Recognizing this position, the RBI has in terms of its circular dated 12 March 1975 to the Registrars of Co-operative Societies, suggested adoption of a 'marks system' so as to have a qualitative assessment of a central bank's overall performance. A total of 100 marks has been divided among 11 major aspects of business of a central bank. Due weightage has been given while making this allocation. While 20 marks have been allotted for performance of the bank

#### TASKS AHEAD

in the matter of recoveries, the proportion of defaulting societies to the total number of indebted societies has been ignored. In the circumstances we recommend that the marks system suggested by the RBI may be adopted for the purpose of audit classification of ccbs in Madhya Pradesh. Further, the investments of a bank in fixed deposits with the apex bank should be deemed as short-term investments irrespective of the period of such deposits.

#### TASKS AHEAD

8.56 In our report comprising eight chapters, we have offered a package of proposals for the development of institutional credit for short-term agricultural production in MP which is on the verge of achieving a breakthrough in the agricultural sector. The urgent tasks which need conscious attention of the concerned authorities in the GOMP, the non-officials on the managements of the co-operative credit institutions and the officials at the helm of affairs of the co-operative and commercial banks operating in the state, are broadly as under :

- (i) Re-organization of the primary credit structure so as to ensure that there is an elaborate and organized network of supply outlets for credit, agricultural inputs and other farming essentials.
- (ii) Recovery of overdues which are, by and large, wilful and have greatly hampered the flow of institutional credit.
- (iii) Efficient management of the co-operative credit institutions and greater attention on their part for the mobilization of additional resources.
- (iv) Full co-ordination between the co-operative and commercial banks for ensuring the projected level of short-term credit supply for agricultural production.
- (v) Adoption of measures to ensure that small and economically weak farmers are not, by omission or design, kept out of the proposed institutional framework and that their problems are given the due share of attention.
- (vi) Organization of special type of societies in tribal areas which would integrate credit for productive and non-productive purposes with supply of inputs and consumer goods and assist in the marketing of agricultural and forest produce, with the requisite institutions at the higher levels to effectively support their activities.

None of these urgent tasks can claim priority over the others for all are equally important. With the increasing awareness that we have noticed among the non-officials and officials at all levels in Madhya Pradesh, we are confident that each one of them will come forward to shoulder wholeheartedly his share of responsibilities so that the institutional agencies play the role assigned to them in ensuring the planned economic development of the rural sector.

## OPERATIONAL ASPECTS

### *Review of action on the recommendations*

8.57 Finally, we recommend that a periodical review of the progress in implementation of the various recommendations may be undertaken by a high-power state level committee which may be set up by the GOMP under the Chairmanship of the Chief Secretary. The other members of the committee may be the Secretary in charge of Agriculture and Co-operation Departments of the GOMP; RCS, MP; Director, Tribal Welfare Department, GOMP; a representative each of the GOI in the Ministry of Agriculture and Irrigation (Department of Rural Development), Reserve Bank's ACD and DBOD and the Chairmen of the MPSCB and MPSLDB.



## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

### *Chapter 1—Agricultural Profile and Credit Potential*

1 Taking into account the state of development of agricultural credit institutions, the similarity in their problems and the problems of rural population served by them as also the factors like agro-climatic conditions, cropping pattern and contiguity of the area, we have divided the state into five principal zones. However, in view of the fact that we have to consider a special organizational pattern at the levels of both the credit institutions and the extension wing at least in respect of areas having heavy concentration of tribal population, we have segregated six wholly tribal districts, from their respective zones and classified them under a separate zone. Thus, for the purpose of analysis of the data, consideration of the issues before us and presentation of our views thereon with possible solutions, the forty-five districts in the state have been divided into six principal zones, viz., Bhopal-Indore (9 districts), Chattisgarh (6 districts), Gwalior (12 districts), Jabalpur, Vindhya and Tribal (6 districts each).

2 The proportion of operational holdings up to two hectares to the total number of holdings for the state as a whole is 49 per cent as against the all-India percentage of 70. The area under such holdings at 20.94 lakh hectares is, however, small and forms only about 10 per cent of the total cropped area in the state. But, the number of small and marginal farmers is quite large throughout the state. The problem of ensuring adequate flow of credit to them is, therefore, quite formidable and will have to be tackled effectively by the agricultural credit institutions operating in the state.

3 With the proposed increase in the irrigated area by 18.75 lakh hectares by the end of the Fifth Five Year Plan, the annual consumption of fertilizers in the state is expected to go up by 4.50 lakh tonnes to about 6 lakh tonnes. The area under high-yielding varieties of crop is to be increased by about 9 lakh hectares to 25.90 lakh hectares during the above period. The proposed development is bound to appreciably increase the demand for credit.

4 On the basis of Rs 250 per hectare for irrigated land and Rs 125 per hectare for unirrigated land, the Fifth Plan Working Group appointed by the Union Ministry of Agriculture and Irrigation estimated the production credit needs for the country as a whole at Rs 3000 crores in 1978-9.

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

The more scientific method of assessing the credit requirements is to ascertain the realistic scales of finance and the area under different crops and multiply the area under each crop with the relevant scale of finance fixed for the purpose so as to arrive at the total outlay on raising the different crops. Forty or fifty per cent of the outlay so calculated can be deemed as the short-term production credit needs on the assumption that not all the cultivators require credit and, therefore, become members of pacs, not all the cultivators in need of credit resort to institutional agencies and not all the borrower-members of pacs borrow to the full extent of the outlay on crops raised by them. It is for this very reason that the Fifth Plan Working Group placed the per hectare credit requirements in respect of both the irrigated and unirrigated areas at modest levels. The assessment of credit potential on the basis of realistic scales of finance is, however, a very difficult proposition especially in MP wherein agricultural conditions and, therefore, outlay on crops and their yields greatly differ from area to area rendering it impracticable to fix uniform realistic scales for the different crops grown. Secondly, the cropping pattern tends to change from year to year and such changes though small in percentage are quite substantial in so far as calculation of credit needs is concerned. Above all, the method adopted has to be simple enough to facilitate estimation of the credit potential not only for the state as a whole and each district in it but also for each development block in the state, as the ultimate objective is to locate areas with large credit gaps and introduce alternative institutional agencies in such areas either to replace the existing institutions or to supplement their efforts.

5 We consider it appropriate, therefore, to calculate the short-term production credit requirements for the state and the districts/blocks in it on the same basis as adopted by the Fifth Plan Working Group subject to marginal changes in respect of areas wherein either the cultivators are relatively progressive and the consumption of fertilizers is very high or the acreage under low-value crops is relatively large. Such changes are necessary in respect of 11 districts as shown below :

District	Per hectare norm in rupees for estimation of credit potential	
	Irrigated area	Un-irrigated area
Indore (BZ)	375	175
Betul (BZ), Raigarh (CZ), Rewa, Satna, Sidhi (VZ), Jhabua, Shahdol and Surguja (TZ)	250	100
Bastar and Mandla (TZ)	250	75

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

6 Adopting the basis indicated above, the short-term credit requirements of MP as a whole for the gross cropped area of 212.12 lakh hectares in 1973-4 (194.79 lakh hectares unirrigated and 17.33 lakh hectares irrigated) work out to Rs 273.40 crores or, say, Rs 275 crores. With the expected increase by the end of the Fifth Plan period in the irrigated area by 18.75 lakh hectares over the level that obtained in 1973-4 and the targeted extension of the area under high-yielding varieties of crops, the short-term credit requirements of the state may increase by about Rs 25 crores to Rs 30 crores and, on a conservative estimate, can be placed at Rs 300 crores in 1979-80.

7 As against the above position, the pacs in the state with refinance from the higher financing agencies can be deemed to have met in 1974-5 credit requirements to the extent of the short-term agricultural loans issued by them in that year (Rs 51.97 crores) plus overdues in respect of such loans as on 30 June 1974 (Rs 42.74 crores), i.e., to the extent of Rs 94.71 crores leaving a credit gap of about Rs 180 crores or 65 per cent of the existing potential at Rs 275 crores. It is assumed for this purpose that had the defaulters as on 30 June 1974 cleared their defaults, the pacs could have issued to them fresh loans at least for the amounts equivalent to their defaults.

8 If the credit gaps in the districts in which they are already less than 50 per cent of the credit potential are to be reduced to 20 per cent, in districts in which they are between 50 and 65 per cent to 30 per cent and in all other districts to 40 per cent of the credit potential by 1979-80 so as to ensure removal of regional disparities in the dispensation of credit to the extent possible, the institutional sources will have to take up the level of credit made available by them to Rs 200 crores in that year.

### *Chapter 2—State Co-operative Bank*

9 Despite the provisions in the State Act, certain problems are being faced in the day-to-day management of the existing scheme of cadre of key personnel for the ccbs, which are as under :

- (i) Some weaker ccbs are finding it difficult to maintain on their own all the five cadre officers in spite of the fact that each of them is entitled to receive grant-in-aid of Rs 15000 annually from the cadre fund. They are, therefore, managing with two or three cadre officers although in view of the dimensions of the problems faced by them, they need the services of all the five key personnel.
- (ii) Contributions to the cadre fund not being legally binding are not received regularly from the ccbs.

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

- (iii) The scheme has not been made compulsory and, therefore, in a number of ccbs including big banks like Indore and Raipur all or some of the key officers do not belong to the cadre.
- (iv) Instances are not uncommon when the managements of some ccbs have refused to allow a cadre officer to join duties because either his selection had not their approval or the banks were not willing to do away with their own officer occupying the concerned position.

Full benefits of this well meaning scheme will not accrue unless the above difficulties are effectively tackled. We are of the view, therefore, that the steps taken for introduction of the cadre of key personnel for ccbs have to be backed by legal sanctions as also proper arrangements for funding so that all ccbs are in a position to maintain the cadre officers.

10 We urge on the management of the MPSCB to devote special attention to mobilization of deposits especially from sources other than co-operatives so as to achieve an average annual growth rate of 20 per cent and ensure that the bank's deposits are not below Rs 35 crores at the end of June 1979. Incidentally, the growth rate of deposits at 20 per cent is not relatively pitched high since the level of deposits itself is low. We would place the share of public deposits as on that date at not below Rs 10 crores.

11 In the case of the Rajasthan State Co-operative Bank, which is the apex bank for a relatively under-developed state, the Rajasthan Study Team had recommended that the level of that bank's borrowings should be within 60 per cent of its outstanding loans and advances. It can, therefore, be reasonably expected of the MPSCB which serves a relatively developed state to bring down its level of outstanding borrowings to at least within 60 per cent of its total loans and advances. While making this suggestion due consideration has been given to the fact that *taccavi* loans are routed through the bank and this would inflate slightly the proportion of outstanding borrowings to outstanding loans and advances. The success of the bank in this respect will depend on its ability to mobilize deposits of the order of at least Rs 35 crores by 1978-9 as recommended above.

12 The MPSCB has eight branches located in different areas of the state which function, by and large, as its divisional offices. The bank should not, therefore, find it difficult to undertake inspection of the indebted institutions including the affiliated ccbs at least once in a year regularly. The importance of bestowing close supervision over the affiliated ccbs and guiding them in their operations cannot be over-emphasized as the co-operative banking sector will have to shoulder greater responsibility and ensure that the development efforts are not frustrated for want of adequate credit support and proper end-use of credit.

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

13 If the credit institutions operating in MP are together to meet short-term agricultural credit requirements to the extent of Rs 200 crores by 1979-80, the primary responsibility therefor will devolve on the co-operative credit structure. Towards this end, the MPSCB will have to take up the level of short-term agricultural loans issued by it annually to Rs 105 crores by 1979-80. However, because of paucity of resources on the one hand and mounting level of overdues at the lower tiers on the other, it may not be easy for the apex bank to achieve the projected expansion of credit. We would, therefore, urge on the management of the MPSCB to equip the bank in terms of resources as well as personnel with a view to rectifying the deficiencies which are in existence and are likely to account for the inadequacy of co-operative agricultural credit.

### *Chapter 3—Central Co-operative Banks—Performance and Prospects*

14 It is understood that a proposal for organization of a separate central bank for Sehore district by bifurcation of the existing Bhopal central bank into two separate ccbs, one each for Bhopal and Sehore districts, is pending consideration of the RCS. With the proposed bifurcation the area of operation of the residual Bhopal ccb will extent only to two development blocks of the new Bhopal district having predominantly urban population. On the other hand the area of operation of the proposed new ccb will extend to five rural blocks of the Sehore district. In such a situation the question of viability of both the units as independent entities may have to be carefully considered in the light of the norms of viability suggested later. A final decision in this behalf may be taken by the RCS in consultation with the RBI.

15 The below normal average position of the ccbs in MP cannot be attributed singularly to the poor performance of the banks in the Vindhya and Tribal zones. We have, therefore, to extend the scope of our analysis to examining in some detail the position of all banks in the state. We are in agreement with the Rajasthan Study Team which considered an almost similar problem in that state and which submitted its report in 1975, that the most important consideration in this behalf is that of viability of the institutions and allied with it is the question of their efficiency. The banks which are not likely to attain a viable status within a reasonable period, i.e., are not even potentially viable presently and are also inefficient cannot perhaps justifiably continue to function as independent units and may have, therefore, to make room for alternative institutional credit agencies.

16 We feel that the concept of viability of a ccb will have to be subjected to a more scientific examination and not determined on a purely *ad hoc* basis as seems to have been done in the past. Although viability is an

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

economic concept, it should not be construed to mean that a central bank can attain it by unduly limiting its size and the costs of its operation. For, a ccb will not be in a position to adequately serve the objectives that prompted its establishment, unless it ensures an efficient organizational set-up and a good branch network so as to maintain close contacts with the affiliated societies and their cultivator-members as also the depositing public. In other words, a bank adequately staffed with qualified and trained personnel both at the Head Office and the branches and having a certain minimum number of branches in the area it serves, can be deemed as a viable unit, if its earnings are adequate to defray its commitments.

17 The state has on the one hand, a district like Indore which though small in size offers a very good business potential, while on the other hand districts like Bastar and Surguja which are very large in size but are relatively under-developed. Simultaneously, there are districts like Datia, a district comprising only two development blocks, or Bilaspur having 32 blocks, which have witnessed average agricultural development and, therefore, the size of business potential offered by them can be related to their areas. In such a situation, there cannot be any uniform figure to indicate the minimum number of branches which every ccb in the state should have to serve adequately the needs of their respective districts. We are of the view, therefore, that viability standards cannot be applied uniformly all over MP and for that matter throughout the country. For similar reasons, we do not consider it feasible to fix area-wise or zone-wise norms for the viability of ccbs because one tribal district may be small (Jhabua) while the other may be very large (Bastar).

18 A branch of a ccb may effectively serve and supervise the operations of about 20 pacs, each having the prospect of reaching a loan business of Rs 2 lakhs and function as a viable unit within the next four/five years. The incidental medium-term agricultural or non-agricultural loan business that may follow the short-term agricultural loan business can be handled by the concerned branch. Thus, it can be assumed that a ccb will need one branch to cater to the short-term agricultural credit potential of Rs 40 lakhs. While making this assumption we proceed on the basis that until the question of integration of the two wings of the co-operative credit structure is decided one way or the other, the long-term agricultural credit potential need not be taken into account in normal circumstances.

19 For determining the viability and potential viability standards for the ccbs in MP, we may group the forty-three banks in the state in six broad categories as under :

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Category	Banks which need branches around
I	5
II	10
III	15
IV	20
V	25
VI	30 or more

The best course to arrive at the viability and potential viability standards for the above six categories of banks will be to estimate the expenditure on (i) salaries and allowances of the staff at the Head Office and branches and (ii) other establishment expenditure excluding that on interest on borrowings and deposits, arrive at the margin as percentage of loan business that will be available to meet the said establishment expenditure and calculate the quantum of loan business that will be required to meet the total estimated establishment expenditure. The amount of loan business so reckoned will be the viability norm for each of the six categories of banks. Fifty per cent of the norm for viability may be the potential viability norm on the assumption that a central bank with the existing loan business of, say, Rs 100 lakhs can take up the level of such business to Rs 200 lakhs within the next five years by maintaining an average annual growth rate of 15 per cent which is capable of being achieved.

20 In the light of the detailed exercise made by us, we recommend the viability and potential viability norms as indicated below for the ccbs in MP or for that matter elsewhere in the country :

Category	Banks which need branches around	Loan business in rupees lakhs	
		Viability	Potential viability
I	5	125·00	62·50
II	10	220·00	110·00
III	15	330·00	165·00
IV	20	405·00	202·50
V	25	515·00	257·50
VI	30	595·00	297·50

It is interesting to note that with the exception of a bank serving a small district like Datia which needs around 5 branches or the banks serving big districts like Bilaspur, Durg and Raipur each of which needs more than 30 branches, the proposed norm of viability works out in each case to between 45 and 55 per cent of the estimated short-term agricultural

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

credit potential offered by the respective district. It should be noted that the ratio of loan business to working capital will be 100 : 133.

21 The three broad criteria, viz., (i) adequate mobilization of resources, (ii) responsiveness to local needs and (iii) better recovery performance, mentioned by the Kerala Study Team for judging the justification for continued existence of ccbs were translated into some objective criteria by the Rajasthan Study Team by rating the performance of banks in that state with reference to ten major aspects of their business, viz., size of owned funds, size of deposits, size of working capital, size of total loans outstanding, size of loans advanced for short-term agricultural purposes, recovery performance, frequency of defaults to the state co-operative bank, size of profits, rate of dividend paid and performance in meeting credit inadequacies. The Rajasthan Study Team had assumed that all the ten aspects were of equal importance although some of them justified a higher weightage. Besides, the methodology adopted for rating the performance of banks with reference to each of the ten aspects did not take into account the potential available in that respect in the areas served by the different ccbs. We are of the view, however, that the exercise done by the Rajasthan Study Team should be improved further for the purpose of rating the efficiency of ccbs in MP by (i) giving suitable weightage to each norm or aspect of business and (ii) ensuring that the system of rating the performance of a bank in respect of each aspect has relation to the potential available in that behalf in the district served by the bank.

22 The efficiency of a ccb should be assessed on the basis of as many as 15 standards. These 15 standards which may be called the sub-norms can be grouped under five major norms ; each major norm representing a facet of the responsibility cast on a ccb. The five major norms are :

- I Performance in mobilizing adequate internal resources
- II Performance in meeting credit needs of the area
- III Performance in ensuring recovery of loans
- IV Ability in regard to the efficient management of funds
- V Role played as federal body of pacs

The performance in ensuring recovery of loans should have the highest weightage as the artery for circulation of credit gets choked on account of heavy overdues. The performance in mobilizing adequate internal resources should occupy the second place as the ability of a bank to meet the credit needs of the area it serves depends on its ability to mobilize



## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

sufficient internal resources. The performance in meeting credit needs of the area as also the ability in regard to the efficient management of funds should have the third priority with equal weightages. A bank will receive good rating in respect of three out of the above four aspects if it is in a position to ensure a sufficiently strong structure at the primary level and, therefore, assessment of the role played as federal body of pacs on the basis of their coverage, size of business and position regarding employment of full-time paid managers, should have the least priority and the lowest weightage.

23 Having rated the performance of each ccb in relation to the potential offered by the district served by it, a central bank with less than 50 per cent aggregate ratings should really be deemed as not having the minimum efficiency. However, in view of the fact that a third of the population of the state is made up of scheduled castes and tribes and the latter are mainly concentrated in a few districts comprising the Tribal zone, we are inclined to take a liberal view and, therefore, consider that the ccbs with aggregate ratings of less than 40 per cent, i.e., with less than 400 marks out of the total of 1000, should be deemed as inefficient.

24 The sixteen banks not having even the minimum efficiency can be grouped under three categories as shown below :

Category	Banks
I Banks which are rated as inefficient and which marginally fail to comply with the norm of potential viability.	Datia, Raigarh, Rajgarh, Shivpuri, Bishnudatta, Seoni
II Banks which are rated as inefficient and are also non-viable.	Harda, Sidhi, Bastar, Shahdol, Surguja
III Banks which are rated as inefficient but are potentially viable.	Betul, Durg, Panna, Satna, Vindhya

25 While strictly speaking the eleven ccbs in Categories I and II which are rated as inefficient and which do not also conform to the norm of potential viability proposed by us, can be marked as those which have no justification to function as independent financing units, we may have to make some allowance for the existing low level of achievement on the part of some of them, i.e., those in category I which marginally fail to comply with the norm of potential viability. It may not be impossible for the banks which on the basis of their existing level of loan business fail marginally to comply with the norm of potential viability, to ensure

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

a slightly higher growth rate in their loan business so as to attain the status of a viable unit over a period of five years, if their managements make concerted efforts in pursuance of suitable guidance provided for the purpose by the MPSCB.

26 The ccbs having an existing loan business of not less than 35 per cent of the level necessary to attain a viable status, may be allowed to continue for a further period of five years provided the entry of alternative credit institutions in a part of their area, which may be necessary to remove the regional disparities in the dispensation of credit, leaves adequate potential for each one of them to attain the viable status. All the banks in Category I barring Datia which serves a very small district, viz., the Raigarh (CZ), Rajgarh, Shivpuri (GZ), Bishnudatta and Seoni (JZ) banks, qualify on this basis for a longer lease of life. The managements of all these ccbs should make concerted efforts for maintaining such annual growth rate in their loan business as is necessary to achieve the status of a viable unit over a period of five years. While arrangements for providing the needed guidance to these banks may be made on the lines indicated later, the GOMP may review the position of the banks after a period of five years to find out whether they have justified the extended lease of life given to them or whether their cases should be considered for amalgamation with the state co-operative bank or for integration with the long-term credit institution operating in their district.

27 The GOMP may nominate as a director the MD, MPSCB or the next senior most official of the bank on the boards of the Raigarh central bank (CZ), the Rajgarh and Shivpuri banks (GZ) and the Bishnudatta and Seoni banks (JZ) by invoking the provisions of section 52 of the Madhya Pradesh Co-operative Societies Act, 1960. Pending implementation of the suggestions made by us for placing the cadre for key personnel of ccbs on a firm legal footing and meeting the entire cost of the cadre officers from the state level fund to be constituted for the purpose, it should be made obligatory on the above five banks to accept the services of all the five key officers from the cadre maintained by the apex bank, if such officers are not already with the banks, and the cost of such officers may be met partially out of the existing 'Key Personnel Cadre Fund' maintained by the MPSCB.

28 Our terms of reference require us to examine whether in the situation in which a ccb is rated as non-viable and also inefficient and has, therefore, no justification to continue to function, the state co-operative bank or a commercial bank should be asked to take over the responsibility from the ccb. A third alternative can be the integration of the short-term, medium-term and also the long-term credit business into a single

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

unit. Although this matter is not specifically included in our terms of reference, we thought it appropriate to consider it on merits in respect of banks in Category II because in our opinion it may then be possible to have an institution managed by local people which is a better alternative than amalgamating the central bank with the state co-operative bank or allowing a commercial bank to operate in its place.

29 The RBI has recently appointed a Committee with Dr R. K. Hazari, Deputy Governor, as Chairman to consider the question of integration of the two wings of the co-operative credit structure at all levels. While the whole question is under examination by a high level Committee, we thought that it would be appropriate for us to consider the possibility of integrating the two wings at the intermediate level with a view to improving the chances of the combined unit attaining a viable status quickly as the figures of the long-term business of the pldbs in four out of the five districts in Category II show that these are not at present potentially viable units. However, the composite unit at the district level will have the prospect of attaining a viable status relatively quickly only if the integration of the two existing institutions helps it mobilize and handle more business without any addition to the establishment expenditure.

30 The expected average long-term credit business per society in each of the five districts indicates that the maintenance of books and records and documents, etc., can be handled by the secretary of the society at least until the society achieves a substantial increase either in the short-term or the long-term credit business. Similarly, in so far as financial supervision over the societies by the higher financing agency is concerned, the present ratio of 10 societies per supervisor need not change. Thus, the integration of the two wings of the credit structure at the primary and district levels in the above five districts may not involve any extra cost of management or financial supervision over and above that will ordinarily be incurred by the ccb. In fact integration of the two wings of the co-operative agricultural credit structure at the district level will, as in the case of commercial banks, bring about a qualitative improvement in the staffing pattern of the integrated unit without any extra cost and, therefore, has to be preferred to the removal of the short-term credit institution at the district level from the scene altogether in the case of the districts wherein the existing ccb has no future.

31 We understand that the authorities in the state government have agreed in principle to introduce, on an experimental basis, integration of the two wings of the co-operative credit structure up to the intermediate level in a few districts. We also understand that the actual identification

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

of the districts for the purpose may be on the basis of our recommendations on this issue. In view of our analysis, we recommend that the integration of the ccb with the pldb may be brought about in five districts, viz., Hoshangabad (BZ), Sidhi (VZ), Bastar, Shahdol and Surguja (TZ) in accordance with the procedure that may be outlined in this behalf by the Committee on Integration of Co-operative Credit Institutions. Such integration will necessarily mean that the pacs in each of the above districts will also provide long-term agricultural credit.

32 While the case of the Datia ccb grouped in Category I is not strictly comparable to the position of the five central banks referred to above, because the bank is only marginally short of the level of business required to treat it as a potentially viable unit and also because the pldb in the district is already a potentially viable unit, we feel that, considering the very small size of the district, it may be advantageous to integrate the two units in it into one. Hence we recommend that the pldb and the ccbs in six districts in all, viz., Hoshangabad (BZ), Datia (GZ), Sidhi (VZ), Bastar, Shahdol and Surguja (TZ), may be merged with each other and the combined unit should undertake to provide short, medium and long-term credit facilities for agricultural development in their respective areas.

33 Out of six districts where we have suggested integration of the two wings of the co-operative credit structure with a view to improving the prospect of viability of the ccb, we have proposed subsequently a special type of base level organization, viz., the Adivasi Co-operative Service Society (ACSS) for three wholly tribal districts of Bastar, Shahdol and Surguja and the tribal pockets of Sidhi district. The proposed ACSS is expected to provide all types of credit facilities to their tribal as well as non-tribal members. It will, therefore, be an added advantage if the concerned ccb also undertakes the provision of long-term credit to these societies along with the short-term and medium-term credit for agriculture.

34 We have identified as many as 16 ccbs which should be rated as not having even the minimum efficiency. These include five banks in Category III, viz., Betul (BZ), Durg (CZ), Panna, Satna and Vindhya (VZ) which though potentially viable have been rated as inefficient. Special attention to these banks will have to be bestowed by the concerned divisional offices of the apex bank and the managements of these banks will have to make strenuous efforts for mobilizing additional deposits, ensuring increase in loan business at an annual growth rate of not less than 15 per cent and for recovery of loans so that the banks attain a viable status over a period of the next five years.

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

35 As many as 16 banks in the state could be rated as below the minimum level of efficiency, i.e., less than 40 per cent of the aggregate marks. Ten ccbs have marks ranging between 400 and 499. A time-bound programme for improving the efficiency of the above 26 banks as also of the remaining 17 banks which can be rated as reasonably efficient may have to be drawn up. For this purpose the banks may be grouped in the following four broad groups :

Group I : With rating below 400

Group II : With rating between 400 and 500

Group III : With rating above 500 but less than 600

Group IV : With rating above 600

After identifying the areas of weaknesses an attempt should be made to remove them to such an extent as to improve the rating in the different groups at the percentages indicated below every year for the next five years over the base level :

Group I : 15 per cent

Group II : 12.5 per cent

Group III : 10 per cent

Group IV : 5 per cent

The most important areas of weaknesses are in respect of recovery, deposit mobilization, coverage of cultivating families and loans and advances to them for agricultural purposes. In giving the ratings we have estimated the potential of owned funds, deposits and loans and advances for the year 1974-5. The rating in 1979-80 should be with reference to the levels revised upwards while the progress made each year may be assessed from the improvement made by the bank over the position in the base year. Such bank-wise annual review may be made by the MPSCB and also by the high power state level committee for assessing the progress in implementing the various recommendations contained in this report.

### *Chapter 4—Institutional arrangements for meeting credit gaps*

36 With the implementation of the measures suggested by us for adequate mobilization of internal resources by the state and central banks and for streamlining their working, for strengthening the pacs and for tackling the problem of overdues, we expect the co-operative banking

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

sector to 'take off' leading to a period of sustained progress. It may not be unreasonable, therefore, to assume that during the ensuing five years, the MPSCB will be in a position to maintain an average annual growth rate of 15 per cent in the short-term agricultural loans issued to the affiliated ccbs so that the level of such loans increases from Rs 52.39 crores in 1974-5 to about Rs 105 crores in 1979-80. The ccbs may be in a position to add up another Rs 10 crores to Rs 15 crores out of their internal resources. Thus, the MPSCB and the ccbs together may lend to the pacs about Rs 115 crores to Rs 120 crores by 1979-80 for financing credit requirements of short-term agricultural production. At the level of primaries, the overdues in respect of short-term agricultural loans as at the end of June 1974 were of the order of Rs 42 crores locking up their entire internal resources as also a part of the resources of the ccbs. The defaulters accounting for these defaults already have received credit for meeting their production credit requirements and, therefore, this amount can be reckoned as, if and when the defaulters clear their defaults, available for ploughing back by the institutions in issuing fresh short-term finance. Thus, the pacs in the state with re-finance from the state and central banks should be in a position to meet short-term agricultural credit requirements to the extent of Rs 157 crores to Rs 162 crores, or say, Rs 160 crores in 1979-80.

37 It may not be unrealistic to expect the commercial banks operating in MP to maintain over the period of the next five years an average annual growth rate of 15 per cent in mobilizing additional deposits taking the level of their total deposits from Rs 361.59 crores as on 30 June 1975 to about Rs 725 crores as on 30 June 1980. Assuming the credit-deposit ratio at the modest level of 60 per cent, the total advances of these banks in the state may be about Rs 435 crores at the end of June 1980. Advances for the priority sectors may be one-third of the total advances and may, therefore, amount to Rs 145 crores. We expect the commercial banks to ensure that at least one-half of their total advances to the priority sectors will be for agriculture and allied activities in 1979-80. Thus, the total investment of the commercial banks in agricultural advances over a period of five years can be placed at around Rs 75 crores. As against the above position, the total advances of the commercial banks for agriculture and allied activities amounted to Rs 27.29 crores as at the end of December 1974 inclusive of short-term agricultural loans of about Rs 7 crores of which Rs 2 crores have been disbursed through the pacs. Thus, the commercial banks may be in a position to allocate additional Rs 48 crores for agriculture and allied activities by 1979-80. We suggest that the banks should earmark about Rs 40 crores of the additional Rs 48 crores for meeting the credit needs of short-term agricultural production.

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

38 We would recommend extension of the scheme of financing of agriculture by commercial banks through pacs and that of the incremental loans of Rs 48 crores by 1979-80 for agriculture and allied activities as much as Rs 40 crores may be provided as short-term agricultural loans through pacs.

39 We recommend that the societies from such blocks having credit gaps exceeding Rs 40 lakhs in quantum and above 65 per cent of the credit potential be considered for transfer to the commercial banks. The following norms may be adopted to decide the extent of influence of the commercial banks in the above blocks:

- (a) Where the credit gap exceeds Rs 100 lakhs, to the extent of Rs 60 lakhs at the rate of Rs 20 lakhs per branch to be handled by three branches ;
- (b) Where the credit gap ranges between Rs 60 lakhs and Rs 100 lakhs, to the extent of Rs 40 lakhs at the rate of Rs 20 lakhs per branch to be handled by two branches ;
- (c) Where the credit gap ranges between Rs 40 lakhs and Rs 60 lakhs, to the extent of Rs 20 lakhs to be handled by one branch.

The number of blocks in category (a) are 9 (27 branches), in (b) 48 (96 branches) and in (c) 77 (77 branches). The scheme can thus be introduced on the above basis in 135 blocks in 34 out of 45 districts through 200 branches of the commercial banks and 2000 pacs in the state.

40 At the rate of Rs 20 lakhs per branch, the credit potential will be Rs 40 crores to be met through 2000 pacs. Thus, in our opinion, the co-operative credit institutions at the primary level with financial assistance from the co-operative and commercial banks together, should be in a position to meet by 1979-80 short-term agricultural credit needs to the extent of Rs 200 crores or 67 per cent of the expected level of credit potential at Rs 300 crores.

41 In so far as the blocks not having the requisite number of branches are concerned, we recommend that the DBOD of the Reserve Bank of India may consider allocating suitable centres to the commercial banks operating in the state for opening their branches as early as possible with a view to ensuring implementation of the proposed scheme.

42 It is quite likely that not all the 200 branches of the commercial banks expected to shoulder the responsibility of financing pacs will have the necessary trained staff to handle this business. Sufficient time may have to be allowed to them to open new branches wherever

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

they do not exist and to equip them as also the existing branches organizationally so as to ensure that the role assigned to the commercial banks is discharged effectively. We, therefore, recommend that the scheme may be introduced in a phased manner over a period of four years, i.e., up to 1979-80 and annually about 500 pacs may be transferred to 50 branches of the commercial banks.

43 The implementation of our recommendations regarding reorganization of pacs and creation of a state level fund to meet the cost of *samiti sevaks*, will ensure that every re-organized society has the services of an independent full-time secretary right from the beginning. The commercial banks should not, therefore, find it difficult to adopt all societies in an identified area. We suggest that once the allocation is finalized no option should be given to any of the parties involved to alter it unilaterally. This is necessary in view of the past experience that the decisions taken were not implemented on account of the reluctance on the part of one party or the other and consequently the scheme of financing the primaries had not been able to make the desired progress.

44 Our recommendations made above would mean the commercial banks taking responsibility for financing about 30 per cent of the total number of societies that will finally emerge in the state. Some positive steps will, therefore, be necessary if the influence of commercial banks through pacs is to be brought about on such a large scale. One way is to compulsorily disaffiliate the identified societies from the ccbs and attach them to one or the other commercial bank in the area. We are of the view that unless commercial banks agree to take over all the liabilities of the societies to ccbs inclusive of the overdues, it may be difficult to push through an arrangement which involves disaffiliation compulsorily, of almost one-third of the societies from the ccbs in three-fourths of the districts in the state. Besides, in the three-tier structure of the co-operative credit institutions, the ccbs are federations of the societies and the state co-operative bank is a federation of the ccbs. Representation to the intermediate and apex level institutions is, in most cases, through pacs. While representation of the pacs compulsorily disaffiliated from the ccbs to the general body of the latter as well as to its board will be possible by allowing each society to retain at least one share in the bank, the discontinuance of financial accommodation by the bank will cause a decline in their influence in the management of the bank.

45 An alternative solution can be the introduction of a kind of consortium/participation arrangement broadly outlined in paragraph 4.34 which may be advantageous in the following ways:



## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

(a) The pacs will not be required to sever their financial relations with the ccb completely as the latter will continue to be responsible for providing funds to them according to the share agreed to between it and the commercial banks.

(b) As the ccb will maintain its organic and financial link with the pacs, it can continue its efforts through persuasive or coercive action to recover its overdue loans from the societies.

(c) The feeling of distrust prevailing at the present moment between the ccbs and the commercial banks will make room for very close co-ordination as responsibility for the development of societies will be shared by both of them.

(d) The advantage of personal contacts with the managements of the pacs and the experience which the ccbs and the state co-operative bank have acquired in the field of agricultural credit will be available to the commercial banks.

(e) The state government will be more directly concerned with the problems faced by commercial banks in providing credit for agriculture through pacs because the problems of these banks will also be the problems of the co-operative banks which are at present under their control and general supervision.

(f) Finally, in a scheme of compulsory disaffiliation of societies, the approach may have to be from the point of view of the credit potential and credit gaps subsisting in the area as the ccbs may not be willing to part with the areas which have been relatively well served by them. Consequently, commercial banks may have to go to the areas where the pacs have the necessary credit potential to make them viable but are having a relatively low level of business. As a result, the banks may have to put in much greater effort in the development of the societies and in developing the necessary business potential which they may not find it easy to do. In a consortium/participation arrangement it should be possible to have a cluster of well-developed and poorly developed areas so that the responsibility for the latter type of areas will be on both the commercial and co-operative banks and the benefits of business from the more developed areas can accrue to both the institutions.

46 However, the idea of consortium/participation between the commercial banks and the ccbs in the financing of pacs has not been tried in any part of the country and, therefore, it is not possible to say with confidence that it is a better arrangement in filling the credit gaps than the

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

present one under which the pacs are affiliated to commercial banks on an *ad hoc* and voluntary basis or the other arrangement where the societies are proposed to be compulsorily disaffiliated from the ccbs and attached to commercial banks. The ccbs and commercial banks have had so far no occasion to participate in the financing of any activity and, therefore, it is not possible to say whether the kind of mutual understanding and co-operation between them will be forthcoming in the participation arrangement envisaged in the financing of pacs.

47 Neither the compulsory disaffiliation of pacs nor the consortium/participation arrangement has been tried anywhere and, therefore, it is not possible to give a positive recommendation in favour of either of the two alternatives. We would, therefore, recommend that both may be considered and given a fair trial if the objective of the commercial banks providing agricultural credit through as many as 2000 pacs, fss, etc., is to be attained as quickly as possible and in any case in the next four years and the supply of short-term agricultural credit reaches the level of at least Rs 200 crores in 1979-80 as against the potential of Rs 300 crores estimated by us. The identification of the areas for introducing either of the two methods may be done by the State Level Co-ordination Committee which has already been established in the state.

48 Preference may be shown to the new rrb for Hoshangabad and Raisen districts in the allocation of areas and the societies from the two districts. The same policy may be pursued as and when the rrbs are established in some other districts.

49 We recommend that the MPSCB may directly function in lieu of the proposed integrated unit for Bastar district, in Dantewada and Konta *tehsils* which form the project areas of the Tribal Development Agencies for Dantewada and Konta respectively and that the RBI may sanction suitable credit limits to the MPSCB against government guarantee for financing pacs in these two *tehsils*. In view of this recommendation, the proposed integrated unit may have to close down or shift to some other suitable centres the existing branches of the ccb/pldb in Dantewada and Konta *tehsils*.

50 In the interest of viability of the societies attached to the commercial banks/rrbs, they may have to be selective and not lend directly to at least such cultivators as may have no difficulty in obtaining their full credit requirements through the societies taken over for financing them.

51 The implementation of the recommendations made by us may be reviewed at suitable intervals by the Standing Committee on Co-ordination

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

between commercial and co-operative banks in financing agriculture of the Reserve Bank's ACB.

### *Chapter 5—Institutional Arrangements in Tribal Areas*

52 Any programme for the development of the tribals should have in view the following main objectives :

- (i) upgrading the level of their cultivation,
- (ii) ensuring that they get adequate price for their agricultural and minor forest produce,
- (iii) ensuring that they are in a position to obtain the items of their domestic needs at reasonable price,
- (iv) making arrangements for provision of credit to them for social functions at reasonable rates of interest, and
- (v) providing opportunities to them for supplementing their income by working as forest labourers, etc., and undertaking subsidiary occupations like cattle breeding, sheep and goat rearing and poultry farming, wherever feasible.

53 The type of base level organization which is most suited to meet the various requirements of the tribals is a multipurpose co-operative society undertaking, among others, the following important activities and functions :

- (i) provision of short, medium and long-term credit for agricultural purposes;
- (ii) provision of inputs of agriculture like fertilizer, seeds, insecticide, agricultural implements and machinery;
- (iii) provision of essential domestic requirements like foodgrains, cloth, salt, sugar, vegetable oil, kerosene, matches, tobacco, soap etc., against the member's entitlement under the cash component of the scale of finance or against a limit specifically sanctioned for meeting his consumption needs;
- (iv) provision of technical advice and guidance needed for modernizing agriculture and allied activities;
- (v) marketing of agricultural produce or products of allied activities like dairying, poultry keeping, etc;
- (vi) marketing of minor forest produce;
- (vii) provision of credit for expenses incurred to meet certain social obligations in birth, marriage or death ceremonies, the quantum of such credit being related to the member's thrift deposits collected continuously;
- (viii) undertaking wherever possible forest or other labour contracts which will provide employment and additional income to members;

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

- (ix) mobilization of deposits; and
- (x) undertaking such other activities which are incidental to the above functions.

While the society will be organized primarily for the benefit of the tribal population it will cater to all the requirements of the non-tribal farmers in its area for, a separate society, if organized for them, will have no prospect of attaining viability.

54 A society undertaking all the functions listed above should have a much wider area of operation than that of a society undertaking merely credit functions, so that the business generated by members in the area gives sufficient income to pay not only for a more competent manager/managing director, but also a large complement of staff to handle the multifarious activities. At the same time, with a view to obviating the need to open branches and minimising the problems of amalgamation/liquidation of the existing societies operating within the area, it may not be advisable to organize a society as big as to cover a whole block. The ideal jurisdiction may be about 10,000 rural population (2,000 families) so that the effective coverage at 40 per cent may be 800 borrowing members. An effective coverage of 40 per cent can reasonably be reached within a period of four or five years when the society may reach a loan business of Rs 5 lakhs. The other business activities will grow correspondingly and the experience is that income from the complementary business is generally adequate to meet the establishment and other costs of that business leaving a small profit. These types of societies will have fewer problems of managerial competence and of amalgamation and liquidation of existing societies and should be preferred to the block-level model. These societies may be called 'Adivasi Co-operative Service Societies (ACSS)'.

55 The headquarters of these societies in a block may be preferably located at main *hat* centres, i.e., weekly market centres. The *hat* has a special significance in the life of a tribal inasmuch as every tribal makes it a point to visit the *hat* of his area to sell his produce and obtain his needs. Besides, this weekly visit to the *hat* serves as a contact point with the other tribals in the area.

56 We do not, however, rule out the possibility of having some amount of flexibility regarding the extent of the area of operation of an ACSS and if the concerned authorities in the state government are confident of tackling the problems of managerial competence and amalgamation/liquidation of the existing societies, a few of the ACSS may be the block-level type provided each society has at least ten branches and a full complement of trained staff to serve the members effectively.

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

57 A plan of action for organization of special societies like the ACSS proposed above in the 172 tribal blocks in 21 districts has since been finalized by the GOMP and incorporated in the state's revised Tribal Sub-Plan (1974-9). The work of organization of such societies has been initiated in a few districts like Bastar and Mandla.

58 The state government have gone ahead with the proposal to form 19 block-level societies including 7 such societies in Dantewada and Konta *tehsils* in Bastar district. We understand that the GOMP have in view the organization of as many as 51 such societies in the tribal development projects in the various parts of the state. We have given an indication of the problems that are likely to arise in forming very large societies each covering the whole block. In view of this we suggest that any further increase in the number of block level societies in the tribal areas, beyond 19 already formed, may be discussed first by the state government with the MPSCB, the RBI and GOI.

59 Assuming that there will be, on an average, five ACSS of the *hat* level type per tribal block, there may be in all 784 ACSS including 19 of the block-level type. The work of organizing these societies may be completed by 30 June 1977. There may not be any need to organize additional societies of the block-level type except after discussion with the RBI and others as, no difficulties are likely to be encountered if a project area is covered by both the types of ACSS.

60 In so far as the organization of ACSS is concerned, we have to recommend as under :

(i) The ACSS should not be created by an amalgamation at one stroke of all the existing pacs, mpcs and flcs in the concerned area. For, it is essential that the new society should not, right from the start, carry the burden of the backlog of overdues and bad debts of the existing institutions. If this is not ensured, the ACSS will neither be eligible for share capital contribution from the state government out of the Reserve Bank's LTO Fund which is so necessary to broaden its capital base, nor for the credit facilities from the higher financing agency which are very necessary to enable it to undertake the various activities which prompted its organization.

(ii) It is desirable in the first instance to assess the position of overdues and bad and doubtful assets of each of the existing societies in the area of the proposed ACSS. Only such societies as will have low overdues and lower bad and doubtful assets should be identified for amalgamation. All other societies may be left out, starved of credit and allowed

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

to meet a natural extinction. Non-members from their area as also non-defaulters of such societies will, however, be catered by the ACSS.

(iii) With the organization of special societies for tribal areas, there will be no need for the existing mpcs and flcs which are controlled by the state government's Tribal Welfare Department. In fact, most of these societies are dormant. These societies may be either amalgamated with the concerned ACSS or liquidated depending on their financial position. Godown, etc., facilities available with these societies may be transferred to the concerned proposed ACSS.

(iv) Each ACSS of the *hat* level type should right from the start have the services of a trained manager with two assistants. As for the societies of the block-level model, the GOMP should ensure the necessary arrangements as indicated earlier.

(v) The headquarters of each *hat* level ACSS should be conveniently located keeping in view whether the place is an important *hat* centre and is having a godown.

(vi) Each ACSS of the *hat* level type should receive initially government contribution to its share capital of Rs 25,000, if it has not received such contribution, and of R. 75,000 if it is a block-level organization. The RBI may consider sanctioning corresponding loans to the GOMP out of its LTO Fund.

(vii) The ACSS should undertake all the activities enumerated in recommendation 53 as without these the societies will not be in a position to command complete allegiance of their tribal members. The need for adoption of a separate scale of finance for the tribals cannot also be ignored.

(viii) While the majority on the managing committee including the designated office bearers, viz., the President and Vice-President, may be the tribals, it is not desirable to have, as provided in the model byelaws, all the tribals on the managing committees of the ACSS which would also be undertaking the business of purveying agricultural credit with inputs to the non-tribals in the area. As provided, in clause (4) of section 48 of the Madhya Pradesh Co-operative Societies Act 1960 as amended in March 1976, two-thirds of the members on the managing committee may be from the tribals.

(ix) Every time agricultural or forest produce is offered for sale by a tribal member, the ACSS may adjust up to 50 per cent of the sale proceeds

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

towards the loan dues of the concerned tribal so that he is left with some money to meet his needs other than those available from the society. However, it will take a long time to inculcate the habit of making voluntary savings for a rainy day among the tribals. The ACSS may, therefore, make a small additional deduction of, say, five per cent from the sale proceeds for credit to the tribal's thrift deposit account and link up the eligibility of the tribal for loans for social purposes to the balance in the thrift deposit account.

61 In view of the special responsibility cast on the nation in the matter of social and economic upliftment of tribals due allowance may be made for the longer gestation period needed by the ACSS and the staff subsidy may be provided to it as long as necessary.

62 The proposed ACSS will also handle the business of long-term credit for agriculture. These societies functioning in the areas of the integrated units for Hoshangabad (BZ), Sidhi (VZ), Bastar, Shahdol and Surguja (TZ) districts as also the commercial banks, will obtain the necessary refinance for the purpose from their respective higher financing agencies. As for the MPSCB, we would suggest that it should also meet the long-term agricultural credit requirements of the special societies functioning in the project areas of the TDA, Dantewada and TDA, Konta and bring about in these areas the integration of the two wings of the credit structure as in the rest of the Bastar district.

63 In so far as the ACSS functioning in other districts are concerned, it should be possible for the district level pldb to appoint the ccb of the district as its agent to receive the applications, disburse the loans, supervise the end use and recover the instalments as and when they fall due. For this service the ccbs may be given a part of the margin that is at present allowed to the pldb by the MPSLDB. Since the functions which the branches of the pldb are doing will be entrusted to the ccb and its branches, there may be no need to maintain separate branch offices of the pldb. In any case, no more branch offices of the pldb need be opened and as far as possible the work may be entrusted to the branches of the ccb. At the district level a joint consultative committee may be set up of the representatives of the ccb and pldb to make the co-ordination between the two institutions effective. Such machinery in any case has to be set up for the simple reason that although complete integration at the intermediate level will not take place in some tribal districts, integration at the ACSS level has been envisaged by us. There will be two financing agencies for the ACSS and hence the necessity for effective co-ordination between them need not be overemphasized.

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

64 We understand that under the Tribal Sub-Plan, the GOMP have proposed to organize four regional co-operative marketing societies one each for the Western, Central, Eastern and Southern tribal regions in the state. Each such society is to be provided with government share capital of Rs 15 lakhs. The headquarters of the societies will be located at important marketing centres which are also the rail heads in each region. The area of a regional marketing society will extend to all the tribal blocks in its region. These regional marketing societies may have a branch in the area of every TDA/'meso'/'micro' project, i.e., in all 44 branches. The primary marketing societies functioning in the tribal blocks, if any, may be converted into the branches of the regional society. Due attention may be given by the GOMP to provide qualified and trained staff to the proposed regional marketing societies and the cost of such staff may be subsidized in the initial years under the Tribal Sub-Plan.

65 What is important is full co-ordination between the proposed ACSS and the higher level credit and non-credit institutions on the one hand and the project administrations on the other. We attach the greatest importance to this aspect and suggest that there should be a permanent arrangement at three levels for the purpose. At the project level, the concerned project officer should convene periodical meetings of the managers of the ACSS in the area where the representatives of the concerned credit and non-credit organizations at the intermediate level should be invited, with a view to sorting out the practical problems encountered in the field. At the district level there may be a standing committee under the chairmanship of the Collector with chief executives of the higher level credit and non-credit institutions as also a few non-officials representing the ACSS, as members to decide on matters of policy especially relating to the collection and disposal of agricultural and minor forest produce, the supply of inputs and consumer goods to the primaries, the margin that may be made available to societies for handling the non-credit functions, arrangements for transport of stocks, etc. The Deputy Director of Tribal Welfare Department posted in the district and a representative of Forest Department may also be the members of the district level standing committee. At the state level, there may be a high-powered body with the Production Commissioner as the chairman and the RCS, the Director of Tribal Welfare, the Conservator of Forests, the MD of MPSCB and the MD of MPSLDB as members to review the overall progress and to issue broad guidelines on important matters.

### *Chapter 6—Structure at the Primary Level*

66 Every ccb in MP is maintaining a cadre for the secretaries of pacs who are, in view of the provision for the appointment of an honorary



## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

secretary from the members on the Managing Committee, known as managers of the societies or the *samiti sevaks*. To maintain the cadre, all the ccbs have established a cadre fund to which contributions are made by the affiliated societies as a percentage of their loan business as also by the concerned ccb. The arrangement suffers from the following disabilities :

- (i) Since the size of the district level cadre fund depends on the size of loan business of the affiliated societies, many ccbs have not been in a position to provide an independent cadre manager to a large number of societies in their district.
- (ii) The rates of contribution by the societies as also the grades of pay for the managers differ from district to district ; the latter being lower in relatively under-developed districts reflects on the quality of cadre managers in such districts.
- (iii) Despite the position indicated in items (i) and (ii) above the cadre funds of many relatively less developed districts are in the red on account of either non-recovery of contributions or inadequacy of the contributions received. On the other hand cadre funds of many other relatively developed districts have large surpluses.
- (iv) The managers of societies belonging to the cadre being treated as employees of the concerned ccb, may eventually claim allowances including dearness allowance at the rates admissible to the bank's staff in which case the rates of contributions to be made by the societies and the ccb will need substantial upward revision. Already there is a growing resentment that their emoluments are lower than those of the peons of their respective ccbs.

67 The findings of the on-the-spot studies of the 409 pacs in the state are in brief as under :

(i) The managements of the societies do not evince any interest in enrolling new members and the responsibility in this respect has to be borne by officials like the *samiti sevak*, the supervisory staff of the ccbs and the extension staff of the block agencies and the Co-operative Department.

(ii) Non-member cultivators are apathetic to join the society of their area on account of (a) the inability of the institution to purvey timely and adequate credit and extend services like distribution of inputs and other controlled/consumer goods, (b) the crisis of confidence emerging from the earlier malpractices, heavy defaults or defaults by members

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

on the managing committee, and (c) unscrupulous hold on the institution of a family or few families.

(iii) Comparatively low coverage of small farmers and those belonging to scheduled castes and tribes can be attributed to lack of rapport of the field staff with them, apathetic attitude of managements and/or indifference shown to enrol them as members and inability of the institution to extend the types of services including consumption loans needed by such class of economically weak farmers.

(iv) A provision in the State Co-operative Societies Act or the Rules framed thereunder for universal membership and adequate representation to scheduled castes/tribes and small farmers on the managements of the societies, effective implementation of the relevant provisions of the law, prompt statutory action against malpractices, embezzlements and defaults in repayment particularly by the more affluent sections and the adoption of a loaning policy to suit the requirements of scheduled castes/tribes and small farmers, are some of the steps necessary to remove the misgivings and suspicions in the minds of persons from the weaker sections and to help the pacs to widen their coverage, in particular, among them.

(v) Once a cultivator is admitted as a member he is not denied credit, etc., facilities merely because he is a small farmer or belongs to a scheduled caste or a tribe.

(vi) Widespread defaults have rendered many members ineligible to borrow afresh.

(vii) A large number of societies are non-viable because the area served by each one of them does not offer adequate credit potential which may be the result of either the existence of societies more than what the concerned district or block needs or the maldistribution of the aggregate cropped area in a district or block among the areas of the societies in that district or block.

(viii) The re-organization of the primary credit structure in the state will involve not merely weeding out some societies in areas where they are in excess, but also, and perhaps more so, the readjustment of the territorial jurisdiction of the societies with a view to ensuring that the area of operation of each society offers adequate potential to enable it to reach a level of credit business of Rs 2 lakhs and attain a viable status.

(ix) In normal conditions, every society in the state should service a gross cropped area of not below 2000 hectares. The extent of such area served will have to be still higher in areas devoid of irrigation facilities but lower in areas having relatively better irrigation facilities.

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

(x) Some of the defaults, though not large in proportion to the total overdues, may have arisen on account of denial of relief under the stabilization arrangements, for one reason or the other, to the concerned borrowers who may be otherwise eligible for the same.

(xi) High levels of overdues as also the chronic overdues is a major problem accounting for weakness of the primary co-operative credit structure. The widespread defaults in repayment by the borrower members of the pacs are, by and large, wilful.

(xii) Forty-nine per cent of the holdings are small and below 5 acres each. As against this position, small farmers with holdings below 5 acres each together with tenant cultivators form 31 per cent of the total number of indebted members.

(xiii) Big farmers with holdings above 10 acres each seem to be slightly better paymasters than the other categories of farmers in the Chhatisgarh, Gwalior and Tribal zones, but the same trend is not noticed in the remaining three zones wherein barring the tenant cultivators who form a very negligible percentage, the incidence of default among all the categories of farmers is more or less the same. High level of chronic overdues arising out of some legacies of the past and accounted for by the medium and small farmers, may have been responsible for finding that big farmers are slightly better paymasters than the other categories of cultivators in three zones referred to above.

(xiv) The services of an independent full-time paid secretary for a society help it improve its coverage, meet adequately the credit needs of its area and integrate the dispensation of credit with supplies and services.

68 In drawing up the revised plan of re-organization of societies on the lines suggested by us we see no objection to keeping in view of the boundaries of the *panchayats* and, therefore, if the cultivated area in the jurisdiction of one *panchayat* is not adequate to make the society viable, the societies may cover two or even three *panchayats* so that the total area thus available increases the business potential of the society to more than Rs 2 lakhs. The state has as many as 14057 *panchayats*. We have later come to a figure of about 7000 for the pacs/fss/ACSS in the whole state. This will mean that on an average one society will cover an area of operation of two *panchayats*.

69 The most appropriate method of determining the maximum number of societies for a block will be to estimate the level of credit business that may be handled by these institutions by 1979-80 in each block and divide the projected level of credit business so estimated by Rs 2 lakhs.

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

70 With the best of efforts during the next five years, the regional imbalances in the flow of credit can be reduced from 60 per cent of the credit potential as at present to 20 per cent by 1979-80 as we expect that by then the credit gaps will be reduced to 20 per cent of the potential in districts in which they are less than 50 per cent, to 30 per cent in the districts in which they are between 50 per cent and 65 per cent and to 40 per cent in the districts in which they exceed 65 per cent and are up to 94 per cent. On this basis, the projected level of credit business that will be handled by the pacs for the state as a whole will, as we have indicated earlier, amount to Rs 200 crores as against the estimated credit potential of Rs 300 crores in 1979-80.

71 Of the 456 blocks in the state (Gaurela I and II blocks in Bilaspur district have been treated as one block), 218 blocks have 1756 excess societies, 25 blocks can support the existing societies and 213 blocks may be in a position to support 2122 additional societies. In the 218 blocks in 33 districts accounting for excess societies, the existing societies may be so re-organized as to reduce their number by 1756. The societies to be retained in these blocks may be those as have relatively low overdues and lower bad and doubtful assets and the area of each such society may be extended to the area of adjoining societies which are identified for being weeded out. The societies in the latter category may be starved of credit and allowed to meet a natural extinction if they are saddled with heavy overdues and bad and doubtful assets or if their managements are not willing for amalgamation of their institution with the adjoining good working society identified for retention. The society to be retained should enrol and finance non-defaulter members of the societies to be weeded out from its extended area as also the non-member cultivators from the area. Simultaneously, it should be ensured that the extended area of each society identified for retention should be large enough to offer adequate credit potential to enable the institution to attain a viable status as quickly as possible.

72 However, we have suggested in Chapter 3, integration of short-term and long-term credit for agriculture at the district level in six districts and the routing of long-term credit for agriculture through the pacs in these six districts is inevitable. Assuming that the long-term credit business handled by each of the pacs will form one-third of the level of short-term credit business, every block in the six districts in question will be in a position to support one society for a short-term credit business of Rs 1.50 lakhs as against Rs 2 lakhs in other districts. On this basis, the number of blocks accounting for excess societies from the above six districts and the number of excess societies will stand reduced. The number of blocks having excess societies stands reduced by 15 to 203,

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

the number of districts from 33 to 31 and the number of excess societies by 244 from 1756 to 1512. Thus, 1512 excess societies in 203 blocks from 31 districts will have to be weeded out.

73 Simultaneously, the number of blocks which can support the existing or additional societies will rise from 238 (including 25 blocks which can support the existing number of societies) to 253 including 26 blocks which can support the existing number of societies. The question is whether new societies should be organized or division of existing societies undertaken in the 227 blocks which can support additional societies. This, in our opinion, does not seem necessary as there can be no objection to an already existing society handling a loan business exceeding Rs 2 lakhs. Instead, in so far as these 253 blocks are concerned, efforts should be concentrated on reviving the existing seven dormant societies and for re-adjusting the areas of operation of the existing societies with a view to ensuring that each one of them has the prospect of reaching a minimum loan business of Rs 2 lakhs over a period of the next five years. We reiterate that the area of every society identified for retention should offer a credit potential of not less than Rs 2.75 lakhs.

74 The implementation of our above recommendation would mean reduction in the number of pacs from 9651 to 8139, i.e., by 1512. The GOMP, however, proposes to organize 784 ACSS (19 block level +  $153 \times 5 = 765$  *hat* level) as against 1968 viable primaries proposed for the 172 tribal blocks in the state. The total number of societies will, therefore, further decline by 1184 (1968 less 784) to 6955. The GOMP have initiated action for organization of 28 fss of a smaller model covering approximately 10,000 population in 24 districts. Besides, the GOI have advised the GOMP to organize at least 20 fss in the two districts of Hoshangabad and Raisen in the area of the rrb. Of these, the GOMP have already organized 2 fss, one in each of these districts. The GOMP will have, therefore, to organize additional 18 fss in these two districts taking the total number of fss in the state to 46. Further, six of these fss are in the wholly tribal districts of Bastar (2), Dhar (1), Jhabua (1) Shahdol (1) and Surguja (1). In these tribal districts we have suggested organization of special types of societies which are similar to fss. We may, therefore, while drawing up the block-wise plan of re-organization of pacs, take note of only 40 fss, i.e., 22 fss excluding those in the wholly tribal districts and 18 additional fss to be organized in Hoshangabad and Raisen districts. Each fss will cover an area of about 3 pacs. The organization of 40 fss will, therefore, reduce the number of societies by 80 i.e., from 6955 to 6875.

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

75 What we have given above is only a tentative figure of the various types of pacs that will finally emerge in the state. The actual number will, however, be determined after an assessment of the credit potential block by block and the re-distribution of the areas of pacs which may become necessary for the reasons given by us earlier. We suggest that the MPSCB and the RCS should jointly undertake the exercise in this behalf and complete the whole programme of re-organization according to the time schedule indicated below:

(i) Identification of societies to be weeded out may be completed by the RCS in consultation with the concerned ccbs by 31 December 1976.

(ii) The societies so identified should be allowed six months time, i.e., from 1 January 1977 to 30 June 1977 to go into voluntary liquidation or amalgamate voluntarily with the adjoining society identified for retention.

(iii) If no action is taken or even initiated by the societies within the stipulated time, the RCS may use his statutory powers to bring about the required re-organization and the ccbs should deny fresh finance to such institutions.

(iv) The entire programme of re-organization should be completed by 30 June 1978.

(v) Simultaneously, in so far as the blocks which are to retain all the existing societies are concerned, the Assistant Registrar of each district should draw detailed plans for reallocation of the areas of operation, wherever warranted, secure the approval of the RCS therefor and complete the work before 30 June 1978.

(vi) The organization of fss and of special societies in the tribal belt may be completed in two years, i.e., by 30 June 1978.

76 We recommend that each one of the re-organized societies may receive government contribution to its share capital at the rate of Rs 10,000 per society, if it has not received such contribution. The amount can be placed at Rs 20,000 per society in the case of the fss, at Rs 25,000 per society in the case of the *hat* level societies and at Rs 75,000 per society in the case of block level societies in the tribal belt. The total contribution will work out to as under :

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

	Rs Lakhs
19 ACSS of block level type	14.25
765 ACSS of <i>har</i> level type	191.25
40 fss of smaller model	8.00
6051 viable pacs	605.10
	<b>818.60</b>

As against this position, the pacs in the state had as on 30 June 1975 received government contribution to their share capital to the tune of Rs 456.85 lakhs. Besides, the RBI has sanctioned loans for the purpose amounting to Rs 13.77 lakhs inclusive of Rs 1 lakh for 5 fss. The balance contribution necessary will, therefore, amount to Rs 347.98 lakhs. We recommend that the GOMP should make the necessary provision in the state budgets for the years 1976-7, 1977-8 and 1978-9 for the above amount so that by 1978-9 all the societies will have received the required contribution to their share capital from the state government. We recommend that the RBI may sanction corresponding loans to the GOMP out of its LTO Fund.

### *Chapter 7—Problem of Overdues*

77 The overdues of the co-operative credit institutions in MP can be broadly classified in three categories, viz., non-wilful, chronic and wilful. The importance of solving the problem in the interest of rehabilitation and revival of the institutions and their borrowers cannot be undermined as we expect these institutions to play a much greater and effective role in supporting agricultural development in the state.

78 All defaulters with cultivated holdings in villages affected by natural calamity in one or more years, i.e., where the *annevari* declared was 6 annas or less, during the three-year period 1972-3 to 1974-5 should be considered as non-wilful and eligible for relief under a rehabilitation programme, provided their defaults had occurred during the period November 1972 to June 1975, with the exception of the following categories of borrowers :

- (a) those who have either deceived the society by showing false land-holdings or crops with a view to securing more credit than they would have been otherwise eligible for or have been issued fresh finance although they were in default to their society ;
- (b) those who had obtained loans for cash crops like sugarcane, irrigated cotton and groundnut in conjunction with other crops provided the income from the former is at least 75 per cent of their gross agricultural income ;

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

- (c) those whose gross agricultural income is above Rs 5000 per annum ;  
and
- (d) those who are income-tax assesseees.

The exclusion of defaulters in category (d) is necessary to deny relief to those who may have small holdings and, therefore, low agricultural income, but in actual fact are having non-agricultural income of taxable level and are relatively affluent.

79 The nature and extent of relief to non-wilful defaulters defined above may be as under :

### (i) *Default under one loan*

If the default is in respect of only one short-term loan, the amount may be converted into three-year medium-term (rehabilitation) loan. The annual repayments in respect of this loan together with the repayment of fresh short-term loan for current agricultural operations will be well within the borrowers' repaying capacity assumed at 60 per cent of the value of gross produce.

### (ii) *Default under two loans*

A member might have borrowed a short-term as well as a medium-term loan in a year and if that year was affected by natural calamity and if the member was not granted conversion under the normal stabilization arrangements, the default might be subsisting under both the loans. A six-year rehabilitation loan will be required to accommodate within the repaying capacity, the aggregate burden in respect of those two loans as well as the short-term loans for current agricultural operations.

### (iii) *Default under three loans*

If the natural calamity recurs for the second consecutive year and the borrower is granted conversion facilities in the first year but denied re-phasement facilities in the second year, the default might be in respect of three loans, viz., a conversion loan, a short-term loan and a medium-term loan, the latter two having been borrowed in the second year of natural calamity. In such a situation, 50 per cent of the conversion loan, the earliest loan in point of time, may have to be written off and the aggregate of balance of this loan and the remaining two loans can then be re-scheduled as a seven-year loan which will keep the annual repayments within the repaying capacity.



## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

### (iv) *Default under four loans*

If the calamity was for three successive years and if the borrower was granted conversion facilities in the first year followed by rephase-ment facilities in the second year, but denied re-scheduling facility in the third year, the default can be, though it may merely be a theoretical proposition, under four loans, viz., three short-term loans including the one not converted in the third year and a medium-term loan. In such an extreme case the write off may have to be for (i) the full amount of the first conversion loan and (ii) 50 per cent of the second conversion loan. If this is done, the balance of the overdue loans can be re-scheduled as a seven-year loan.

### (v) *Part repayment of defaulted amount as pre-condition for relief*

The current year (1975-6) is a normal year from the view point of agriculture throughout the state. Besides, most of the defaulters eligible for relief might have enjoyed the benefit of one or two normal year or years during the three-year period 1972-3 to 1974-5. Such of those as are eligible for inclusion under the rehabilitation programme, but have also enjoyed the benefit of one or two normal years during the three-year period 1972-3 to 1974-5, should pay at least 25 per cent of the aggregate principal amount under default together with overdue interest (but excluding penal interest) to be eligible for relief as indicated at items (i) to (iv) above. However, if the aggregate payment as above exceeds 60 per cent of the value of gross produce of the concerned defaulter, that part of the excess should be reduced from the principal amount required to be paid by the defaulter and the balance converted as a rehabilitation loan. Full payment of overdue interest (exclusive of penal interest) should, however, be insisted even in cases where none of the preceding three years was a normal year. Further, it may be noted that on account of the insistence on the repayment of part amount of principal in default before granting relief, the annual repayment schedule in respect of defaults under two to four loans at items (ii) to (iv) above can be suitably reduced and in the case of defaults under three or four loans, there may not be any need to resort to write off a part of the aggregate defaulted principal amount as suggested.

### (vi) *Penal interest*

As indicated at item (v) above, the entire overdue interest (exclusive of penal interest) will be recovered in all cases before granting relief under the rehabilitation programme. However, on all overdue loans eligible for inclusion under the rehabilitation programme, penal interest should be waived. Such a waiver will not affect the profits of the society

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

or the ccb as the income by way of penal interest is only a contingent income and the society does not forgo any part of its normal margin.

80 A rough estimate of the total overdue amount that may qualify for conversion into rehabilitation loans indicates that non-wilful default may account for Rs 4.59 crores forming about 9 per cent of the total overdues at the primary level at Rs 52.81 crores as on 30 June 1975.

81 No separate financial assistance is considered necessary to the concerned ccbs for conversion of non-wilful defaults into medium-term rehabilitation loans as equivalent funds of the banks are already locked up in overdues. However, as a result of such conversions, the term investments of a ccb may exceed its term resources. Besides, the banks will take up higher lending programme to finance, among others, the non-wilful defaulters and may, therefore, face difficulties in ensuring adequate non-overdue cover for the borrowings from the MPSCB. In view of this position, we reiterate the recommendation of the Overdues Study Team that the RBI may take a liberal view of the share capital requirements of such banks as have to provide sizeable relief to non-wilful defaulters. The period of retirement of the share capital loans, may, however, be limited to the period of repayment allowed for rehabilitation loans.

82 In MP the period of rehabilitation loans may not go beyond five years and there may not be any necessity to resort to write off as the on-the-spot studies of the 409 pacs have indicated that there are no borrowers having defaults under three or four loans.

83 The work of identification of non-wilful defaults and deciding the period of rehabilitation loans in each case may be taken up by the branch-level assessment committees with constitution as indicated later in item 90. The whole work should be completed by the end of June 1976 so that the nonwilful defaulters become eligible for fresh finance and are actually released such finance in time.

84 In order to have an estimate of the chronic defaults which are accountable and those which are not, data about such defaults in respect of 505 societies from Bastar, Rewa, Sidhi, Shahdol and Surguja districts were collected at our instance. The data indicate that interest receivable (excluding penal interest) on chronic defaults roughly works out to 50 per cent of the principal amount in default and that about 25 per cent of the amount of principal and interest together may have to be written off. The amount involved in cases wherein the total recoverable amount does not exceed Rs 100 in each case, works out to 5 per cent of the total amount of chronic defaults.

85 Recognizing the difficult position in which certain ccbs are placed in so far as the recovery of chronic overdues especially arising out of

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

*taccavi* transactions is concerned, the GOMP accepted in principle that it would be difficult for the ccbs to meet their commitments to the apex bank in respect of *taccavi* borrowings from the latter and by the latter to the government. In November 1974, therefore, the GOMP agreed to convert the *taccavi* dues from certain ccbs to the apex bank borrowed before 31 December 1973 and outstanding as on 31 December 1974 into a ten-year loan. The facility has been extended to ten ccbs. The decision of the government to spread the repayment of the loan over a period of ten years has immediately spared the central banks from default to the apex bank and the latter bank to the state government. The arrangement is, however, not wholly satisfactory, firstly, because a considerable portion of the *taccavi* loans may prove irrecoverable for various reasons and hence to the extent to which the loans have to be written off, the central banks will find it difficult to honour their obligations to the government as the internal resources of these banks are admittedly poor. Secondly, unless loans due to the banks from societies and to the latter from individuals are themselves re-scheduled into ten-year loans, the societies and individuals will continue to remain in default and thus ineligible for fresh accommodation. Finally, since the recovery of the principal under overdue loans from the societies and individuals is itself in doubt, the banks and the societies may have to forgo interest and hence the former will find it difficult to pay the interest at 9 per cent to the apex bank. In view of the above problems if the full benefit of assistance from the government is to accrue to the banks/societies/individuals, the GOMP may agree firstly to treat the entire amount of Rs 2.05 crores with the ten banks as loans repayable in a period of 12 years with grace period for the first two years. Secondly, in order that the burden of interest payable by the concerned ccbs is reduced, the loans from the GOMP to the MPSCB on behalf of these banks may carry interest at six per cent per annum while the rate charged by the apex bank to the ccbs may be only four per cent per annum. In other words, the MPSCB will bear the burden of about Rs 4 lakhs in the first 2 years and a progressively decreasing burden in subsequent years as repayments received by it annually from the central banks are passed on to the state government. This contribution from the MPSCB is justifiable in the interest of rehabilitation of the ccbs and the pacs in these ten districts. The GOMP may take a sympathetic view of the difficulty a ccb may have to face in a year in the future in meeting the annual instalment of the long-term loan. Finally, the re-scheduling of the loans due from societies and individuals may also be carried out to correspond to the repayment of the loans by the ccbs to the MPSCB and by the latter to the GOMP. The recommendations about reduction in the rate of interest and extension of the period of the loans to 12 years may be given retrospective effect from 1 April 1976. However, care will have to be taken to see that

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

recoveries of the re-scheduled loans are taken to a separate account at each level called "Re-scheduled Loan Account" and are not diverted to repayment of other loans.

86 Not all the ccbs having the acute problem of chronic defaults are covered by the Central Sector Plan Scheme and even those which are covered are not likely to be helped much in so far as the opening of the line of credit to affiliated societies and their members is concerned. Thus, an effective solution to the problem of chronic overdues in some districts has to be found to place the institutions at the intermediate and base levels in these districts, in a position to carry out the tasks which may be assigned to them. In view of the complexity of the problem, recovery through persuasion may not be easily possible and that through coercive action will be a dilatory process even in the case of identifiable defaulters. Non-identifiable defaults may have to be treated differently.

87 The twelve districts having chronic overdues at the primary level in excess of 30 per cent of the loans outstanding may be deemed as eligible for special treatment in respect of the chronic defaults at the primary and intermediate levels. These twelve districts may be grouped in two categories, viz., (i) the districts from which malpractices warranting write off have not been reported and the ccbs of which do not need any external financial assistance for absorbing the chronic defaults, but re-scheduling the demand in respect of such defaults will help the banks to claim higher credit limits and ensure larger flow of credit through them, and (ii) the remaining districts. The districts of Khargone, Durg and Sagar come in Category I and the remaining nine districts, viz., Raigarh (CZ), Datia, Shivpuri (GZ), Rewa, Sidhi (VZ), Bastar, Jhabua, Shahdol and Surguja (TZ) fall in Category II.

88 In so far as the districts in Category I are concerned, the best course is to block all chronic defaults in a separate collection account within the institutions themselves both at the primary level as well as at the level of the ccb. Although the individual borrowers whose loans are blocked in the collection account as proposed above at the society level will continue to be deemed as defaulters, in so far as the society and the ccb are concerned, the demand in respect of such loans may be reckoned at 20 per cent of the amount in the collection account at the end of the first co-operative year, 40 per cent at the end of second year, 60 per cent at the end of the third year, 80 per cent at the end of the fourth year and 100 per cent at the end of the fifth year. This arrangement may be accepted by the RBI for the purpose of deciding the eligibility of the Khargone (BZ), Durg (CZ) and Sagar (JZ) ccbs for short-term and medium-term agricultural credit limits from it provided the MPSCB

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

agrees to make good the short-fall between the actual recoveries and the demand by way of sanction of a term loan for equivalent amount which will go to improve the liquidity of the ccb. The loan may be repayable as and when corresponding recoveries are actually made and may carry interest at a rate higher by at least 2 per cent than the normal lending rate for short-term agricultural purposes. Besides, the concerned ccb should appropriate out of its profits annually a sum equivalent to five per cent of the short-fall in recovery to the bad debt reserve. The involvement of the MPSCB as proposed above will ensure that due pressure is exerted on the concerned ccb for the recovery of chronic defaults and that they do not encounter a difficult financial position if the expected level of recoveries is not actually reached.

89 With the implementation of the above recommendation, the Khargone, Durg and Sagar ccbs will be in a position to take up a larger lending programme than hitherto for financing non-defaulters and new members adequately. At the same time, sizeable internal resources of the banks will continue to be locked up in chronic defaults. Since the banks may find it difficult to sustain the increased loan business, the RBI may take a liberal view of the share capital requirements of these banks to improve their liquidity and consider sanctioning to the GOMP on their behalf loans from the LTO Fund up to 10 per cent of the loans blocked in the collection account. The period of retirement of share capital loans may, however, be limited to the period of repayment allowed for loans blocked in the collection account.

90 In the case of the nine districts in the second category, the same procedure as explained above to block the chronic defaults in a collection account both at the level of the pacs and the concerned ccb may be followed. The chronic defaults blocked in collection account as above will be of two types, viz., (i) the defaults which can be accounted for and can, therefore, be recovered over a period of time, say, five years and (ii) defaults which are unaccountable representing the cases of loans without documents, misappropriation of recoveries, benami loans or loans otherwise irrecoverable, etc. The defaults of the second type may have to be written off. Besides, the resources position of the nine banks in question being relatively weak, they may not, as is the case presently, be in a position to absorb the defaults of the first type. In view of these considerations, the following procedure should be followed in this behalf :

(i) Blocking of the chronic defaults in a collection account both at the level of the pacs and the concerned ccbs may be completed by 30 June 1976.

#### SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

(ii) Necessary funding arrangements as outlined later may be made by providing resources to each ccb to match the principal of loans against societies held in collection account.

(iii) A Branch-level Assessment Committee comprising the Senior Co-operative Inspector/Co-operative Extension Officer, the concerned branch manager and a non-official from the area should investigate every individual loan case to decide whether the defaulted amount can be accounted for and recovered over a period of time or whether the default is unaccountable and has to be written off. The investigation of the Assessment Committees should conform to the guidelines for the purpose which may be issued by the RCS.

(iv) The proposals of the Assessment Committees in a district may be put up for final approval to a 'District Level Review Committee' comprising the Chairman and Manager of the ccb, the ARCS of the district and the Divisional Officer of the MPSCB. The decision of the 'District Level Review Committee' may be ratified by the board of directors of the concerned ccb.

(v) The whole work may be completed by 30 September 1976 by which date the aggregate amount of loans which are accountable and which are not, should be available.

(vi) The aggregate demand in respect of the accountable loans may be spread over a period of five years as in the case of the banks in the first category.

(vii) Coercive action against small farmers/tribals among the accountable defaulters whose dues are less than Rs 100 in each case, may not, as far as possible, be taken. These defaulters may be persuaded to repay their dues in small instalments over a period of time not exceeding five years. A suitable agreement in a prescribed form should be taken from them for this purpose and in that case they may not be treated as defaulters and allowed fresh finance. In fact, such a decision has already been taken by the RCS and conveyed to all the ccbs in the state on 4 February 1976. The RCS circular, however, does not touch on the point of taking an agreement in writing from the concerned small/tribal farmer about the revised time schedule mutually agreed. A modified circular may have, therefore, to be issued.

(viii) The benefit of partial write off may be given in cases where the defaulter can produce some authentic evidence of part payments which have been made by him, but not accounted in the books of the society. The RBI may accept the arrangement outlined above for the purpose of

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

deciding the eligibility for credit limits from it of the Raigarh (CZ), Datia, Shivpuri (GZ), Vindhya, Sidhi (VZ), Bastar, Jhabua, Shahdol and Surguja (TZ) ccbs, provided the GOMP and the GOI agree to make financial arrangements on the lines indicated later.

91 Although the banks will be carrying chronic defaults along with overdue interest (excluding penal interest) to the collection account, it may be adequate if they are provided with funds to match only the principal of such loans in the collection account. Overdue interest accountable and recoverable can be taken by the banks to their profit and loss account and treated as income as and when it is actually recovered. Such interest, if unaccountable, may be written off by debit to the same account. The banks shall not appropriate their profits unless the balance thereof exceeds the total interest receivable including that held in the collection account. The participation of the banks in the proposed scheme will thus be in the form of absorption of the interest burden.

92 If the assessment of bad debts estimated in the 505 pacs from five districts referred to earlier is projected to apply to nine districts where the chronic defaults are heavy, the total amount of bad debts may amount to Rs 67.18 lakhs. It will be necessary to find the required amount of funds to facilitate the write off of the irrecoverable dues from societies at the level of the ccbs. In this context, it may be advantageous to see how far benefit can be availed of under the Central Sector Plan Scheme for rehabilitation of weak ccbs. Under this scheme assistance is available from the GOI, the state government and the state co-operative bank for rehabilitation of weak ccbs. Assistance is available on the basis of the quantum of chronic defaults, although the actual write off is limited to loans due from certain categories of farmers. Under the Scheme, assistance to three ccbs (Shivpuri, Vindhya and Jhabua) aggregating Rs 71.41 lakhs will be available. The cases of two ccbs, viz., Shahdol and Surguja for assistance amounting to Rs 42.03 lakhs are reported to be under consideration of the GOI. The cases of the remaining four ccbs, viz., Raigarh (CZ), Datia (GZ), Sidhi (VZ) and Bastar (TZ) may also be examined for similar assistance. In that case the total assistance under the Central Sector Plan Scheme should prove more than adequate to take care of the likely bad debts at the level of pacs estimated by us in the aggregate at Rs 67.18 lakhs. However, the actual write off might be less than the assistance released, because only certain categories of defaulters at the societies' level are eligible for the benefit of write off under the Scheme. This will mean that assistance for rehabilitation of the ccbs will in some cases prove to be more than the actual write off that may be effected at the pacs level. The assistance released under

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

the Scheme may, therefore, be carried to a separate fund on which the ccb should allow with effect from 1 April 1976 or the date when the assistance is received by the ccb whichever is later, interest at 2.5 per cent lower than the rate it charges to societies in respect of loans for short-term agricultural purposes. The interest earnings on this fund may be utilized by the ccb in effecting write off in case of those individuals who do not qualify for that relief by directly drawing on the funds released under the Scheme.

93 Even after the release of assistance under the Central Sector Plan Scheme to four banks as proposed above, if there is some shortfall to cover the principal amount in collection account in any of the banks, the same may be taken care of by the GOMP by reallocation of the long-term loan (already released) among the bank.

94 Since the proposed treatment in respect of chronic defaults and the Central Sector Plan Scheme have the same objectives and the former is more beneficial than the latter from the view point of the needed expansion of credit, it should not be difficult for the GOMP and the GOI to accept our recommendations. Further, to improve the liquidity of each of the nine banks in question, the RBI may consider their cases for sanction of additional share capital loans on the lines indicated in recommendation 89.

95 It should be the primary responsibility of the managements of the institutions, both at the intermediate and primary levels, to make concerted efforts for the recovery of wilful defaults including those blocked in collection accounts. The performance of the managements should be under constant review and any slackness noticed should be firmly dealt with by stern action including supersession, as the very purpose of the suggested solutions will be defeated if the institutions again revert to stagnation. It should be obligatory on each of the twelve banks in question to create a separate section entrusted with the work of recovery. The MPSCB may also create a separate cell to closely supervise the performance of each of the twelve banks in this respect and the position should be reviewed from time to time by the apex bank's board. The banks may draw lessons from the energetic steps for recovery taken by the Ujjain ccb in 1974-5.

96 Our recommendations regarding writing off unaccountable defaults and re-scheduling the recovery of non-wilful and chronic defaults in certain circumstances will together account for overdues amounting to about Rs 10.50 crores as against the total overdues at the primary level of about Rs 52 crores as on 30 June 1975. Thus, prompt steps for the



## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

recovery of the balance of the overdues at about 80 per cent of the total which can be deemed as wilful, will be necessary. These overdues are spread over the entire state including the relatively prosperous districts comprising the Bhopal-Indore and Gwalior zones. We would, therefore, urge on the managements of all the ccbs to emulate the example of the Ujjain ccb and undertake a time bound programme for the recovery of overdues and keeping them within as low a level as possible. The banks should not show any mercy to the wilful defaulters and their managements should bear in mind that even after resorting to coercive action, persuasive steps for recovery would have to be continued and towards this end they should guide and actively help the supervisory staff in taking concerted action for recovery.

97 The GOMP should fully support the institutions in their efforts for recovery. The state government has initiated action for implementing the various measures suggested by the Overdues Study Team for the recovery of wilful defaults. In particular, we would urge on the government to consider actively for implementation the recommendations of that Team relating to (i) the setting up of a Corporation to acquire lands brought to auction for the satisfaction of co-operative dues, as during our zonal discussions we were given to understand that lack of bidders, for one reason or the other, whenever the lands are brought to auction, is a major problem and (ii) the denial of voting rights in annual general meeting or election of office-bearers to the defaulters and their sureties.

98 A study of the co-operative rice mills in Raipur district undertaken at our instance revealed that MP has a network of rice mills in the co-operative sector which are owned/managed by either the apex marketing federation or the primary co-operative marketing societies. Although these units handle sizeable quantity of paddy produced in the state and have been successful in ensuring a fair return to the paddy cultivator, not much attention has so far been given by them to ensure recovery of production loans through linking. At the same time, it has to be admitted that the establishment of a large number of rice mills in the co-operative sector has created the necessary infrastructure for ensuring linking of credit with marketing. In such circumstances, the GOMP and the MPSCB may consider introduction of an arrangement whereby the rice mills are enabled to link credit with marketing so as to give the benefit of a fair return to the concerned cultivators and simultaneously ensure recovery of their production loans. We urge on the GOMP not to discourage the recovery of co-operative dues up to the extent of 50 per cent of the sale proceeds in the case of agricultural commodities like wheat, paddy, etc., subject to compulsory levy.

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

99 As a measure of relief to small farmers, the GOMP have issued a circular on 6 March 1976 directing all ccbs and pacs in the state that they should not attach or bring to auction the lands of such cultivators as have unirrigated holdings below 10 acres and irrigated holdings below 5 acres, but their lands could be given on lease. Lest this gives the impression that action even to attach moveable properties belonging to the defaulters is not also to be taken and the attached properties brought for sale in auction, a clarification from the state government in the matter will be very useful and we hope this will be immediately forthcoming from the government.

100 We estimate that recovery to the extent of about Rs 1.25 crores may be effected due to the above state government's decision. A sum of Rs 50 lakhs is available with the MPSCB under *Patta fund* to grant financial accommodation to the affiliated ccbs against decrees obtained in respect of farmers treated as small by the state government whose dues will be recovered through the lease rent over a period of time. The GOMP should make additional contribution of Rs 75 lakhs to the fund in suitable instalments during the next four years so as to ensure that the fund reaches a level of Rs 1.25 crores by 1979-80. The MPSCB should also, in consultation with the RCS, finalize rules for extending assistance from the fund. Further, in all such cases of leasing the lands of small farmers, the lessee should be asked, as in the case of the earlier scheme, to pay one-third of the decreed amount or Rs 500 whichever is more (Rs 200 or one-fourth of the decreed amount in the case of scheduled tribes lessee in the tribal area). The balance amount should be treated as a medium-term loan repayable over three years for extending assistance from the fund. Further, in all such cases of lease of lands of small farmers, the lessee should be asked to pay at least one-third of the defaulted loan before getting the lease, the balance recovery being spread over the next two years.

### *Chapter 8—Managerial and Operational aspects*

101 Every ccb is maintaining a cadre for secretaries of the pacs in its area, but in as many as 20 districts not even 50 per cent of the total number of societies have the services of a full-time secretary. For the state as a whole, only 48 per cent of the total number of pacs are served by a full-time secretary. The main difficulty is that the contributions received in the cadre fund maintained at the district level, are not adequate to support the services of an independent secretary for each and every society in respect of a large number of districts where the level of credit provided is still very low. The viability of a society and providing an independent full-time paid secretary to it is like a vicious circle. The

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

former cannot happen unless the latter is ensured and the latter is not economically feasible unless the former is attained. By 1979-80, every society identified for retention should be in a position to become viable and support the services of an independent secretary. Until then deficits arising in some areas should, to the extent possible, be absorbed within the structure itself. With a view to evening out short-falls in the contributions collected in the cadre funds of some central banks it may be advantageous to pool the collections in a fund at the state level. In other words, while the management of the cadre of secretaries will remain with the respective ccbs, the contributions will be pooled at the state level. We, therefore, recommend that a 'cadre fund' may be created at the state level which may be maintained by the MPSCB.

102 Contributions to the cadre fund may be collected from the societies and the ccbs in relation to their loan business. Contributions from the societies and the ccbs may be at the rate of 1.75 per cent and 0.25 per cent respectively of the loans borrowed during the year from the higher financing agency (2 per cent in the case of borrowings by a society from the MPSCB/commercial banks where they are acting as cfas). The services of a secretary from the cadre maintained by the concerned ccb may also be provided to a society attached for financing to a commercial bank or the MPSCB. However, unlike a ccb, the commercial banks and the MPSCB, where they are acting as cfas, may not make contribution to the cadre fund but may lend to the societies financed by them at a rate lower by 0.25 per cent than the rate they would have otherwise charged to the societies and recover from the latter for transfer to the 'cadre fund' a contribution at 2 per cent of the loans issued by them to the societies.

103 There will have to be a built-in mechanism to ensure that there are no arrears in the recovery of contributions from the pacs. With a view to ensuring prompt recovery, they may be styled as 'caderization fees' and given precedence over the recovery of interest etc., as in the case of audit fees and should have the first charge on the remittances by the society to the cfa. The cfas should collect the contributions, i.e., the caderization fees along with the recovery of loans and interest thereon.

104 Equity in remuneration and opportunities for promotion for secretaries in the cadres maintained by different ccbs will necessarily have to follow our suggestion of funding at the state level and recovery of contributions at an uniform rate from all societies. This would necessitate certain modification in the present arrangement.

105 Under the arrangement indicated above the secretaries posted to various pacs will continue to be employees of the respective ccbs.

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

However, if for one reason or the other it is considered necessary to delink the services of the cadre of secretaries from the concerned ccbs, it may be advantageous to introduce alternatively, an arrangement as in vogue in Maharashtra.

106 The appointment of a full-time paid secretary for each primary unit in itself will not necessarily help it to achieve the requisite degree of managerial efficiency. With a view to equipping a secretary to manage the affairs of the society efficiently, it is necessary to arrange for a job-oriented training for him. The duration of the training may be 4-6 months. In the case of fresh recruits it would be advisable to give them training prior to their posting.

107 With a view to attracting and retaining talented persons in the cadre, there should be avenues for promotion to the cadre employees. The ccbs may continue their policy of considering eligible secretaries for appointment as supervisors in their service and the state government, in their recruitment to various subordinate services, may give preference to the secretaries of pacs by giving due weightage to their length of service as secretary. A non-cadre secretary attached to a society financed by a commercial bank may also be considered eligible for such posts.

108 According to the plan of re-organization, there will be 6875 societies at the base level at the end of June 1978 comprising 6051 pacs, 40 fss and 784 ACSS including 19 of the block-level type. Each of these societies is to be provided with one or two hands from the proposed grades in the cadre depending on the size of the business handled. In the case of the ACSS and the fss, the services of additional hands necessary including that of the Managing Director will be the charge on the Tribal Sub-Plan in the case of former and the sponsoring bank in the case of the latter. Accordingly, the number of secretaries in each grade may have to be as under :

Society		Secretaries required (in grades)	
Type	No.	A	B
pacs	6051	—	6051
fss	40	40	40
ACSS ( <i>hat</i> level)	765	765	765
ACSS (block level)	19	19	38
	<b>6875</b>	<b>824</b>	<b>6894</b>

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

As on 30 June 1975 there were 4635 societies having full-time paid secretaries. Assuming that all these secretaries are continued under the proposed arrangement, the short-fall in the requirement for the state as a whole will be of the order of 3083. This short-fall will have to be made good by 30 June 1978, i.e., by the time the re-organization plan is fully implemented. The recruitment may be completed by 31 December 1977 as the new candidates will have to be given training before posting. Thus, in a period of about one and half years, i.e., 1 July 1976 to 31 December 1977 a phased programme of recruiting about 1000 candidates during each of the half-years commencing from 1 July 1976 may have to be drawn up and implemented.

109 Some of the secretaries will be in Grade A and some others in Grade B. The total emoluments in these grades may be assumed at Rs 350 and Rs 250 per mensem respectively. However, as a majority of them will be in Grade B, for the purpose of working out the economics of the cadre scheme, the salary and allowances of each secretary can be assumed at a flat rate of Rs 3500 per annum. On this basis and on the basis of the estimated strength of secretaries, the year-wise expenditure towards the cost of secretaries will be as follows :

	Expenditure (Rs Lakhs)
1976-7	180.22
1977-8	251.16
1978-9	270.13
1979-80	270.13

110 Each society will contribute to the state level cadre fund every year at the rate of 1.75 per cent of the loans borrowed by it from the concerned ccb which may be placed at 75 per cent of their total loan business which is expected to rise at the annual growth rate of 15 per cent from Rs 95 crores in 1974-5 to Rs 200 crores by 1979-80. Besides, each ccb will contribute at the rate of 0.25 per cent of the loans borrowed from the MPSCB which in the aggregate may be placed at 90 per cent of the loans issued by them to the pacs. On this basis, during the period 1976-7 to 1979-80, the contributions to the state level cadre fund as against the estimated expenditure will be as under :

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

	Rs Lakhs		
	Income	Expenditure	Surplus (+) Deficit (—)
1976-7	206.37	180.22	+ 26.15
1977-8	234.05	252.16	— 18.11
1978-9	268.05	270.13	— 2.08
1979-80	345.63	270.13	+ 75.50

The contribution in the cadre fund will be less than the expenditure on the cadre of secretaries in the years 1977-8 and 1978-9. The deficit in these years can be met out of the surplus in the fund during 1976-7. The GOMP may not have any objection to meet the deficit, which may not arise after 1978-9, in the interest of complying with the essential requirement of providing an independent secretary to every society. In view of this, the shortfall, if any, which will not be large, may be met by way of subsidy to the cadre fund by the GOMP.

111 The provision of independent and trained full-time paid secretary will not in itself ensure improvement in the affairs of the pacs, unless there is effective supervision over them by the intermediate level financing institutions. The cfas exercise supervision over the indebted institutions through their cadre of supervisors. It is envisaged that the re-organized pacs will handle not only the credit business but also the non-credit business of supply of inputs and consumer goods and the marketing of agricultural produce. This will make supervision over the societies an intricate proposition. From the view point of the work load, it is not only the number of societies per supervisor that is material, but also the loan business handled by the societies. It is likely that a supervisor may not be in a position to discharge his duties satisfactorily even when the number of societies is less if the loan business handled by them is large. It is, therefore, necessary to correlate the charge of societies per supervisor not only in relation to the number but also the loan business handled by the society. Linking the number of supervisors to loan business of pacs is especially necessary in the case of MP which will have various types of societies. Normally, a supervisor is expected to control 10 societies each having a business of Rs 2 lakhs. In view of this position, we recommend that a supervisor, irrespective of the number of societies, may control a loan business of Rs 20 lakhs. This will enable him to regularly undertake periodical inspection of the societies under his charge, check the books of accounts of the societies and guide the secretary in the discharge of his duties. This, however, will be the position if the societies accounting for the above level of business are in a compact area. If the area is geographically wide, the quantum of business to be controlled by a supervisor will have to be suitably reduced.

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

112 The scheme of cadre of key personnel for the ccbs which has been introduced by the MPSCB in the year 1967-8, faces certain problems in its day-to-day management which are both financial and operational. If the scheme is to be enforced with a view to obtaining the desired results, it is necessary to make it obligatory on every ccb to accept the services of the personnel from the cadre for the key positions in the bank. In such a situation obviously the question of existing officers who are in the employment of the central banks will have to be sorted out. We recommend in this behalf that all the existing officers in the employment of the central banks who are occupying key posts may be absorbed, with due scrutiny, in the common cadre of key personnel.

113 The normal requirement of the key officers for the ccbs at the rate of 5 officers for 45 banks (at present 44 banks) together with say, 10 per cent additional officers for taking care of leave, training, etc., vacancies will be 250. The leave reserve officers may be posted in the MPSCB. Even after scrutiny and absorption of the existing personnel in key posts in the ccbs, if any vacancies remain, other eligible staff of the ccbs, MPSCB and the Co-operative Department may be given preference in filling up these vacancies. Similarly, the officers in the cadre should be considered for higher posts in the service of MPSCB.

114 In the existing five key cadre personnel there is one officer designated as Chief Marketing Officer. Normally, the volume of marketing finance of the ccbs is not large and, therefore, the services of the Chief Marketing Officer can be profitably utilized as the Inspector of Branches. He should be made responsible to supervise and guide the affairs of the branches of the bank in addition to handling the work relating to marketing finance. Besides, the Assistant Manager may preferably be designated as Chief Administrative Officer.

115 The existing cadre committee, appointed by the board of the apex bank, has no legal entity inasmuch as it does not derive its constitution from any legal provision contained in the State Co-operative Societies Act. In such a situation, the managements of the ccbs, being aware that they or their institutions are not liable to be subjected to any disciplinary action, legal or otherwise, have on many occasions preferred to disregard the decisions of the committee. The state of affairs which defeats the very laudable objective of the scheme should no longer continue. We suggest, therefore, that the cadre of key personnel maintained by the MPSCB should be given a legal framework. Its management may, however, continue with a sub-committee, i.e., the cadre committee which may derive its constitution from a provision in the State Co-operative Societies Act and may comprise the following members :

#### SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Chairman, MPSCB	Ex-Officio Chairman
Secretary, GOMP, Co-operation Department	Member
RCS, MP	Member
Two directors of the MPSCB representing ccbs from the zone, other than the one represented by the Chairman, to be nomi- nated by the board of the MPSCB.	Members
MD, MPSCB	Ex-Officio Member-Secretary

The power of day-to-day administration of the cadre may vest with the member-secretary who may have a free hand in deciding the posting of the officers from the cadre to the various ccbs. However, powers relating to the selection, appointment and punishment will vest with the committee. The services of the key cadre personnel should be transferable after a period of say three to five years and such transfers may be made after an annual review. For such general transfers, however, the sanction of the committee should be obtained.

116 The qualifications, etc., for recruitment to the cadre of key personnel may be prescribed in conformity with the qualifications indicated by the RBI for management trainees. With a view to attracting talented and competent persons in the cadre, the grades may have to be revised upwards.

117 At present the monthly salary of cadre officers is met by the concerned ccb. Many weak ccbs find it difficult to maintain all the cadre officers and have, therefore, to manage with only two or three such officers. In the interest of toning up the working of such banks so as to place them in a position to attain the expected level of efficiency and business in 1979-80, it is very necessary that they have the services of cadre officers in all the key posts as soon as possible. Towards this end, the principle of pooling the contributions from all ccbs in relation to their loan business in the key personnel cadre fund at the state level to maintain the cadre officers will have to be adopted. The MPSCB may, as at present, make some contribution to the fund.

118 The contributions by the central banks may be fixed at 0.50 per cent of the short-term agricultural loans borrowed by them from the MPSCB. On this basis the amount available in the fund will be around Rs 35 lakhs in the very year, i.e., 1976-7. The contribution from the



## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

ccbs to the fund will be adequate to meet the expenditure on the cadre officers even if their grades are revised upwards. Thus, the proposed arrangement will not only be self supporting but also make it possible to recruit some management trainees in the cadre to eventually man senior positions (in future). Besides, the balance in the existing Key Personnel Cadre Fund with the MPSCB and the future contributions to be made by it will provide additional cushion.

119 The GOMP and the MPSCB should actively consider introducing our suggestions outlined above for improvement in the existing cadre for key personnel of ccbs. The GOMP should give suitable broad legal footing to the cadre so as to make it obligatory for every ccb to accept the cadre officers and contribute to the Key Personnel Cadre Fund as proposed.

120 In this report, for ensuring sustained progress of the co-operative credit agencies, the MPSCB has been assigned a pivotal role. We have, therefore, already emphasized the need for strengthening the apex bank both organizationally and financially. A team of officers from the Reserve Bank's ACD at Bombay undertook recently a detailed study with the sole purpose of offering recommendations/suggestions for evolving suitable staffing pattern in the ccbs in MP and the MPSCB. Their report is expected to be comprehensive and will touch some aspects of the matter in detail. We urge on the concerned authorities in the GOMP and the MPSCB to actively consider for implementation the recommendations/suggestions that will be made in the above report.

121 Almost all the powers of the board of directors of the MPSCB are, in practice, being exercised by its managing committee. But none belonging to a scheduled caste or tribes is on the bank's managing committee, although a third of the state's population is made up of these relatively backward communities. The MPSCB in consultation with the GOMP may amend its relevant byelaw relating to the constitution of the managing committee so as to give suitable representation to the above referred economically less developed communities on the bank's management.

122 The number of sub-committees constituted by the bank can be considered as far too many. The MPSCB should reduce the present number of sub-committees in consultation with the RCS. We also suggest that whenever the meetings of the managing committee are held to interview and decide on the selection of candidates for the posts of officers in the bank, an outside expert may be specially invited as his association will facilitate proper assessment of the candidates.

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

123 The MPSCB is presently financing a co-operative sugar factory and a spinning mill. But the apex bank and the ccbs in the state are not, by and large, dealing with industrial co-operatives to any considerable extent. However, there is enough scope for organization of industrial and processing societies especially the rice mills, cotton ginning and pressing units and handloom weavers co-operatives. The MPSCB may eventually have to organize an industrial section as proposed by the Working Group on Industrial Financing through Co-operative Banks. In the meantime, the GOMP may consider nomination of the Director of Industries on the board of directors of the MPSCB.

124 In the context of a much greater role that may have to be played by the MPSCB in the provision of agricultural and non-agricultural credit, the existing level of staff in the bank both in terms of number and quality needs to be strengthened by infusion of new blood as also by providing promotional avenues to such competent hands as are already in its employment. The bank may initiate action to introduce the scheme of management trainees suggested by the RBI. In order to ensure that the top executives of the bank are not saddled with routine matters, we recommend that the MD may be assisted by a General Manager and five managers each broadly in charge of the portfolios of administration, accounts, supervision, operations and development. Further suitable administrative and financial powers may be delegated to the seven senior executives of the bank and in particular to the MD and for this purpose the MPSCB in consultation with the RCS may carry out suitable amendments in its byelaws.

125 In many districts the ARCS have to attend to the passing of award/arbitration references in addition to their normal duties. With a view to ensuring quick disposal of award/arbitration references, separate posts of ARCS for dealing with these matters for the districts which have been classified by us in Chapter 7 as having acute problem of chronic overdues may be sanctioned.

126 The concerned supervisor of the ccb is, in a majority of cases designated as the sale officer for executing the decrees. During the course of their official work, they were threatened with violence or assaulted and have been implicated in criminal proceedings on trumped up charges like theft, decoity, etc. We note that the GOMP have since issued an Ordinance to treat these officers as public servants for the purpose of discharge of duties by them as sale officers.

127 The implementation of the recommendations made in this report will have to be largely ensured by the RCS which obviously would sub-

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

tantially increase his responsibilities. The GOMP may take note of this position and take suitable action to provide the necessary staff at the required levels in the Department.

128 The implementation of our recommendations regarding the provision of trained and qualified personnel to the institutions at the intermediate and the base levels will equip the institutions to attain the desired degree of efficiency in their operations. We urge on the non-officials to adequately back the efforts of the officials entrusted with the management of their institutions for attaining the above objective.

129 The co-operative banking sector may be in a position to meet the agricultural credit requirements in the state of the order of Rs 160 crores in 1979-80. Normally for sustaining this high level of lendings which would necessitate borrowings from the higher financing agency it is necessary for the lending institution to have adequate internal resources by way of owned funds and deposits. For advancing Rs 100, a ccb may have to mobilize Rs 45 in the form of deposits. If however, the ccb has to cater to other activities it will require higher level of deposits say by about Rs 80. But if the involvement of the bank in non-agricultural advances is low, the deposits to be mobilized for every Rs 100 of short-term loans outstanding can be placed at Rs 66. On this basis the level of deposits that is required by 1978-9 and the annual growth rate that will be necessary to reach that level with reference to the deposits as on 30-6-1975 indicates that in the case of 35 banks the annual growth rate of deposits required is more than 15 per cent and ranges between 16 and 55 per cent.

130 As against this position, we have estimated the available potential for deposits for each ccb with reference to the area served by it and the type of population in the area and the annual growth rate required to achieve this level of deposits at least by 1978-9 ranges between 2 and 57 per cent.

131 On a comparison of the two growth rates the ccbs can be classified into four categories as under :

Category I : ccbs which have achieved a level of deposits necessary to sustain the proposed level of lendings in 1979-80, but still have scope to tap the available potential.

Category II : ccbs in respect of which both the growth rates are below 25 per cent.

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Category III : ccbs where one of the two growth rates is below 25 per cent and the other is above 25 per cent.

Category IV : ccbs in respect of which both the growth rates exceed 25 per cent.

The banks in Category I should aim at tapping the available potential, the banks in Category II should attain the higher of the two growth rates, the banks in Category III should ensure annual growth rate of at least 25 per cent in the mobilization of additional deposits and the banks in Category IV should strive hard to attain the lower of the two growth rates.

132 A majority of banks in Categories III and IV, particularly in Category IV, will have to show a much greater degree of aggressiveness in the mobilization of deposits. We would emphasize that the most important thing in this context is to improve the image of the banks by providing not only a variety of deposit schemes but also greater banking facilities and services. We would suggest that to enable these banks to improve their image in the public eye, the MPSCB may consider sanctioning them loans for giving a face-lift to their offices provided the ccbs agree to appropriate a portion of their future profits towards the repayment of credit facilities so extended.

133 For the purpose of deposits of municipalities and other local bodies the GOMP have recognized only the scheduled banks. Since the ccbs cannot fall in the category of scheduled banks, we suggest that the state government may recognize for the purpose at least the ccbs in 'A' or 'B' class of audit as per the practice in vogue in Gujarat. If necessary, GOMP may consult the MPSCB in the matter.

134 In MP the ultimate lending rate in respect of short-term loans is, by and large, 14 per cent per annum. In districts where it exceeds this level, it should be brought down to 14 per cent per annum. This means the total margin available to the three-tiers will be 6 per cent exclusive of the tax liability. We suggest that the shares of the MPSCB, the ccbs and the pacs may be 0.50 per cent, 2.50 per cent and 3.00 per cent respectively. If the same margins are retained in respect of medium-term agricultural loans the ultimate lending rate in respect of such loans will be  $14\frac{1}{2}$  per cent per annum.

135 In MP the ccbs at the time of annual closing, debit the interest accrued on loan accounts to 'Interest receivable account' and equivalent credit is afforded to 'Interest received account'. This procedure is followed irrespective of the fact whether the principal amount is current

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

or overdue. Thus the accrued income, even if it is in respect of overdue loans where the recovery of principal amount itself is not expected to be forthcoming within a reasonable period of time, is reckoned for arriving at the profits. The RCS in terms of his circular instructions, however, has advised the banks not to appropriate their profits unless the amount of profits exceeds the balance under the 'Interest receivable account'. Although this procedure ensures that the unrealized profits are not frittered away by way of appropriations, the fact remains that the profit position indicated in the annual accounts does not reveal the true position of the business of the institution. We, therefore, recommend that the procedure in vogue in Maharashtra to provide for interest accrued on overdue loan accounts by debit to 'Interest received account', may be adopted in Madhya Pradesh and the GOMP may initiate suitable action to amend the State Co-operative Societies Act for the purpose.

136 With a view to ensuring that conscious efforts are made by the co-operatives in financing the small farmers, the RBI from the year 1971-2 has linked the operations on the short-term credit limits sanctioned on behalf of the ccbs, to a certain percentage of outstandings against small farmers. The Reserve Bank, however, noted that the ccbs were not correctly reporting the actual advances outstanding against the small farmers and has, therefore, linked from the year 1975-6 the condition regarding advances to small farmers to the loans issued. Accordingly, the state co-operative banks have now to ensure that not less than 20 per cent of the central banks' advances to primary societies during the year (1 April to 31 July) are issued for financing the small/economically weak farmers. The existing parameter for defining a small farmer in MP is not uniform for all the districts. It is 3, 5 and 7.5 acres. It was observed that the ccbs in MP, by and large, could not issue 20 per cent of their fresh loans to the small farmers during the period from April to July 1975. In view of this position, the RBI on a request from the state government and the state co-operative bank granted certain relaxations within the ceilings that the parameters will not be revised upwards beyond 7.5 acres and the minimum percentage will not be reduced to below 10.

137 The RBI has, in advance indicated the appropriate parameters and the percentage of loans to small farmers for each ccb for the operation on the credit limits for the year 1976-7. Since the ccbs have been given enough time to make efforts to enrol small farmers as members of pacs they should ensure the requisite supply of credit to them.

138 In the context of moratorium on the rural debts granted by the state government, the supply of credit from private agencies like money-lenders has come to a stop. Consequently, it is necessary to institution-

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

alize credit for non-agricultural purposes particularly for meeting the consumption needs of the rural poor. The co-operatives may lend a helping hand in meeting such requirements. However, in view of the inadequate resources position, the lowest priority should be granted for financing such activity and it should not lead to meeting extravagance in expenditure. Considering the pros and cons of the matter, we suggest that the co-operatives in MP may, out of their own resources, grant such loans to the members of co-operative societies belonging to weaker sections of the community engaged in some productive occupations and as are eligible for short-term agricultural loans, for specific purposes like medical aid, death ceremonies, marriages (dowry excluded). The quantum of such loans may, however, be limited to 10 per cent of the total short-term loans advanced to an individual with a ceiling of Rs 250 per member. Such a loan may be granted along with production credit.

139 As advised by the Reserve Bank of India recently, the ccbs may also grant loans against the pledge of jewellery excluding precious stones directly to individuals who may be enrolled as nominal members for the purpose. Suitable arrangements for valuation of pledged jewellery may be made with a local jeweller at the branches of the ccbs. However, with a view to avoiding carrying of considerable risk in regard to safe custody, suitable ceilings may be fixed in absolute quantum of such loans to be advanced by the branches.

140 In MP nine broad standards are prescribed for placing the ccbs in the audit class 'A' or 'B' or 'D' and a bank is allotted a particular class of audit only when it satisfies all the tests. The banks which do not fall in any of the categories, viz., 'A', 'B' and 'D' are placed in audit class 'C'. Thus if a sound bank fails to satisfy even one out of the nine standards stipulated for either 'A' or 'B' class, it is placed in audit class 'C'. On the other hand if a weak bank is able to show a better position in respect of even one of the nine standards prescribed for classifying a unit in 'D' class, it is also classified in 'C' class. The chances are many good and bad banks may go together in 'C' class of audit thereby defeating the very purpose of classifying the various central banks in different classes of audit. This statement is borne out by the fact that out of 43 banks in the state as many as 36 were awarded audit classification 'C' for the year 1972-3 and none of the other 7 was placed in audit class 'D'. A bank like Ujjain on the one hand and the banks like Bastar and Sidhi on the other hand received the same audit classification, i.e., 'C' for the year 1972-3. The main point for consideration is whether a central bank's position should be assessed on the basis of its overall performance or whether it should be given a lower audit classification merely because it fails to satisfy one or two out of the many standards.

## SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

The correct assessment of bank should be on the basis of its overall performance. Recognizing this position, the RBI has in terms of its circular dated 12 March 1975 to the Registrars of Co-operative Societies suggested adoption of a 'marks system' so as to have a qualitative assessment of a central bank's overall performance. We recommend that the marks system suggested by the RBI may be adopted for the purpose of audit classification of ccbs in Madhya Pradesh. Further, the investments of a bank in fixed deposits with the apex bank should be deemed as short-term investments irrespective of the period of such deposits.

141 The urgent tasks which need conscious attention of the concerned authorities in the GOMP, the non-officials on the managements of the co-operative credit institutions and the officials at the helm of affairs of the co-operative and commercial banks operating in the state, are broadly as under :

- (i) Re-organization of the primary credit structure so as to ensure that there is an elaborate and organized network of supply outlets for credit, agricultural inputs and other farming essentials.
- (ii) Recovery of overdues which are, by and large, wilful and have greatly hampered the flow of institutional credit.
- (iii) Efficient management of the co-operative credit institutions and greater attention on their part for the mobilization of additional resources.
- (iv) Full co-ordination between the co-operative and commercial banks for ensuring the projected level of short-term credit supply for agricultural production.
- (v) Adoption of measures to ensure that small and economically weak farmers are not, by omission or design, kept out of the proposed institutional framework and that their problems are given the due share of attention.
- (vi) Organization of special type of societies in tribal areas which would integrate credit for productive and non-productive purposes with supply of inputs and consumer goods and assist in the marketing of agricultural and forest produce, with the requisite institutions at the higher levels to effectively support their activities.

None of these urgent tasks can claim priority over the others for all are equally important.

142 A periodical review of the progress in implementation of the various recommendations may be undertaken by a high-power state level committee which may be set up by the GOMP. This committee may com-

#### SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

prise the Chief Secretary to the GOMP as Chairman and the Secretary in charge of Agriculture and Co-operation Departments of the GOMP ; RCS, MP ; Director, Tribal Welfare Department, GOMP ; a representative each of the GOI in the Ministry of Agriculture and Irrigation (Department of Rural Development), Reserve Bank's ACD and DBOD and the Chairman of the MPSCB and MPSLDB as members.

*Chairman*

C. D. Datey

*Members*

L. P. Bhargava

Sardar Singh

S. C. Varma

N. B. Lohani

K. J. S. Bhatia

R. Srinivasan

P. N. Khanna

*Member-Secretary* :

R. R. Pradhan

Bombay

24 April 1976



**ANNEXURES**

**ANNEXURE 1**  
**DISTRICT-WISE POSITION OF DENSITY OF POPULATION, TOTAL POPULATION, DISTRIBUTION OF POPULATION OF SCHEDULED CASTES AND SCHEDULED TRIBES AND WORKING POPULATION**

In Thousands

District	Density of population per sq. km.	Population		Population of				Working Population				
		Total	Of col. (3a) Rural	Scheduled Castes		Scheduled Tribes		Total	Of col. (6a) agriculturists			% of col. (6d) to col. (6a)
				No.	% to total	No.	% to total		Culti-vators	Agri. labour-ers	Total (6b) + (6c)	
(1)	(2)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)	(6a)	(6b)	(6c)	(6d)	(7)
<b>BHOPAL-INDORE ZONE</b>												
1 Betul	73	736	668	77	10.5	225	30.5	309	164	95	259	83.8
2 Dewas	85	594	499	104	17.6	42	7.0	207	97	67	164	79.2
3 Hoshangabad	80	806	631	89	11.0	58	7.2	279	99	94	193	69.2
4 Indore	263	1025	382	147	14.3	1	0.1	298	66	48	108	36.2
5 Khandwa	82	879	673	80	9.1	66	7.5	319	132	107	239	74.9
6 Khargone	96	1285	1102	132	10.3	508	39.6	448	244	134	378	84.4
7 Raisen	70	553	522	95	17.1	75	13.5	189	77	74	151	79.9
8 Sehore @	120	1085	636	167	15.4	50	4.6	355	120	87	207	58.3
Sub-total	96	6963	5113	891	12.8	1025	14.7	2404	1153	705	1858	77.3
<b>CHHATISGARH ZONE</b>												
9 Balaghat	106	978	910	65	6.7	110	11.3	428	239	106	345	80.6
10 Bilaspur	122	2441	2177	422	17.3	418	17.1	993	536	310	846	85.2
11 Durg*	125	2462	2065	251	10.2	267	10.8	1135	646	279	925	81.5
12 Raigarh	99	1279	1203	132	10.4	605	47.3	478	291	124	415	86.8
13 Raipur	123	2614	2289	356	13.6	382	14.6	1100	572	349	921	83.7
Sub-total	118	9774	8644	1226	12.5	1782	18.2	4134	2284	1268	3552	85.9
<b>GWALIOR ZONE</b>												
14 Bhind	176	794	721	163	20.5	1	0.1	228	166	27	193	84.6
15 Datia	127	255	218	46	18.0	5	2.0	82	49	15	64	78.0
16 Guna	71	784	684	144	18.3	56	7.2	265	166	55	221	83.4
17 Gwalior	165	858	415	166	19.4	16	1.9	250	97	29	126	50.4

@ Including Bhopal

\* Including Rajnandgaon

(1)	(2)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)	(6a)	(6b)	(6c)	(6d)	(7)
<b>GWALIOR ZONE (contd.)</b>												
18 Mandsaur	99	962	767	141	14.7	—	—	365	231	58	289	79.2
19 Morena	85	985	882	203	20.7	47	4.8	302	235	21	256	84.8
20 Rajgarh	104	644	582	117	18.2	2	0.3	232	133	56	189	81.5
21 Ratlam	128	627	446	79	12.7	79	12.7	211	112	40	152	72.0
22 Shajapur	109	678	600	151	22.3	—	—	246	120	79	199	80.9
23 Shivpuri	66	677	606	115	17.1	57	8.4	232	158	37	195	84.1
20 Ujjain	141	862	556	201	23.3	1	0.1	282	117	69	186	66.0
25 Vidisha	89	658	565	142	21.5	31	4.7	227	106	83	189	83.3
Sub-total	97	8784	7042	1668	19.0	295	3.4	2922	1551	569	2120	72.6
<b>JABALPUR ZONE</b>												
26 Chhindwara	84	989	824	104	10.5	348	35.2	374	179	114	293	78.3
27 Damoh	79	573	494	118	20.5	—	—	197	89	61	150	76.1
28 Jabalpur	165	1686	1002	161	9.6	199	11.8	562	181	148	329	58.5
29 Narsinghpur	102	519	452	72	13.8	64	12.4	172	71	65	136	79.1
30 Sagar	104	1062	802	222	20.9	—	—	370	145	93	238	64.3
31 Seoni	76	668	625	45	6.8	251	37.5	276	156	88	244	88.4
Sub-total	103	5497	4199	722	13.1	862	15.7	1951	821	569	1390	71.2
<b>VINDHYA ZONE</b>												
32 Chhatarpur	82	712	632	147	20.6	22	3.1	259	149	66	215	83.0
33 Panna	60	429	399	73	17.1	58	13.6	158	87	47	134	84.8
34 Rewa	155	978	909	121	12.4	123	12.6	351	150	142	292	83.2
35 Satna	122	914	819	116	12.7	127	13.9	346	147	126	273	78.9
36 Sidhi	73	777	768	78	10.0	253	32.5	298	166	104	270	90.6
37 Tikamgarh	113	569	541	116	20.4	24	4.1	199	138	37	175	87.9
Sub-total	98	4339	4068	646	14.8	607	13.9	1611	837	522	1359	84.4
<b>TRIBAL ZONE</b>												
38 Bastar	39	1516	1459	48	3.2	1034	68.2	556	373	123	496	89.2
39 Dhar	104	843	757	60	7.2	450	53.4	279	162	75	237	84.9
40 Jhabua	99	668	619	18	2.7	566	84.7	198	160	17	177	89.4
41 Mandla	66	874	825	42	4.8	529	60.5	382	250	97	347	90.8
42 Shahdol	73	1030	908	63	6.1	497	48.2	383	206	115	321	83.8
43 Surguja	59	1326	1237	64	4.8	742	55.9	477	312	101	413	86.6
Sub-total	60	6257	5815	295	4.7	3818	61.0	2275	1463	528	1991	87.5
<b>Total</b>	<b>94</b>	<b>41654</b>	<b>34881</b>	<b>5448</b>	<b>13.1</b>	<b>8389</b>	<b>20.1</b>	<b>15300</b>	<b>8109</b>	<b>4161</b>	<b>12270</b>	<b>80.2</b>

# ANNEXURE 2

DISTRICT-WISE POSITION OF GEOGRAPHICAL AREA, AREA UNDER FORESTS, NET SOWN AREA, GROSS CROPPED AREA, ETC.

Thousand Hectares

District	Geographical area	Area under forests	Net sown area	Area sown more than once	Gross cropped area	Percentage of	
						col. (3) to col. (2)	col. (6) to col. (2)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>BHOPAL-INDORE ZONE</b>							
1 Betul	1008	416	390	33	423	41	41
2 Bhopal	271	42	148	3	151	15	55
3 Dewas	700	203	343	21	364	3	52
4 Hoshangabad	1000	366	438	5	443	36	44
5 Indore	382	52	254	25	279	13	73
6 Khandwa	1071	462	431	24	455	43	42
7 Khargone	1349	473	616	49	665	35	49
8 Raisen	779	273	390	4	394	35	50
9 Sehore	658	178	339	12	351	27	53
Sub-total	7218	2465	3349	176	3525	34	48
<b>CHHATISGARH ZONE</b>							
10 Balaghat	922	498	275	102	377	54	40
11 Bilaspur	1971	798	818	237	1055	40	53
12 Durg	871	103	556	241	797	11	91
13 Raigarh	1324	440	508	39	547	33	41
14 Raipur	2124	798	915	319	1234	37	58
15 Rajnandgaon	1080	399	490	127	617	36	57
Sub-total	8292	3036	3562	1065	4627	36	55
<b>GWALIOR ZONE</b>							
16 Bhind	445	7	338	10	348	15	78
17 Datia	204	19	128	3	131	9	64
18 Guna	1098	155	545	20	565	14	51
19 Gwalior	522	110	246	12	258	21	49
20 Mandsaur	1009	169	501	155	656	16	65
21 Morena	1169	325	389	54	443	27	38
22 Rajgarh	617	19	392	45	437	3	70

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
23 Ratlam		486	37	294	50	344	7	70
24 Shajapur		618	3	406	51	457	4	73
25 Shivpuri		1017	189	340	37	377	18	37
26 Ujjain		612	8	452	52	504	13	82
27 Vidisha		730	103	489	11	500	14	68
Sub-total		8527	1144	4520	500	5020	13	58
<b>JABALPUR ZONE</b>								
28 Chhindwara		1185	452	478	36	514	38	43
29 Damoh		729	269	273	24	297	36	40
30 Jabalpur		1011	173	458	84	542	17	53
31 Narsinghpur		513	137	272	9	281	26	54
32 Sagar		1023	294	508	18	526	28	51
33 Seoni		871	322	368	31	399	36	45
Sub-total		5332	1647	2357	202	2559	30	48
<b>VINDHYA ZONE</b>								
34 Chhatarpur		863	88	321	39	360	10	41
35 Panna		684	224	205	23	228	32	33
36 Rewa (Vindhya)		629	66	364	82	446	10	70
37 Satna		742	135	341	59	400	18	53
38 Sidhi		1039	422	331	91	422	40	40
39 Tikamgarh		504	66	212	47	259	13	51
Sub-total		4461	1001	1774	341	2115	22	48
<b>TRIBAL ZONE</b>								
40 Bastar		4044	2628	739	37	776	64	19
41 Dhar		821	75	484	56	540	9	65
42 Jhabua		679	115	333	38	371	16	54
43 Mandla		1326	573	423	94	517	43	38
44 Shahdol		1386	497	471	67	538	35	38
45 Surguja		2197	1149	548	76	624	52	28
Sub-total		10453	5037	2998	368	3366	48	32
<b>Total</b>		<b>44283</b>	<b>14330</b>	<b>18560</b>	<b>2652</b>	<b>21212</b>	<b>32</b>	<b>48</b>

**ANNEXURE 3**  
**DISTRICT-WISE DISTRIBUTION OF OPERATIONAL HOLDINGS ACCORDING TO SIZE OF HOLDINGS**

District	Gross cropped area	Total holdings		Holdings below 2 hectares		Holdings between 2 and 4 hectares	
		Number		Number		Number	
		Area	Area	Area	Area	Area	Area
(1)	(2)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)
<b>BHOPAL-INDORE ZONE</b>							
1 Betul	423	86	496	50	20	16	45
2 Bhopal	151	22	170	4	3	4	11
3 Dewas	364	64	412	20	15	11	32
4 Hoshangabad	443	84	531	26	21	17	51
5 Indore	279	40	280	12	11	7	22
6 Khandwa	455	105	672	24	20	21	62
7 Khargone	665	84	491	22	20	18	54
8 Raisen	394	63	420	14	9	13	38
9 Sehore	351	52	391	11	7	9	27
Sub-total	3525	600	3863	163	126	116	342
<b>CHHATISGARH ZONE</b>							
10 Balaghat	377	131	327	83	61	24	67
11 Bilaspur	1055	446	891	320	216	68	198
12 Durg*	1414	323	1150	171	140	67	192
13 Raigarh	547	149	570	77	57	27	78
14 Raipur	1234	373	997	236	186	69	195
Sub-total	4627	1422	3935	887	660	255	730
<b>GWALIOR ZONE</b>							
15 Bhind	348	117	343	62	54	27	78
16 Datia	131	34	140	15	14	8	24
17 Guna	565	116	554	41	38	30	88
18 Gwalior	258	66	265	29	27	16	46
19 Mandsaur	656	146	515	70	62	33	94
20 Morena	443	173	393	107	96	40	113
21 Rajgarh	437	94	455	34	30	21	60
22 Ratlam	344	72	329	29	26	15	44
23 Shajapur	457	88	467	31	29	18	53

	(1)	(2)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)
24 Shivpuri		377	101	423	39	37	27	80
25 Ujjain		504	78	521	23	22	15	43
26 Vidisha		500	84	510	25	21	19	55
Sub-total		5020	1169	4915	505	456	269	778
<hr/>								
JABALPUR ZONE								
27 Chhindwara		514	137	575	57	42	31	90
28 Damoh		297	84	321	43	36	17	49
24 Jabalpur		542	198	589	120	92	36	103
30 Narsinghpur		281	75	309	33	28	17	51
31 Sagar		526	156	562	79	61	34	96
32 Seoni		399	98	459	41	26	19	54
Sub-total		2559	748	2815	373	285	154	443
<hr/>								
VINDHYA ZONE								
33 Chhatarpur		360	107	458	46	39	25	74
34 Panna		228	65	261	30	25	14	40
35 Rewa		446	105	474	56	40	18	52
36 Satna		400	130	427	75	53	24	68
37 Sidhi		422	85	361	44	30	15	43
38 Tikamgarh		259	108	258	64	56	26	76
Sub-total		2115	600	2239	315	243	122	353
<hr/>								
TRIBAL ZONE								
39 Bastar		776	142	822	51	43	31	87
40 Dhar		540	86	517	25	25	18	55
41 Jhabua		371	64	342	19	17	13	39
42 Mandla		517	122	572	52	39	23	66
43 Shahdol		538	164	592	90	65	29	86
44 Surguja		624	180	581	92	70	39	112
Sub-total		3366	758	3426	329	259	153	445
<hr/>								
Total		21212	5297	21193	2572	2029	1069	3091

\* Including Rajnandgaon

**ANNEXURE 3 (contd.)**

District	Holdings between 4 and 10 hectares		Holdings above 10 hectares		% of number of operation- al holdings below 2 hectares to total number of holdings	% of area under hold- ings below 2 hectares to gross cropped area	Average size of holdings
	Number	Area	Number	Area			
(1)	(6a)	(6b)	(7a)	(7b)	(8)	(9)	(10)
<b>BHOPAL-INDORE ZONE</b>							
1 Betul	25	163	15	268	35	4.7	5.8
2 Bhopal	9	54	5	102	18	2.0	7.9
3 Dewas	20	129	13	236	31	4.1	6.4
4 Hoshangabad	26	165	15	294	29	4.7	6.3
5 Indore	12	79	9	168	30	3.6	7.0
6 Khandwa	40	265	20	325	22	4.4	6.4
7 Khargone	30	193	14	224	26	2.9	5.8
8 Raisen	23	140	13	233	22	2.3	6.7
9 Sehore	20	127	12	230	21	2.0	7.5
Sub-total	205	1315	116	2080	27	3.6	6.6
<b>CHHATISGARH ZONE</b>							
10 Balaghat	19	120	5	79	63	16.2	2.5
11 Bilaspur	47	281	11	196	71	20.5	2.0
12 Durg*	63	391	22	427	52	9.9	3.6
13 Raigarh	32	203	13	232	51	10.4	3.8
14 Raipur	52	315	16	301	63	15.1	2.7
Sub-total	213	1310	67	1235	62	14.3	2.7
<b>GWALIOR ZONE</b>							
15 Bhind	23	144	5	67	58	15.5	2.9
16 Datia	8	54	3	48	44	10.7	4.1
17 Guna	33	199	12	229	35	6.7	4.8
18 Gwalior	16	98	5	94	43	10.5	4.0
19 Mandsaur	34	217	9	142	60	9.5	3.5



	(1)	(6a)	(6b)	(7a)	(7b)	(8)	(9)	(10)
20	Morena	23	133	3	51	61	21.4	2.3
21	Rajgarh	27	174	12	191	36	6.9	4.9
22	Ratlam	20	129	8	130	38	7.6	4.6
23	Shajapur	26	168	13	217	35	6.3	5.3
24	Shivpuri	27	170	8	136	37	9.8	4.2
25	Ujjain	24	160	16	296	28	4.4	6.7
26	Vidisha	25	161	15	273	30	4.2	6.1
	Sub-total	286	1807	109	1874	43	9.1	3.9
<b>JABALPUR ZONE</b>								
27	Chhindwara	36	224	13	219	41	8.2	4.2
28	Damoh	16	103	8	133	51	12.1	3.8
29	Jabalpur	31	194	11	200	60	17.3	3.0
30	Narsinghpur	18	113	7	117	44	10.0	4.1
31	Sagar	31	195	12	210	42	13.9	3.6
32	Seoni	25	159	13	220	41	6.5	4.7
	Sub-total	157	988	64	1099	50	11.1	3.8
<b>VINDHYA ZONE</b>								
33	Chhatarpur	26	159	10	186	42	10.8	4.3
34	Panna	15	94	6	102	46	11.0	4.0
35	Rewa	19	127	12	255	53	9.0	4.5
36	Satna	22	139	9	167	57	13.3	3.3
37	Sidhi	17	107	9	181	51	7.3	4.3
38	Tikamgarh	16	92	2	34	60	21.6	2.4
	Sub-total	115	718	48	925	53	11.5	3.7
<b>TRIBAL ZONE</b>								
39	Bastar	38	240	22	452	35	5.5	5.8
40	Dhar	28	181	15	256	30	4.4	6.0
41	Jhabua	23	150	9	136	28	4.6	5.3
42	Mandla	31	199	16	268	42	7.5	4.7
43	Shahdol	31	202	14	239	54	12.1	3.6
44	Surguja	39	243	10	156	51	10.3	3.2
	Sub-total	190	1215	86	1507	43	7.7	4.5
	<b>Total</b>	<b>1166</b>	<b>7353</b>	<b>490</b>	<b>8720</b>	<b>49</b>	<b>9.6</b>	<b>4.0</b>

\* Including Rajnandgaon

N.B.—Latest data available for 1973-4 are only provisional. Hence the data available for 1970-71 in the Agricultural Census Report are taken. However, there are no wide variations in the data reported in the statement and provisional data for 1973-4,

# ANNEXURE 4

## DISTRICT-WISE DISTRIBUTION OF IRRIGATED AREA ACCORDING TO SOURCE OF IRRIGATION

Thousand Hectares

District	Area irrigated by				Gross irrigated area	Gross cropped area	Percentage of col. (3) to col. (4)
	Canals	Tanks	Wells and Tube-wells	Other sources			
(1)	(2a)	(2b)	(2c)	(2d)	(3)	(4)	(5)
<b>BHOPAL-INDORE ZONE</b>							
1 Betul	2.9	0.1	29.3	1.2	33.5	423	8
2 Bhopal	1.5	0.1	5.9	2.4	9.9	151	7
3 Dewas	1.3	1.0	16.0	2.6	20.9	364	6
4 Hoshangabad	1.3	0.1	15.0	1.9	18.3	443	4
5 Indore	1.2	1.2	21.6	5.0	29.0	279	10
6 Khandwa	0.4	—	25.1	0.8	26.3	455	6
7 Khargone	1.2	4.1	40.0	2.7	48.0	665	7
8 Raisen	5.1	0.2	1.5	3.3	10.1	394	3
9 Sehore	0.9	1.4	13.0	3.5	18.8	351	5
Sub-total	15.8	8.2	167.4	23.4	214.8	3525	6
<b>CHHATISGARH ZONE</b>							
10 Balaghat	57.4	39.9	4.0	2.2	103.5	377	27
11 Bilaspur	93.8	10.7	4.1	3.0	111.6	1055	10
12 Durg	104.7	6.5	2.4	11.3	124.9	797	16
13 Raigarh	4.1	4.0	1.8	3.7	13.6	547	3
14 Raipur	171.1	15.9	6.7	11.4	205.1	1234	17
15 Rajnandgaon	19.0	3.0	1.9	4.4	28.3	617	5
Sub-total	450.1	80.0	20.9	36.0	587.0	4627	13
<b>GWALIOR ZONE</b>							
16 Bhind	59.1	0.8	8.7	0.9	69.5	348	20
17 Datia	6.1	0.2	8.2	0.1	14.6	131	11
18 Guna	6.9	0.4	10.9	1.8	20.0	565	4
19 Gwalior	56.0	4.4	12.2	1.5	74.1	258	29
20 Mandsaur	2.5	0.8	75.0	3.9	82.2	656	13
21 Morena	92.3	2.1	19.7	0.4	114.5	443	26
22 Rajgarh	0.9	0.4	25.1	0.6	27.0	437	6
23 Ratlam	—	1.5	27.5	1.9	30.9	344	9

	(1)	(2a)	(2b)	(2c)	(d)	(3)	(4)	(5)
24	Shajapur	4.3	1.1	25.3	1.7	32.4	457	7
25	Shivpuri	4.6	2.3	48.8	1.5	57.2	377	15
26	Ujjain	2.2	0.6	20.7	4.2	27.7	504	6
27	Vidisha	1.3	0.2	1.8	1.5	4.8	500	1
	Sub-total	236.2	14.8	283.9	20.0	554.9	5020	11
<hr/>								
JABALPUR ZONE								
28	Chhindwara	0.2	0.3	28.0	0.9	29.4	514	6
29	Damoh	6.1	—	2.0	3.3	11.4	297	4
30	Jabalpur	12.3	0.2	5.2	6.6	24.3	542	4
31	Narsinghpur	—	0.1	13.0	2.7	15.8	281	6
32	Sagar	4.9	0.3	7.0	4.7	16.9	526	3
33	Seoni	13.4	4.8	2.9	1.7	22.8	399	6
	Sub-total	36.9	5.7	58.1	19.9	120.6	2559	5
<hr/>								
VINDHYA ZONE								
34	Chhatarpur	7.6	2.5	50.9	2.0	63.0	360	18
35	Panna	3.9	0.1	2.8	3.3	10.1	228	4
36	Rewa (Vindhya)	2.9	1.9	2.2	7.4	14.4	446	3
37	Satna	3.4	0.9	2.7	7.4	14.4	400	4
38	Sidhi	1.1	0.2	1.3	0.5	3.1	422	1
39	Tikamgarh	6.8	4.5	56.6	2.4	70.3	259	27
	Sub-total	25.7	10.1	116.5	23.0	175.3	2115	8
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TRIBAL ZONE								
40	Bastar	—	6.0	1.3	5.9	13.2	776	2
41	Dhar	0.8	1.7	30.8	3.2	36.5	540	7
42	Jhabua	1.3	0.2	7.9	2.3	11.7	371	3
43	Mandla	1.4	0.1	0.9	0.8	3.2	517	1 (.6)
44	Shahdol	2.2	—	1.0	1.0	4.2	538	1 (.7)
45	Surguja	1.3	0.7	4.0	5.1	11.1	624	2
	Sub-total	7.0	8.7	45.9	18.3	79.9	3366	2
<hr/>								
	Total	771.7	127.5	692.7	140.6	1732.5	21212	8

# ANNEXURE 5

AREA AND PRODUCTION OF MAJOR CROPS IN MADHYA PRADESH DURING THE PERIOD 1968-9 TO 1973-4

Crop	Area in Lakh Hectares Production in Lakh Tonnes											
	1968-9		1969-70		1970-71		1971-2		1972-3		1973-4	
	Area	Production	Area	Production	Area	Production	Area	Production	Area	Production	Area	Production
FOOD CROPS												
Paddy	43.12	28.98	43.53	32.25	43.83	36.97	45.25	37.02	45.46	30.83	44.68	35.37
Wheat	30.11	19.64	33.48	22.93	34.03	25.92	36.65	31.89	32.77	22.85	33.75	26.01
Jowar	23.74	15.79	23.09	13.91	21.78	13.36	19.65	12.44	22.25	17.46	21.15	11.56
Kodo-kutki	13.98	2.93	13.95	3.12	13.82	3.16	13.27	2.88	13.16	2.70	13.28	3.18
Maize	5.90	3.35	5.81	3.93	5.91	6.27	5.97	4.84	6.24	6.16	6.22	4.17
Gram	14.95	7.26	15.40	8.49	16.19	8.55	16.86	11.48	16.25	11.08	17.64	9.76
Tur	4.84	2.54	4.87	3.10	5.00	4.09	5.04	4.25	5.29	4.75	5.12	2.94
Urad	6.00	1.40	5.90	1.52	6.28	1.56	6.25	1.63	6.40	1.36	6.35	1.38
Teora (Lakh)	5.69	1.93	5.77	1.88	7.07	3.13	7.48	3.64	7.44	2.83	7.68	2.85
All Foodgrains	163.17	89.40	167.46	97.86	168.66	109.22	170.87	116.35	170.36	106.31	170.83	104.11
NON-FOOD CROPS												
Groundnut	4.96	2.30	4.07	2.86	4.64	3.34	4.89	2.94	4.36	2.92	4.35	2.16
Sesamum	3.87	0.72	3.48	0.59	3.52	0.49	3.08	0.40	2.83	0.62	2.89	0.51
Rape & Mustard	1.57	0.53	1.83	0.61	2.04	0.60	2.34	0.92	2.12	0.99	2.19	1.05
Cotton @	6.88	3.44	6.84	3.24	6.91	2.09	7.06	3.69	6.83	3.30	6.76	1.88
Sugarcane*	0.56	1.42	0.57	1.69	0.61	1.61	0.52	1.44	0.52	1.37	0.46	1.27
Linseed	5.38	1.04	5.85	1.36	6.29	1.36	7.22	1.76	6.66	1.60	6.98	1.73

@ Production in lakh bales

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# ANNEXURE 6

## DISTRICT-WISE POSITION OF AREA AND PRODUCTION OF MAJOR CROPS

Area in '000 Hectares  
Production in '000 Tonnes

District	Paddy		Wheat		Jowar		Maize		Kodo-kutki	
	Area	Production	Area	Production	Area	Production	Area	Production	Area	Production
(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)	(6a)	(6b)
<b>BHOPAL-INDORE ZONE</b>										
1 Betul	28	26	62	55	81	34	15	6	74	12
2 Bhopal	1	1	60	56	22	17	4	1	—	—
3 Dewas	4	3	61	68	92	42	6	3	—	—
4 Hoshangabad	11	12	137	100	38	28	2	2	16	3
5 Indore	1	1	74	46	45	24	7	4	—	—
6 Khandwa	29	30	25	33	122	84	2	2	8	2
7 Khargone	17	8	40	47	197	122	31	14	1	(0.1)
8 Raisen	6	3	142	110	11	9	2	2	2	(0.5)
9 Sehore	6	4	133	111	55	31	4	2	1	(0.2)
Sub-total	103	88	734	626	663	391	73	36	102	18
<b>CHHATISGARH ZONE</b>										
10 Balaghat	225	205	17	7	1	1	4	4	18	6
11 Bilaspur	643	475	31	19	2	1	11	12	42	10
12 Durg	346	264	20	10	(0.2)	(0.1)	(0.2)	(0.2)	68	16
13 Raigarh	343	314	5	4	(0.3)	(0.2)	9	9	46	9
14 Raipur	769	692	12	7	(0.5)	1	1	1	52	8
15 Rajnandgaon	245	196	19	11	(0.1)	(0.1)	3	2	116	32
Sub-total	2571	2146	104	58	4	3	28	28	342	81
<b>GWALIOR ZONE</b>										
16 Bhind	13	18	74	92	22	23	—	—	—	—
17 Datia	1	1	37	26	20	16	1	1	(0.2)	—
18 Guna	3	2	181	141	137	81	28	20	(0.5)	(0.1)
19 Gwalior	12	17	83	73	37	39	(0.1)	(0.1)	—	—
20 Mandsaur	1	1	68	85	170	41	59	25	—	—
21 Morena	3	4	87	80	36	34	(0.5)	(0.4)	—	—
22 Rajgarh	9	6	52	45	143	56	26	12	—	—

## ANNEXURE 6 (contd.)

(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)	(6a)	(6b)
23 Ratlam	7	4	46	40	60	32	34	14	3	1
24 Shajapur	6	5	70	79	128	43	15	9	—	—
25 Shivpuri	11	13	98	68	67	27	24	24	9	3
26 Ujjain	1	1	90	44	148	58	12	6	—	—
27 Vidisha	2	1	242	235	40	13	7	6	—	—
Sub-total	69	73	1128	1008	1008	463	207	117	13	4
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JABALPUR ZONE										
28 Chhindwara	21	15	66	39	89	61	18	11	74	15
29 Damoh	49	34	113	79	18	20	2	2	12	3
30 Jabalpur	116	63	154	102	18	15	8	7	46	9
31 Narsinghpur	16	20	41	46	19	16	(0.4)	(0.5)	15	3
32 Sagar	16	13	266	202	28	29	4	4	8	2
33 Seoni	86	117	80	30	15	10	7	5	53	10
Sub-total	304	262	720	498	187	151	39	30	208	42
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VINDHYA ZONE										
34 Chhatarpur	10	4	77	66	29	24	1	(0.4)	26	7
35 Panna	50	17	64	39	9	8	2	2	15	4
36 Rewa	95	39	107	38	20	12	1	1	60	22
37 Satna	68	29	134	56	13	7	1	1	44	17
38 Sidhi	66	26	29	10	9	10	24	26	73	23
39 Tikamgarh	27	10	51	51	37	33	1	1	14	4
Sub-total	316	125	462	260	117	94	30	31	232	77
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TRIBAL ZONE										
40 Bastar	448	364	3	2	7	5	27	28	131	30
41 Dhar	12	5	92	70	83	26	53	28	1	(0.1)
42 Jhabua	30	14	9	9	33	13	78	31	9	2
43 Mandla	124	92	66	49	1	1	25	29	140	25
44 Shahdol	197	157	45	13	7	5	24	16	118	29
45 Surguja	294	211	12	8	5	4	38	43	32	9
Sub-total	1105	843	227	151	136	54	245	175	431	95
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Total	4468	3537	3375	2601	2115	1156	622	417	1328	317

District	Gram		Tur		Urad		Teora	
	Area	Production	Area	Production	Area	Production	Area	Production
(1)	(7a)	(7b)	(8a)	(8b)	(9a)	(9b)	(10a)	(10b)
<b>BHOPAL-INDORE ZONE</b>								
1 Betul	35	17	40	19	27	4	1	(0·4)
2 Bhopal	23	11	3	1	(0·1)	—	1	1
3 Dewas	33	29	18	9	3	1	1	(0·3)
4 Hoshangabad	45	22	22	18	5	1	22	12
5 Indore	49	30	17	8	4	1	1	1
6 Khandwa	7	5	13	13	42	10	(0·1)	(0·1)
7 Khargone	8	4	21	10	43	10	—	—
8 Raisen	69	62	7	3	(0·3)	(0·1)	18	10
9 Sehore	35	29	15	9	1	(0·3)	6	2
Sub-total	304	209	156	90	125	27	50	27
<b>CHHATISGARH ZONE</b>								
10 Balaghat	7	5	2	2	17	6	25	15
11 Bilaspur	29	14	7	7	22	5	152	64
12 Durg	28	19	14	8	44	6	178	69
13 Raigarh	3	1	2	2	23	5	8	3
14 Raipur	7	4	5	3	47	8	188	43
15 Rajnandgaon	25	12	19	15	12	3	94	26
Sub-total	99	55	49	37	165	33	645	220
<b>GWALIOR ZONE</b>								
16 Bhind	100	61	21	13	—	—	—	—
17 Datia	37	15	4	3	(0·3)	(0·1)	—	—
18 Guna	94	48	2	1	1	(0·3)	(0·4)	(0·3)
19 Gwalior	51	25	11	3	(0·1)	—	—	—
20 Mandsaur	57	37	8	4	70	18	—	—
21 Morena	79	64	23	13	(0·5)	(0·2)	—	—
22 Rajgarh	32	20	10	5	1	(0·4)	—	—
23 Ratlam	36	17	5	2	23	4	—	—

## ANNEXURE 6 (contd.)

(1)	(7a)	(7b)	(8a)	(8b)	(9a)	(9b)	(10a)	(10b)
24 Shajapur	33	18	14	7	3	1	(0·1)	—
25 Shivpuri	40	18	1	1	10	4	—	—
26 Ujjain	67	35	14	7	16	4	(0·3)	(0·1)
27 Vidisha	100	55	5	2	—	—	9	4
Sub-total	726	413	118	61	125	32	10	4
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JABALPUR ZONE								
28 Chhindwara	38	16	34	30	50	9	3	1
29 Damoh	25	9	4	1	3	1	1	(0·5)
30 Jabalpur	87	35	10	7	5	1	1	(0·3)
31 Narsinghpur	78	57	16	16	6	2	20	13
32 Sagar	39	18	4	2	3	1	2	1
33 Seoni	28	16	6	6	6	1	22	12
Sub-total	295	151	74	62	73	15	49	28
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VINDHYA ZONE								
34 Chhatarpur	50	18	8	3	11	2	—	—
35 Panna	26	10	6	1	2	(0·4)	—	—
36 Rewa	46	31	17	5	3	(0·5)	4	1
37 Satna	38	14	16	4	1	(0·3)	2	1
38 Sidhi	38	11	23	5	7	2	1	(0·3)
39 Tikamgarh	16	8	1	(0·4)	9	2	(0·1)	—
Sub-total	214	92	71	18	33	7	7	2
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TRIBAL ZONE								
40 Bastar	2	1	3	3	11	4	2	1
41 Dhar	54	25	10	5	25	5	4	3
42 Jhabua	20	11	6	2	31	6	—	—
43 Mandla	21	10	4	4	10	2	2	1
44 Shahdol	21	6	11	4	17	3	(0·2)	(0·1)
45 Surguja	8	3	10	8	19	4	1	(0·2)
Sub-total	126	56	44	26	113	24	9	5
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Total	1764	976	512	294	634	138	770	286



District	Groundnut		Rape & Mustard		Linseed		Sugarcane		Cotton	
	Area	Production	Area	Production	Area	Production	Area	Production	Area	Production (000 Bales)
(1)	(11a)	(11b)	(12a)	(12b)	(13a)	(13b)	(14a)	(14b)	(15a)	(15b)
<b>BHOPAL-INDORE ZONE</b>										
1 Betul	18	8	—	—	2	(0·4)	3·0	13	2·7	1
2 Bhopal	1	1	(0·3)	(0·3)	2	1	0·5	1	0·1	—
3 Dewas	12	7	—	—	11	4	1·5	3	49·5	14
4 Hoshangabad	(0·3)	(0·1)	—	—	26	8	0·2	(0·3)	32·2	11
5 Indore	3	2	—	—	11	4	2·3	8	5·9	1
6 Khandwa	31	14	—	—	1	(0·3)	0·5	1	135·4	50
7 Khargone	75	32	—	—	1	(0·2)	1·0	2	122·4	48
8 Raisen	(0·2)	(0·2)	—	—	12	4	0·2	(0·3)	0·1	—
9 Sehore	1	1	—	—	11	3	2·1	4	11·4	2
Sub-total	142	65	—	—	77	25	11·3	33	359·7	127
<b>CHHATISGARH ZONE</b>										
10 Balaghat	—	—	3	2	41	10	2·1	10	—	—
11 Bilaspur	4	2	4	2	45	10	1·1	2	—	—
12 Durg	—	—	—	—	48	11	0·1	(0·1)	—	—
13 Raigarh	13	7	7	3	(0·2)	(0·1)	1·5	5	0·3	(0·1)
14 Raipur	8	6	(0·3)	(0·2)	62	4	0·5	2	—	—
15 Rajnandgaon	—	—	1	1	64	17	0·1	(0·1)	—	—
Sub-total	25	15	15	8	260	52	5·4	19	0·3	—
<b>GWALIOR ZONE</b>										
16 Bhind	—	—	24	12	2	1	0·1	(0·3)	—	—
17 Datia	—	—	3	1	5	2	0·1	(0·2)	—	—
18 Guna	1	1	7	3	20	8	0·8	2	0·1	—
19 Gwalior	(0·3)	(0·2)	4	2	7	3	6·0	15	—	—
20 Mandsaur	56	20	—	—	9	4	1·0	4	15·5	3

ANNEXURE 6 (contd.)											
(1)	(11a)	(11b)	(12a)	(12b)	(13a)	(13b)	(14a)	(14b)	(15a)	(15b)	
21 Morena	1	1	54	26	8	3	1.3	5	—	—	
22 Rajgarh	18	8	(0.1)	—	(0.4)	(0.1)	1.2	2	42.4	5	
23 Ratlam	15	7	—	—	3	1	2.5	8	36.4	6	
24 Shajapur	23	12	—	—	1	(0.5)	1.7	3	68.7	10	
25 Shivpuri	11	8	1	(0.2)	10	3	1.9	5	—	—	
26 Ujjain	15	8	—	—	10	3	1.3	2	58.7	11	
27 Vidisha	1	(0.4)	5	2	21	7	0.7	1	—	—	
Sub-total	141	66	98	46	96	36	18.6	48	221.8	35	
JABALPUR ZONE											
28 Chhindwara	26	14	(0.2)	(0.1)	1	(0.3)	2.8	9	8.7	3	
29 Damoh	3	1	1	(0.4)	23	5	0.1	(0.1)	—	—	
30 Jabalpur	1	(0.3)	5	2	19	5	0.6	1	—	—	
31 Narsinghpur	(0.2)	(0.1)	—	—	2	1	0.9	2	0.1	—	
32 Sagar	9	6	1	1	21	7	0.1	(0.3)	—	—	
33 Seoni	6	5	2	1	21	6	0.6	2	—	—	
Sub-total	45	26	9	5	87	24	5.1	14	8.8	3	
VINDHYA ZONE											
34 Chhatarpur	—	—	1	(0.2)	7	2	0.3	(0.5)	—	—	
35 Panna	—	—	3	1	28	8	0.3	(0.5)	—	—	
36 Rewa	—	—	2	(0.3)	37	5	—	(0.1)	—	—	
37 Satna	—	—	1	(0.3)	41	7	—	(0.1)	—	—	
38 Sidhi	—	—	7	2	16	2	—	—	—	—	
39 Tikamgarh	—	—	(0.1)	—	2	(0.3)	1.3	2	—	—	
Sub-total	—	—	14	4	131	24	1.9	3	—	—	
TRIBAL ZONE											
40 Bastar	—	—	21	11	5	1	1.2	4	—	—	
41 Dhar	54	34	—	—	14	5	0.6	1	56.6	16	
42 Jhabua	24	9	—	—	—	—	—	(0.1)	27.6	—	
43 Mandla	(0.1)	—	22	15	9	2	0.8	1	—	—	
44 Shahdol	(0.1)	(0.1)	15	4	15	3	0.1	(0.1)	—	—	
45 Surguja	4	2	25	12	4	1	0.7	2	0.8	(0.3)	
Sub-total	82	45	83	42	47	12	3.4	8	85.0	23	
Total	435	217	219	105	698	173	45.7	125	675.6	188	

District	Area under food crops and non-food crops						Grand Total
	Kharif			Rabi			
	Food crops	Non-food crops	Total	Food crops	Non-food crops	Total	
(1)	(16a)	(16b)	(16c)	(17a)	(17b)	(17c)	(18)
<b>BHOPAL-INDORE ZONE</b>							
1 Betul	264	47	311	108	4	112	423
2 Bhopal	31	27	58	89	5	94	152
3 Dewas	126	105	231	116	17	133	364
4 Hoshangabad	96	62	158	218	67	285	443
5 Indore	85	40	125	135	19	154	279
6 Khandwa	251	161	412	40	3	43	455
7 Khargone	409	198	607	57	1	58	665
8 Raisen	34	37	71	288	34	322	393
9 Sehore	81	65	146	178	27	205	351
Sub-total	1377	742	2119	1229	177	1406	3525
<b>CHHATISGARH ZONE</b>							
10 Balaghat	256	1	257	74	46	120	377
11 Bilaspur	737	10	747	253	55	308	1055
12 Durg	429	5	434	311	52	363	797
13 Raigarh	465	45	510	29	8	37	547
14 Raipur	854	17	871	293	70	363	1234
15 Rajnandgaon	386	6	392	157	68	225	617
Sub-total	3127	84	3211	1117	299	1416	4627
<b>GWALIOR ZONE</b>							
16 Bhind	112	3	115	192	41	233	348
17 Datia	40	3	43	78	10	88	131
18 Guna	181	87	268	262	35	297	565
19 Gwalior	84	14	98	131	29	160	258
20 Mandsaur	314	145	459	162	35	197	656

## ANNEXURE 6 (contd.)

(1)	(16a)	(16b)	(16c)	(17a)	(17b)	(17c)	(18)
21 Morena	178	25	203	160	80	240	443
22 Rajgarh	191	124	315	120	2	122	437
23 Ratlam	140	92	232	101	11	112	344
24 Shajapur	178	137	315	136	6	142	457
25 Shivpuri	147	79	226	140	11	151	377
26 Ujjain	169	112	281	194	29	223	504
27 Vidisha	62	47	109	355	36	391	500
Sub-total	1796	868	2664	2031	325	2356	5020
<hr/>							
JABALPUR ZONE							
28 Chhindwara	315	82	397	115	2	117	514
29 Damoh	89	25	114	159	24	183	297
30 Jabalpur	206	19	225	296	21	317	542
31 Narsinghpur	88	15	103	175	3	178	281
32 Sagar	71	86	157	345	24	369	526
33 Seoni	185	41	226	143	30	173	399
Sub-total	954	268	1222	1233	104	1337	2559
<hr/>							
VINDHYA ZONE							
34 Chhatarpur	116	68	184	164	11	175	359
35 Panna	88	11	99	100	30	130	229
36 Rewa	206	5	211	191	44	235	446
37 Satna	156	6	162	197	41	238	400
38 Sidhi	245	35	280	122	20	142	422
39 Tikamgarh	119	49	168	89	2	91	259
Sub-total	930	174	1104	863	148	1011	2115
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TRIBAL ZONE							
40 Bastar	710	22	732	16	28	44	776
41 Dhar	231	136	367	152	22	174	541
42 Jhabua	271	59	330	38	2	40	370
43 Mandla	307	49	356	126	35	161	517
44 Shahdol	374	46	420	86	32	118	538
45 Surguja	514	40	554	39	31	70	624
Sub-total	2407	352	2759	457	150	607	3366
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Total	10591	2488	13079	6930	1203	8133	21212

# ANNEXURE 7

DISTRICT-WISE POSITION OF HIGH-YIELDING VARIETIES COVERAGE DURING 1973-4 AND TARGETS FOR 1974-5

Thousand Hectares

District	Coverage during 1973-4					Targets for 1974-5				
	Paddy	Wheat	Jowar	Maize	Bajra	Paddy	Wheat	Jowar	Maize	Bajra
(1)	(2a)	(2b)	(2c)	(2d)	(2e)	(3a)	(3b)	(3c)	(3d)	(3e)
<b>BHOPAL-INDORE ZONE</b>										
1 Betul	1.5	15.0	6.1	1.6	—	1.5	13.4	3.9	1.0	—
2 Bhopal	0.2	4.3	2.5	0.2	—	0.4	7.4	1.2	0.2	—
3 Dewas	—	10.2	19.9	1.0	—	—	12.3	15.3	1.5	—
4 Hoshangabad	0.7	13.2	2.1	0.1	—	0.3	15.4	3.2	0.3	0.1
5 Indore	—	19.7	8.6	3.5	—	—	24.0	7.7	2.5	—
6 Khandwa	0.2	11.6	18.6	0.3	0.2	0.2	16.8	17.4	0.6	0.5
7 Khargone	0.1	26.4	16.9	2.7	8.0	0.1	32.0	16.3	2.5	9.7
8 Raisen	1.2	11.7	3.6	0.1	—	1.2	11.1	2.1	0.2	—
9 Sehore	0.6	12.3	4.7	0.2	—	0.9	17.2	2.9	0.3	—
Sub-total	4.5	124.4	83.0	9.7	8.2	4.6	149.6	70.0	9.1	10.3
<b>CHHATISGARH ZONE</b>										
10 Balaghat	76.5	5.6	—	—	—	73.9	4.0	—	—	—
11 Bilaspur	135.7	25.0	—	0.9	—	108.5	22.3	—	0.5	—
12 Durg	131.0	3.9	—	—	—	91.5	1.8	—	0.3	—
13 Raigarh	61.7	6.7	—	1.6	—	45.6	5.0	—	1.0	—
14 Raipur	244.5	8.2	—	—	—	241.4	6.7	—	—	—
15 Rajnandgaon	26.6	2.7	—	—	—	74.8	1.5	—	0.2	—
Sub-total	676.0	52.1	—	2.5	—	635.7	41.3	—	2.0	—
<b>GWALIOR ZONE</b>										
16 Bhind	5.5	42.5	0.9	—	7.2	5.6	39.0	0.8	0.1	4.3
17 Datia	0.3	8.9	1.8	—	0.1	0.1	11.1	1.4	—	0.4
18 Guna	0.1	11.0	11.5	0.6	—	1.8	7.8	7.4	0.7	—
19 Gwalior	3.1	34.8	3.7	0.2	0.1	4.8	26.8	2.3	0.3	0.5
20 Mandsaur	—	39.2	25.1	6.1	0.1	0.1	50.1	23.3	5.5	0.6
21 Morena	2.1	56.3	1.0	0.1	3.0	4.9	50.2	0.7	0.1	8.6
22 Rajgarh	—	11.2	4.0	0.7	—	0.2	11.2	3.9	0.4	—
23 Ratlam	—	11.6	9.0	3.3	0.1	—	14.0	7.2	2.1	0.9

## ANNEXURE 7 (contd.)

(1)		(2a)	(2b)	(2c)	(2d)	(2e)	(3a)	(3b)	(3c)	(3d)	(3e)
24	Shajapur	0.4	18.6	12.7	0.7	—	0.4	20.0	3.9	0.6	—
25	Shivpuri	1.3	15.3	2.3	0.9	0.1	2.5	14.5	3.1	0.6	0.5
26	Ujjain	0.1	15.5	10.2	4.1	0.3	—	16.7	9.4	2.0	1.3
27	Vidisha	—	5.0	0.5	—	—	0.6	5.6	2.0	0.1	—
Sub-total		12.9	269.9	82.7	16.7	11.0	21.0	267.0	65.4	12.5	17.1
JABALPUR ZONE											
28	Chhindwara	1.1	15.2	5.1	1.3	—	0.4	22.3	6.1	1.2	—
29	Damoh	5.1	10.1	0.5	0.2	—	4.9	7.8	0.3	0.1	—
30	Jabalpur	12.8	14.6	0.9	0.5	—	11.1	15.0	1.0	0.3	—
31	Narsinghpur	2.6	12.2	2.2	—	—	1.2	11.2	4.1	—	—
32	Sagar	1.1	17.4	0.7	0.5	—	0.7	13.4	0.9	—	—
33	Seoni	11.8	4.3	—	—	—	24.7	4.5	0.8	—	—
Sub-total		34.5	73.8	9.4	2.5	—	43.0	74.2	13.2	1.6	—
VINDHYA ZONE											
34	Chhatarpur	0.2	17.7	—	—	—	1.2	40.2	0.2	—	—
35	Panna	2.3	6.2	0.2	—	—	2.5	10.0	0.2	—	—
36	Rewa (Vindhya)	3.7	10.8	0.1	—	—	2.7	16.2	0.4	—	—
37	Satna	5.9	12.5	0.1	—	—	5.6	13.4	0.4	—	—
38	Sidhi	3.1	3.6	0.3	0.7	—	2.7	3.8	0.4	0.8	—
39	Tikamgarh	0.5	21.0	—	—	—	1.9	55.0	0.6	—	—
Sub-total		15.7	71.8	0.7	0.7	—	16.6	138.6	2.2	0.8	—
TRIBAL ZONE											
40	Bastar	8.9	1.0	—	0.2	—	12.3	0.7	—	0.5	—
41	Dhar	—	19.7	4.2	2.3	0.4	0.1	23.0	8.2	3.5	1.3
42	Jhabua	0.2	0.7	1.2	2.5	0.6	0.2	7.9	0.8	2.3	1.3
43	Mandla	9.9	3.2	—	0.6	—	9.8	3.3	0.1	0.4	—
44	Shahdol	4.0	4.8	0.1	0.6	—	3.6	4.4	0.1	0.8	—
45	Surguja	34.9	10.7	—	1.8	—	43.1	10.0	—	1.5	—
Sub-total		57.9	40.1	5.5	8.0	1.0	69.1	49.3	9.2	9.0	2.6
Total		801.5	632.1	181.3	40.1	20.2	790.0	720.0	160.0	35.0	30.0

# ANNEXURE 8

## DISTRICT-WISE POSITION OF USE OF FERTILIZERS

District	Total consumption (tonnes)	Per hectare consumption (kgs)
(1)	(2)	(3)
<b>BHOPAL-INDORE ZONE</b>		
1 Betul	2077	4.90
2 Bhopal	1528	10.07
3 Dewas	2312	6.34
4 Hoshangabad	2543	6.73
5 Indore	6336	22.75
6 Khandwa	5062	11.13
7 Khargone	6668	10.02
8 Raisen	1769	4.50
9 Sehore	4281	12.21
Sub-total	32576	9.24
<b>CHHATISGARH ZONE</b>		
10 Balaghat	2277	6.03
11 Bilaspur	8763	3.31
12 Durg	5513	6.91
13 Raigarh	2802	5.12
14 Raipur	15769	12.78
15 Rajnandgaon	1721	2.78
Sub-total	36845	7.96
<b>GWALIOR ZONE</b>		
16 Bhind	4034	11.60
17 Datia	571	4.37
18 Guna	986	1.74
19 Gwalior	3591	13.90
20 Mandsaur	11263	17.17
21 Morena	7317	16.51
22 Rajgarh	1057	2.42
23 Ratlam	5470	15.91
24 Shajapur	1909	4.18
25 Shivpuri	1208	3.20
26 Ujjain	5425	10.75
27 Vidisha	886	1.77
Sub-total	43717	8.71
<b>JABALPUR ZONE</b>		
28 Chhindwara	2173	4.22
29 Damoh	949	3.20
30 Jabalpur	3610	6.66
31 Narsinghpur	2560	9.12
32 Sagar	1597	3.03
33 Seoni	773	1.94
Sub-total	11662	4.56
<b>VINDHYA ZONE</b>		
34 Chhatarpur	1737	4.83
35 Panna	696	3.04
36 Rewa	3325	7.44
37 Satna	1875	4.70
38 Sidhi	218	0.51
39 Tikamgarh	3688	14.25
Sub-total	11539	5.46

*ANNEXURE 8 (contd.)*

	(1)	(2)	(3)
<b>TRIBAL ZONE</b>			
40 Bastar		1071	1·37
41 Dhar		3871	7·16
42 Jhabua		666	1·79
43 Mandla		471	0·90
44 Shahdol		762	1·41
45 Surguja		1394	2·23
Sub-total		8235	2·45
<b>Total</b>		<b>144574</b>	<b>6·32</b>



# ANNEXURE 9

## DISTRICT-WISE POSITION OF CROPPED AREA, PRODUCTION CREDIT REQUIREMENTS AND CREDIT GAPS

Rupees Lakhs

303

District	Gross cropped area (hectares)			Credit requirements	Credit requirements met			Credit gap col. (3)—col. (4c)	Percentage of col. (5) to col. (3)
	Irrigated	Unirrigated	Total		Short-term loans overdue at primary level as on 30-6-74	Loans issued for sao by primary societies during 1974-5	Total		
(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
<b>BHOPAL-INDORE ZONE</b>									
1 Betul	40500	399456	439956	500·69	36·75	77·76	114·51	386·18	77·1
2 Bhopal*	29452	472431	501883	664·15	77·27	156·53	233·80	430·85	64·8
3 Dewas	20873	343122	363995	481·08	71·97	34·84	106·81	374·27	77·8
4 Hoshangabad	18329	424844	443173	576·88	52·52	86·96	139·48	437·40	75·8
5 Indore	29030	249537	278567	545·62	136·85	223·48	360·33	185·29	34·0
6 Khandwa	26000	428978	454978	601·25	138·83	236·61	375·44	231·26	38·5
7 Khargone	48014	617146	665160	891·49	181·87	284·58	466·45	434·77	48·8
8 Raisen	14000	380134	394134	510·18	66·52	126·10	192·62	317·86	62·2
Sub-total	226198	3315648	3541846	4771·34	762·58	1226·86	1989·44	2797·08	58·6
<b>CHHATISGARH ZONE</b>									
9 Balaghat	103548	273466	377014	600·67	131·16	115·79	246·95	353·72	58·9
10 Bilaspur	111599	942223	1053822	1456·78	241·70	253·02	494·72	962·06	66·0
11 Durg	124889	672269	797158	1152·57	112·42	107·30	219·72	932·85	80·9
12 Raigarh	13619	533715	547334	567·76	65·64	41·21	106·85	460·91	81·2
13 Raipur	204986	1029366	1234352	1799·21	455·62	244·01	699·63	1099·58	61·1
14 Rajnandgaon	28256	588531	616787	806·31	66·98	44·06	111·04	695·27	86·2
Sub-total	586897	4039570	4626467	6383·30	1073·52	805·39	1878·91	4504·39	70·6
<b>GWALIOR ZONE</b>									
15 Bhind	69471	279053	348524	522·47	118·05	223·71	341·76	180·71	34·6
16 Datia	14561	116366	130927	181·85	24·10	29·58	53·68	128·17	70·5
17 Guna	19984	545105	565089	731·31	76·80	117·60	194·40	536·91	73·4
18 Gwalior	74063	184196	258259	415·40	106·17	124·47	230·64	184·76	44·5

\* Including Sehore

## ANNEXURE 9 (contd.)

	(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
19	Mandsaur	81961	573625	655586	921·93	232·13	193·96	426·09	495·84	53·8
20	Morena	114652	328068	442720	696·72	147·24	194·49	341·73	354·99	51·0
21	Rajgarh	27005	409864	436869	579·81	64·53	85·77	150·30	429·51	74·1
22	Ratlam	30760	313270	344030	468·47	92·48	112·84	205·32	263·15	56·2
23	Shajapur	32727	424316	457043	612·20	146·35	158·18	304·53	307·67	50·3
24	Shivpuri	57179	320052	377231	543·00	100·58	58·34	158·92	384·08	70·7
25	Ujjain	27664	476743	504407	665·09	209·51	231·45	440·96	224·13	33·7
26	Vidisha	5200	495800	501000	632·75	63·30	234·12	297·42	335·33	53·0
	Sub-total	555227	4466458	5021685	6971·00	1381·24	1764·51	3145·75	3825·25	54·9
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JABALPUR ZONE										
27	Chhindwara	29384	485087	514471	679·79	132·25	191·48	323·73	361·31	53·2
28	Damoh	11425	285717	297142	385·72	80·09	118·95	199·04	186·68	48·4
29	Jabalpur	24327	517816	542143	708·08	51·32	78·34	129·66	578·42	81·7
30	Narsinghpur	15780	265370	281150	371·16	41·66	181·20	222·86	148·30	40·0
31	Sagar	16922	509443	526365	679·12	119·55	84·31	203·86	475·26	70·0
32	Seoni	22835	376435	399270	527·64	49·22	61·56	110·78	416·86	79·0
	Sub-total	120673	2439868	2560541	3351·51	474·09	715·84	1189·93	2166·83	64·7
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VINDHYA ZONE										
33	Chhatarpur	63732	295457	359189	528·67	49·20	113·72	162·92	365·75	69·2
34	Panna	10066	217533	227599	297·09	23·53	42·21	65·74	231·35	77·9
35	Rewa	14575	431898	446473	468·34	47·95	45·47	93·42	374·92	80·1
36	Satna	14221	386311	400532	421·86	56·61	94·15	150·76	271·10	64·3
37	Sidhi	3574	418443	422017	427·37	29·57	11·06	40·63	386·74	90·5
38	Tikamgarh	70923	187851	258774	412·13	59·68	89·55	149·23	262·90	63·8
	Sub-total	177091	1937493	2114584	2555·46	266·54	396·16	662·70	1892·76	74·1
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TRIBAL ZONE										
39	Bastar	1646	774345	775991	584·88	52·56	0·87	53·43	531·45	90·9
40	Dhar	36560	530472	567032	754·49	135·18	173·59	308·77	445·72	59·1
41	Jhabua	11793	358707	370500	388·20	32·55	55·54	88·09	300·11	77·3
42	Mandla	3214	513662	516876	393·31	30·90	44·29	75·19	318·12	80·9
43	Shahdol	4510	533644	538154	545·02	23·06	7·90	30·96	514·06	94·3
44	Surguja	11140	613390	624530	641·26	42·12	6·13	48·25	593·01	92·5
	Sub-total	68863	3324220	3393083	3307·16	316·37	288·32	604·69	2702·47	81·7
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Total		1734949	19523257	21258206	27339·77	4274·34	5197·08	9471·42	17888·78	65·4

**ANNEXURE 10**

**SANCTION AND UTILIZATION OF RESERVE BANK OF INDIA CREDIT LIMITS DURING THE YEARS 1970-71 TO 1974-5**

Rupees Lakhs

Bank	Short-term (agricultural)				
	1970-71	1971-2	1972-3	1973-4	1974-5
(1)	(2)	(3)	(4)	(5)	(6)
<b>BHOPAL-INDORE ZONE</b>					
1 Barwani (Khargone)	185.00 (185.00—100)	185.00 (145.00—78)	200.00 (120.00—60)	150.00 (135.00—90)	225.00 (209.00—93)
2 Betul	35.00 (24.00—69)	35.00 (15.50—44)	35.00 (19.00—54)	35.00 (28.00—80)	50.00 (50.00—100)
3 Bhopal	90.00 (80.00—89)	110.00 (90.00—82)	110.00 (85.58—70)	110.00 (75.50—69)	110.00 (75.50—69)
4 Dewas	125.00 (104.50—84)	140.00 (119.40—85)	170.00 (135.50—80)	170.00 (147.50—87)	170.00 (142.00—84)
5 Harda (Hoshangabad)	66.00 (30.40—46)	66.00 (53.10—80)	65.00 (36.75—57)	65.00 (39.15—60)	60.00 (47.40—79)
6 Indore	125.00 (118.40—95)	130.00 (92.00—71)	120.00 (95.00—79)	120.00 (113.00—94)	120.00 (112.00—93)
7 Nimar (Khandwa)	175.00 (100.50—57)	175.00 (140.80—80)	175.00 (131.30—75)	175.00 (141.25—81)	215.00 (187.00—87)
8 Raisen	92.00 (88.50—96)	112.00 (104.00—93)	125.00 (105.00—84)	125.00 (114.00—91)	105.00 (92.50—88)
Sub-total	893.00	953.00	1000.00	950.00	1070.00
<b>CHHATISGARH ZONE</b>					
9 Balaghat	115.00 (103.50—90)	125.00 (106.55—71)	150.00 (106.00—85)	150.00 (86.30—58)	150.00 (94.45—63)
10 Bilaspur	190.00 (167.00—88)	190.00 (169.00—89)	235.00 (210.00—89)	250.00 (224.00—90)	275.00 (186.00—68)
11 Durg	190.00 (190.00—100)	225.00 (225.00—100)	275.00 (215.40—78)	275.00 (201.00—73)	250.00 (202.00—81)
12 Raigarh	50.00 (48.75—98)	70.00 (60.00—86)	70.00 (58.00—83)	75.00 (33.50—44)	75.00 (43.00—57)
13 Raipur	305.00 (275.00—90)	400.00 (400.00—100)	450.00 (364.00—81)	500.00 (322.73—65)	500.00 (340.50—68)
Sub-total	850.00	1010.00	1180.00	1250.00	1250.00

## ANNEXURE 10 (contd.)

	(1)	(2)	(3)	(4)	(5)	(6)
<b>GWALIOR ZONE</b>						
14 Bhind	150.00	170.00	175.00	150.00	150.00	
	(137.71—92)	(167.92—99)	(136.92—78)	(149.80—100)	(129.96—87)	
15 Datia	25.00	25.00	25.00	20.00	20.00	
	(20.00—80)	(13.75—55)	(17.50—70)	(10.65—53)	(16.50—83)	
16 Guna	80.00	90.00	75.00	75.00	75.00	
	(79.75—100)	(73.37—82)	(59.00—89)	(51.00—68)	(55.25—74)	
17 Gwalior	110.00	110.00	120.00	100.00	120.00	
	(102.00—93)	(107.50—98)	(112.25—94)	(98.00—98)	(105.75—88)	
18 Morena	200.00	200.00	200.00	200.00	225.00	
	(183.60—92)	(168.50—84)	(149.00—75)	(167.00—84)	(195.00—87)	
19 Neemuch (Mandsaur)	200.00	250.00	275.00	200.00	250.00	
	(183.00—92)	(204.20—82)	(189.00—93)	(197.80—99)	(114.00—46)	
20 Rajgarh	75.00	85.00	100.00	100.00	75.00	
	(65.20—87)	(74.80—88)	(66.30—66)	(57.75—58)	(55.50—74)	
21 Ratlam	110.00	110.00	125.00	125.00	125.00	
	(87.00—79)	(85.25—78)	(89.25—71)	(104.50—83)	(119.00—95)	
22 Shivpuri	76.00	—	—	20.00	20.00	
	(25.40—33)			(6.00—30)	(20.00—100)	
23 Shujalpur (Shajapur)	170.00	200.00	220.00	180.00	170.00	
	(157.50—93)	(175.50—88)	(158.25—72)	(154.25—86)	(132.30—78)	
24 Ujjain	170.00	180.00	180.00	230.00	250.00	
	(146.00—86)	(142.00—79)	(170.00—94)	(188.00—82)	(157.00—63)	
25 Vidisha	120.00	120.00	140.00	140.00	125.00	
	(107.00—89)	(120.00—100)	(105.00—75)	(75.00—54)	(75.00—60)	
Sub-total	1486.00	1540.00	1635.00	1540.00	1605.00	
<b>JABALPUR ZONE</b>						
26 Bishnuddatta (Jabalpur)	45.00	45.00	55.00	50.00	50.00	
	(42.00—93)	(40.00—89)	(45.00—82)	(45.00—90)	(47.00—94)	
27 Chhindwara	80.00	130.00	150.00	145.00	215.00	
	(77.50—97)	(77.00—59)	(120.00—80)	(145.00—100)	(178.75—83)	
28 Damoh	65.00	85.00	105.00	100.00	105.00	
	(60.00—92)	(82.00—96)	(81.00—77)	(90.00—90)	(83.00—79)	
29 Narsinghpur	25.00	45.00	65.00	55.00	85.00	
	(23.00—92)	(45.00—100)	(32.00—49)	(40.00—73)	(85.00—100)	

	(2)	(3)	(4)	(5)	(6)
30 Sagar	165·00 (165·00—100)	190·00 (175·65—92)	150·00 (165·00—100)	50·00 (48·00—96)	50·00 (26·00—52)
31 Seoni	75·00 (44·00—59)	50·00 (20·00—40)	20·00 (22·00—100)	—	25·00 (16·50—66)
Sub-total	455·00	545·00	545·00	400·00	530·00
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VINDHYA ZONE					
32 Chhatarpur	100·00 (58·00—58)	100·00 (70·00—70)	100·00 (76·00—76)	80·00 (60·00—75)	90·00 (90·00—100)
33 Panna	15·00 (12·65—84)	20·00 (14·00—70)	20·00 (18·60—93)	30·00 (18·60—62)	30·00 (24·00—80)
34 Satna	10·00 (10·00—100)	10·00 (9·91—99)	25·00 (21·25—85)	20·00 (15·95—80)	20·00 (20·00—100)
35 Sidhi	45·00 (19·90—44)	—	20·00 (13·50—68)	—	—
36 Tikamgarh	75·00 (42·25—56)	70·00 (52·75—76)	50·00 (50·00—100)	50·00 (50·00—100)	50·00 (47·00—94)
37 Vindhya (Rewa)	—	—	10·00 (10·00—100)	26·50 (25·00—94)	30·00 (28·65—96)
Sub-total	245·00	200·00	225·00	206·00	220·00
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TRIBAL ZONE					
38 Bastar	—	25·00 (17·00—68)	25·00 (18·50—74)	—	—
39 Dhar	70·00 (67·50—96)	90·00 (67·50—75)	110·00 (71·50—65)	110·00 (55·50—51)	100·00 (86·85—87)
40 Jhabua	—	20·00 (20·00—100)	40·00 (30·00—75)	40·00 (30·00—75)	45·00 (39·00—87)
41 Mandla	35·00 (33·00—94)	42·00 (33·00—79)	42·00 (42·00—100)	50·00 (30·00—60)	50·00 (32·00—64)
42 Shahdol	—	—	—	—	—
43 Surguja	—	—	15·00 (15·00—100)	—	—
Sub-total	105·00	177·00	232·00	200·00	195·00
Total	4034·00	4425·00	4817·00	4546·00	4870·00

*ANNEXURE 10 (contd.)*

Medium-term (agricultural)

	1970-71	1971-2	1972-3	1974	1975
(1)	(7)	(8)	(9)	(10)	(11)
<b>BHOPAL-INDORE ZONE</b>					
1 Barwani (Khargone)	19·00 (16·28—86)	10·00 (10·00—100)	10·00 (9·25—93)	—	—
2 Betul	—	—	4·00 (— —)	—	3·00 (— —)
3 Bhopal	—	8·00 (8·00—100)	6·00 (— —)	8·00 (5·00—63)	—
4 Dewas	16·00 (15·50—97)	10·00 (8·75—88)	10·00 (10·00—100)	17·00 (2·00—12)	5·00 (— —)
5 Harda (Hoshangabad)	—	—	—	—	—
6 Indore	5·00 (5·00—100)	5·00 (4·98—100)	8·00 (8·00—100)	15·00 (5·50—37)	8·00 (— —)
7 Nimar (Khandwa)	10·00 (10·00—100)	10·00 (10·00—100)	18·00 (18·00—100)	17·00 (14·75—87)	13·00 (— —)
8 Raisen	5·00 (0·60—12)	9·00 (7·00—78)	9·00 (7·00—78)	—	—
Sub-total	60·00	52·00	75·00	57·00	29·00
<b>CHHATISGARH ZONE</b>					
9 Balaghat	12·00 (12·00—100)	10·00 (10·00—100)	8·00 (1·90—24)	—	7·00 (— —)
10 Bilaspur	10·00 (7·98—80)	10·00 (6·00—60)	—	—	—
11 Durg	10·00 (8·75—88)	17·00 (15·41—91)	17·00 (15·35—90)	8·00 (8·00—100)	10·00 (— —)
12 Raigarh	4·00 (3·65—91)	3·00 (3·00—100)	5·00 (2·35—47)	5·00 (5·00—100)	—
13 Raipur	12·00 (10·60—88)	15·00 (7·62—51)	9·00 (— —)	5·00 (— —)	4·00 (— —)
Sub-total	48·00	55·00	43·00	18·00	21·00

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	(1)	(7)	(8)	(9)	(10)	(11)
GWALIOR ZONE						
14 Bhind		12·00 (7·19—60)	8·00 (6·00—75)	10·00 (5·00—50)	7·00 (4·85—69)	6·00 (— —)
15 Datia		5·00 (5·00—100)	3·00 (— —)	—	—	—
16 Guna		8·00 (8·00—100)	—	—	—	—
17 Gwalior		4·00 (4·00—100)	4·00 (— —)	4·00 (— —)	3·00 (— —)	2·00 (— —)
18 Morena		20·00 (20·00—100)	10·00 (4·40—44)	6·00 (3·00—50)	3·00 (— —)	6·00 (— —)
19 Neemuch (Mandsaur)		35·00 (35·00—100)	30·00 (28·50—95)	20·00 (20·00—100)	15·00 (5·00—33)	—
20 Rajgarh		10·00 (7·50—75)	8·00 (4·60—58)	8·00 (5·60—70)	—	—
21 Ratlam		10·00 (8·55—86)	12·00 (10·55—88)	8·00 (8·00—100)	8·00 (2·95—37)	4·00 (— —)
22 Shivpuri		—	—	—	—	—
23 Shujalpur (Shajapur)		8·00 (7·89—99)	12·00 (12·00—100)	—	8·00 (— —)	7·00 (— —)
24 Ujjain		32·00 (30·19—94)	25·00 (25·00—100)	31·50 (24·45—78)	25·00 (6·50—26)	7·00 (— —)
25 Vidisha		10·00 (6·32—63)	10·00 (6·18—62)	15·00 (5·00—33)	9·00 (2·50—28)	11·00 (— —)
Sub-total		154·00	122·00	112·50	78·00	43·00
JABALPUR ZONE						
26 Bishnudatta (Jabalpur)		—	—	4·00 (4·00—100)	5·00 (4·95—99)	—
27 Chhindwara		10·00 (10·00—100)	15·00 (15·00—100)	25·00 (23·48—94)	29·00 (13·21—46)	20·00 (— —)
28 Damoh		8·00 (8·00—100)	8·00 (8·00—100)	12·00 (10·04—84)	4·00 (— —)	6·00 (— —)
29 Narsinghpur		3·00 (3·00—100)	4·00 (4·00—100)	5·00 (1·70—34)	5·00 (— —)	8·00 (— —)

## ANNEXURE 10 (contd.)

	(1)	(7)	(8)	(9)	(10)	(11)
30 Sagar		25·00 (25·00—100)	30·00 (13·50—45)	25·00 (4·10—16)	—	—
31 Seoni		10·00 (10·00—100)	—	—	—	—
Sub-total		56·00	57·00	71·00	43·00	34·00
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VINDHYA ZONE						
32 Chhatarpur		5·00 (4·05—81)	5·00 (3·50—70)	6·50 (2·75—42)	5·00 (5·00—100)	—
33 Panna		—	—	2·00 (1·75—88)	2·00 (0·50—25)	—
34 Satna		—	—	3·00 (1·30—43)	3·00 (0·85—28)	3·00 (— —)
35 Sidhi		—	—	—	—	—
36 Tikamgarh		—	—	6·00	3·00	—
37 Vindhya (Rewa)		—	—	—	—	—
Sub-total		5·00	5·00	(1·35—22) 17·50	(1·45—48) 13·00	3·00
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TRIBAL ZONE						
38 Bastar		—	4·00 (1·50—38)	4·00 (1·00—25)	—	—
39 Dhar		9·00 (3·75—42)	10·00 (9·95—100)	10·00 (5·75—58)	10·00 (— —)	—
40 Jhabua		—	—	3·00 (2·25—75)	3·00 (0·85—28)	—
41 Mandla		6·50 (6·50—100)	4·00 (4·00—100)	3·00 (1·00—33)	4·00 (0·50—13)	—
42 Shahdol		—	—	—	—	—
43 Surguja		—	—	—	—	—
Sub-total		15·50	18·00	20·00	8·00	—
Total		338·50	309·00	339·00	217·00	130·00



*ANNEXURE 10 (contd.)*

Bank	Medium-term (conversion)				
	1970-71	1971-2	1972-3	1973-4	1974-5
(1)	(12)	(13)	(14)	(15)	(16)
<b>BHOPAL-INDORE ZONE</b>					
1 Barwani (Khargone)	—	—	—	—	—
2 Betul	—	—	—	—	—
3 Bhopal	—	—	—	—	—
4 Dewas	—	—	—	—	—
5 Harda (Hoshangabad)	—	—	—	—	—
6 Indore	—	—	—	—	—
7 Nimar (Khandwa)	—	—	—	—	—
8 Raisen	—	—	—	—	—
Sub-total	—	—	—	—	—
<b>CHHATISGARH ZONE</b>					
9 Balaghat	—	—	—	—	16·58 (12·50—75)
10 Bilaspur	—	—	—	—	72·00 (72·00—100)
11 Durg	—	—	—	—	16·00 (16·00—100)
12 Raigarh	—	—	—	—	4·55 (3·40—75)
13 Raipur	—	—	—	—	154·94 (143·00—92)
Sub-total	—	—	—	—	264·07

## ANNEXURE 10 (contd.)

	(12)	(13)	(14)	(15)	(16)
<b>GWALIOR ZONE</b>					
14 Bhind	—	—	—	—	—
15 Datia	—	—	—	—	—
16 Guna	—	—	—	—	—
17 Gwalior	—	—	—	—	—
18 Morena	—	—	—	—	—
19 Neemuch (Mandsaur)	—	—	—	—	—
20 Rajgarh	—	—	—	—	—
21 Ratlam	—	—	—	—	—
22 Shivpuri	—	—	—	—	—
23 Shujalpur (Shajapur)	—	—	—	—	—
24 Ujjain	—	—	—	—	—
25 Vidisha	—	—	—	—	—
Sub-total	—	—	—	—	—
<b>JABALPUR ZONE</b>					
26 Bishnudatta (Jabalpur)	—	—	—	—	—
27 Chhindwara	—	—	—	—	7.99 (6.50--81)
28 Damoh	—	—	—	—	—
29 Narsinghpur	—	—	—	—	—

	(12)	(13)	(14)	(15)	(16)
30 Sagar	—	—	—	—	—
31 Seoni	—	—	—	—	—
Sub-total	—	—	—	—	7·99
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VINDHYA ZONE					
32 Chhatarpur	—	—	—	—	—
33 Panna	—	—	—	—	—
34 Satna	—	—	—	—	—
35 Sidhi	—	—	—	—	—
36 Tikamgarh	—	—	—	—	—
37 Vindhya (Rewa)	—	—	—	—	—
Sub-total	—	—	—	—	—
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TRIBAL ZONE					
38 Bastar	—	—	—	—	—
39 Dhar	—	—	—	—	11·30 (9·00—80)
40 Jhabua	—	—	—	—	—
41 Mandla	—	—	—	—	11·69 (7·00—60)
42 Shahdol	—	—	—	—	—
43 Surguja	—	—	—	—	—
Sub-total	—	—	—	—	22·99
Total	—	—	—	—	295·05

N.B. 1 Medium-term (agricultural) credit limits are being sanctioned for the calendar year from 1973.

2 Figures in brackets indicate maximum outstandings and percentage to limit sanctioned.

# ANNEXURE 11

DEFICITS IN NON-OVERDUE COVER FOR SHORT-TERM BORROWINGS FROM RESERVE BANK OF INDIA AND DEFAULTS TO THE MADHYA PRADESH  
RAJYA SAHAKARI BANK BY CENTRAL CO-OPERATIVE BANKS IN RESPECT OF SHORT-TERM LOANS

Rupees Lakhs

Bank	Deficits in non-overdue cover during the year										Number of defaults to the Madhya Pradesh Rajya Saha- kari Bank during the year				
	1970-71		1971-2		1972-3		1973-4		1974-5		1970 -71	1971 -2	1972 -3	1973 -4	1974 -5
	Maxi- mum	Mini- mum	Maxi- mum	Mini- mum	Maxi- mum	Mini- mum	Maxi- mum	Mini- mum	Maxi- mum	Mini- mum					
(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)	(6a)	(6b)	(7)	(8)	(9)	(10)	(11)
<b>BHOPAL-INDORE ZONE</b>															
1 Barwani	50.21	9.31	30.57	22.60	—	—	—	—	7.75	2.25	1	6	1	—	—
2 Betul	2.73	2.26	4.13	0.51	0.28	0.28	1.05	1.05	15.70	10.76	1	—	—	—	—
3 Bhopal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4 Dewas	—	—	—	—	—	—	30.53	30.53	18.09	18.09	—	—	—	—	—
5 Harda	—	—	10.83	4.48	4.59	4.59	9.81	1.20	29.01	29.01	8	—	—	—	—
6 Indore	56.81	4.68	—	—	—	—	—	—	—	—	—	—	—	—	—
7 Nimar	—	—	18.62	18.62	—	—	1.56	1.56	62.00	7.06	—	—	—	—	—
8 Raisen	—	—	—	—	—	—	18.76	18.76	—	—	—	2	—	1	1
											10	8	1	1	1
<b>CHHATISGARH ZONE</b>															
9 Balaghat	40.90	40.90	34.60	34.60	66.12	66.12	48.42	48.42	68.14	10.33	—	—	1	1	2
10 Bilaspur	—	—	—	—	12.41	12.41	85.19	47.60	54.53	53.07	—	—	1	—	—
11 Durg	4.47	2.65	11.25	11.25	17.67	7.46	42.09	5.94	9.10	2.17	—	—	—	1	2
12 Raigarh	—	—	—	—	29.21	29.21	8.05	5.94	15.25	13.98	—	—	—	—	1
13 Raipur	—	—	121.09	4.81	—	—	192.70	44.46	258.75	84.31	—	—	—	—	4
											—	—	2	2	9
<b>GWALIOR ZONE</b>															
14 Bhind	—	—	—	—	—	—	42.75	9.51	—	—	—	—	8	—	—
15 Datia	—	—	—	—	—	—	2.63	2.63	5.44	5.44	7	14	—	1	—
16 Guna	10.87	0.20	26.00	9.67	11.35	0.66	1.90	1.90	—	—	—	25	11	14	—
17 Gwalior	—	—	—	—	0.26	0.26	53.11	3.85	6.02	6.02	—	—	—	—	—
18 Morena	—	—	—	—	—	—	23.41	13.40	—	—	—	—	1	—	—
19 Neemuch	142.85	46.71	184.22	140.21	151.44	61.67	42.26	42.26	52.96	17.88	—	—	—	—	20
20 Rajgarh	0.05	0.05	5.93	5.93	—	—	—	—	0.30	0.30	—	—	1	1	3

	(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)	(6a)	(6b)	(7)	(8)	(9)	(10)	(11)
21	Ratlam	2·54	2·54	14·30	2·06	—	—	35·03	35·03	25·66	1·49	—	—	—	—	—
22	Shivpuri	11·38	1·93	(NL)	(NL)	—	—	4·32	4·32	—	—	6	1	—	4	—
23	Shujalpur	1·00	1·00	43·82	7·15	15·34	0·23	2·58	2·58	—	—	—	—	—	2	—
24	Ujjain	34·67	34·67	50·41	45·34	69·78	69·78	96·72	47·91	—	—	—	—	—	—	—
25	Vidisha	29·12	29·12	—	—	—	—	—	—	—	—	—	—	—	—	—
												13	40	21	22	23
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JABALPUR ZONE																
26	Bishnudatta	13·60	3·02	3·83	0·46	—	—	—	—	—	—	—	—	—	1	—
27	Chhindwara	—	—	12·68	12·68	39·16	39·16	—	—	99·61	72·15	—	—	—	2	—
28	Damoh	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Narsinghpur	—	—	19·68	19·68	—	—	—	—	—	—	—	—	—	—	—
30	Sagar	0·85	0·85	40·03	40·03	73·93	36·78	—	—	3·78	3·78	—	3	—	—	—
31	Seoni	10·75	10·75	7·57	1·06	8·81	2·45	(NL)	—	—	—	—	3	5	—	—
												—	—	—	3	—
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VINDHYA ZONE																
32	Chhatarpur	12·27	5·63	8·99	8·40	32·69	32·69	8·44	4·05	23·24	0·25	—	3	—	—	—
33	Panna	7·52	7·52	5·38	1·07	—	—	8·64	5·40	6·26	3·32	—	4	—	—	—
34	Satna	3·19	1·34	—	—	6·20	6·20	7·84	6·84	—	—	—	—	—	8	—
35	Sidhi	—	—	(NL)	—	2·60	1·06	(NL)	—	(NL)	—	—	20	15	12	7
36	Tikamgarh	33·06	0·28	24·25	3·68	20·25	20·25	21·75	21·64	34·64	24·00	—	—	—	—	1
37	Vindhya	(NL)	—	(NL)	—	—	—	—	—	—	—	1	—	—	—	—
												1	27	15	20	8
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TRIBAL ZONE																
38	Bastar	(NL)	—	7·59	7·59	1·15	1·15	(NL)	—	(NL)	—	4	4	4	2	—
39	Dhar	—	—	—	—	17·53	9·26	12·32	12·32	17·50	0·02	—	—	—	—	—
40	Jhabua	(NL)	—	17·48	7·38	18·19	9·71	9·22	9·22	9·39	0·87	1	—	—	—	—
31	Mandla	—	—	7·57	2·96	8·15	8·15	—	—	8·97	8·97	—	—	—	—	—
42	Shahdol	(NL)	—	(NL)	—	(NL)	—	(NL)	—	(NL)	—	—	1	—	3	1
43	Surguja	(NL)	—	(NL)	—	3·93	3·93	2·19*	2·19	(NL)	—	—	1	—	—	—
												5	6	4	5	1
<hr/>																
Total												29	84	48	63	42

(NL) No limits sanctioned.

\* No limits sanctioned. Outstandings in respect of previous year's limit.

# ANNEXURE 12

## COMPARATIVE FINANCIAL POSITION OF CENTRAL CO-OPERATIVE BANKS IN MADHYA PRADESH FOR THE YEARS 1970-71 TO 1974-5

Rupees Crores					
Particulars	1970-71	1971-2	1972-3	1973-4	1974-5
(1)	(2)	(3)	(4)	(5)	(6)
1 No. of banks	43	43	43	43	43
2 (i) Paid-up share capital	13·47	15·24	16·30	17·41	18·34
(ii) Of (i), from state government	5·13	6·11	6·33	6·71	7·07
3 Reserves	4·71	5·37	6·20	7·32	8·59
4 Owned funds	18·18	20·61	22·50	24·73	26·93
5 Deposits	24·06	26·63	32·93	37·39	42·73
6 Outstanding borrowings	47·58	47·87	52·11	50·29	50·75
7 Working capital	98·48	104·99	119·71	124·96	132·18
8 (i) Loans issued	68·10	74·84	85·28	82·17	92·94
(ii) Of (i), short-term agricultural	53·00	57·94	59·62	60·54	65·74
9 (i) Loans outstanding	80·88	86·91	96·07	98·26	101·03
(ii) Of (i), short-term agricultural	..	..	..	..	72·30
10 Overdues	27·76	32·96	37·10	42·71	44·19
11 Number of banks with percentage of overdues to demand :					
(i) 60 and above		8	8	5	5
(ii) between 50 and 60		9	8	13	6
(iii) between 40 and 50		6	8	9	16
(iv) between 20 and 40		19	19	14	15
(v) below 20		1	—	2	1
12 Number of banks paying dividend of :					
(i) 5 per cent and above	4	3	3	1	2
(ii) 3 to 5 per cent	11	8	10	8	3
(iii) 1 to 3 per cent	10	7	6	11	2
(iv) below 1 per cent	—	—	—	—	—
(v) not declaring dividend	18	25	24	23	36
13 Number of offices	588	614	616	628	644

**ANNEXURE 13**

**FINANCIAL PARTICULARS OF THE CENTRAL CO-OPERATIVE BANKS FOR THE YEAR 1974-5**

Rupees Lakhs

Bank	Number of branches	Paid-up share capital		Reserves	Owned funds (3a)+(4)	Deposits	Outstanding borrowings	Working capital
		Total	Of which from state government					
(1)	(2)	(3a)	(3b)	(4)	(5)	(6)	(7)	(8)
<b>BHOPAL-INDORE ZONE</b>								
1 Barwani	28	79.83	29.20	36.84	116.67	132.09	223.56	591.63
2 Betul	11	16.13	3.18	9.12	25.25	44.43	68.96	152.53
3 Bhopal	15	51.90	23.00	24.18	76.08	314.84	63.28	443.33
4 Dewas	13	50.79	23.55	19.19	69.98	88.49	154.09	346.81
5 Harda	13	18.29	3.75	9.49	27.78	68.19	61.02	171.38
6 Indore	15	50.88	12.56	17.42	68.30	314.81	88.02	510.22
7 Nimar	13	59.84	17.13	41.22	101.06	99.47	199.87	431.87
8 Raisen	11	50.60	37.33	13.27	63.87	65.31	135.14	275.24
Sub-total	119	378.26	149.70	170.73	548.99	1127.63	993.94	2923.01
<b>CHHATISGARH ZONE</b>								
9 Balaghat	10	55.77	24.65	32.66	88.43	69.69	140.62	327.40
10 Bilaspur	32	90.26	29.98	42.00	132.26	257.11	256.21	677.38
11 Durg	30	96.13	43.00	32.88	129.01	165.20	411.21	765.05
12 Raigarh	14	27.66	13.00	8.75	36.41	44.49	57.31	163.32
13 Raipur	28	103.83	27.89	92.02	195.85	182.78	487.49	1115.03
Sub-total	114	373.65	138.52	208.31	581.96	719.27	1352.84	3048.18
<b>GWALIOR ZONE</b>								
14 Bhind	14	63.84	21.79	23.93	87.77	105.94	160.26	392.22
15 Datia	6	15.43	8.60	8.39	23.82	28.23	13.80	69.24
16 Guna	17	28.17	5.52	12.23	40.40	127.98	86.97	256.54
17 Gwalior	10	34.98	13.84	20.07	55.05	81.32	71.05	236.76
18 Morena	15	55.61	20.15	38.21	93.82	127.09	60.52	281.49
19 Neemuch	23	77.02	28.24	30.75	107.77	160.58	177.71	468.21
20 Rajgarh	11	27.20	11.01	11.17	38.37	49.43	86.56	187.40

*ANNEXURE 13 (contd.)*

	(1)	(2)	(3a)	(3b)	(4)	(5)	(6)	(7)	(8)	
21	Ratlam	12	44.03	25.46	13.25	57.28	72.98	118.32	268.66	
22	Shivpuri	13	21.85	3.30	24.86	46.71	75.29	25.91	160.95	
23	Shujalpur	20	54.77	23.00	35.28	90.05	92.39	163.21	362.47	
24	Ujjain	20	76.48	28.84	27.59	104.07	179.27	152.85	481.97	
25	Vidisha	12	47.59	17.98	29.18	76.77	148.10	112.53	379.37	
	Sub-total	173	546.97	207.73	274.91	821.88	1248.60	1229.69	3545.28	
JABALPUR ZONE										
26	Bishnudatta	17	25.57	6.73	13.05	38.62	83.09	87.98	209.69	
27	Chhindwara	14	74.47	35.00	30.91	105.38	99.79	261.80	478.55	
27	Damoh	12	35.02	4.79	14.52	49.54	104.68	117.14	271.36	
29	Narsinghpur	10	29.01	5.32	13.81	42.82	97.59	113.46	267.58	
30	Sagar	16	57.00	25.75	23.33	80.33	96.60	71.65	275.50	
31	Seoni	13	31.81	11.06	8.12	39.93	44.44	86.31	180.28	
	Sub-total	82	252.88	88.65	103.74	356.62	526.19	738.34	1682.96	
318	VINDHYA ZONE									
	32	Chhatarpur	15	30.62	16.56	12.15	42.77	71.19	95.35	226.31
	33	Panna	8	13.29	5.98	2.78	16.07	19.29	65.68	105.85
	34	Satna	10	26.45	14.64	8.30	34.75	29.06	121.33	191.32
	35	Sidhi	10	19.96	8.99	4.91	24.87	32.35	28.14	95.20
	36	Tikamgarh	13	36.24	18.20	9.28	45.52	26.51	106.12	197.42
	37	Vindhya	13	25.52	8.53	11.80	37.32	63.17	78.82	190.38
	Sub-total	69	152.08	72.90	49.22	201.30	241.57	495.34	1106.48	
TRIBAL ZONE										
38	Bastar	17	19.58	5.99	7.91	27.49	48.90	8.14	159.60	
39	Dhar	18	35.56	14.34	19.03	54.59	149.13	111.17	331.08	
40	Jhabua	10	16.60	7.60	5.60	22.20	61.67	40.68	134.14	
41	Mandla	12	24.50	12.40	8.31	32.81	46.02	80.94	180.90	
42	Shahdol	12	16.56	5.75	3.94	20.50	64.47	18.78	103.75	
43	Surguja	18	16.90	3.19	7.40	24.30	39.17	15.57	102.76	
	Sub-total	87	129.70	49.27	52.19	181.89	409.36	275.28	1012.23	
Total		644	1833.54	706.77	859.10	2692.64	4272.62	5075.43	13218.14	



Bank	Loans outstanding				Overdues	Percentage of overdues to demand	Net profit (+)/loss (—)	Loans issued during the year				Dividend declared
	Total	Short-term agricultural	Medium-term agricultural	Others				Total	Short-term agricultural	Medium-term agricultural	Others	
(1)	(9a)	(9b)	(9c)	(9d)	(10)	(11)	(12)	(13a)	(13b)	(13c)	(13d)	(14)
BHOPAL-INDORE ZONE												
1 Barwani	488.27	385.81	37.24	65.22	213.95	38	8.10	594.53	320.38	4.15	270.00	—
2 Betul	125.65	100.38	24.05	1.22	38.90	41	—	131.92	112.78	17.73	1.41	—
3 Bhopal	278.17	198.53	31.41	48.23	110.94	40	—	425.92	206.03	9.47	210.42	—
4 Dewas	259.66	209.62	24.83	25.21	82.10	29	2.50	285.17	167.22	2.14	115.81	—
5 Harda	114.43	83.01	12.96	18.46	75.06	46	4.33	105.28	81.68	1.77	21.83	—
6 Indore	345.52	231.11	64.11	50.30	80.27	22	14.49	261.67	238.44	23.23	—	—
7 Nimar	376.19	274.68	71.30	30.21	125.71	33	8.92	475.89	414.15	19.93	41.81	4.5
8 Raisen	181.54	148.40	15.14	18.00	95.16	40	7.24	197.79	126.48	1.01	70.30	—
Sub-total	2169.43	1631.54	281.04	256.85	822.09		45.58	2478.17	1667.16	79.43	731.58	
CHHATISGARH ZONE												
9 Balaghat	271.17	178.00	63.46	29.71	125.70	43	6.22	252.57	115.75	22.97	113.85	6
10 Bilaspur	525.98	288.27	152.92	84.79	223.04	40	—	446.61	245.66	93.95	107.00	—
11 Durg	601.53	277.64	273.00	50.80	258.86	45	—	374.57	202.06	163.98	8.53	3
12 Raigarh	131.40	88.08	36.63	6.69	66.42	57	—	81.06	48.42	7.39	25.25	—
13 Raipur	870.56	581.83	285.73	3.00	525.27	61	—	827.53	611.79	210.62	5.12	—
Sub-total	2400.64	1413.82	811.83	174.99	1199.29		6.22	1982.34	1223.68	498.91	259.75	
GWALIOR ZONE												
14 Bhind	299.99	245.31	26.78	27.90	101.71	30	—	227.73	223.71	4.02	—	—
15 Datia	59.18	52.98	6.20	—	36.62	54	1.00	34.62	34.52	0.10	—	—
16 Guna	192.31	147.76	32.02	12.53	76.00	40	—	102.49	97.75	4.74	—	—
17 Gwalior	174.71	160.65	6.05	8.01	95.50	43	4.15	175.17	153.04	1.23	20.90	—
18 Morena	208.53	190.86	7.22	10.45	154.87	44	—	228.89	188.30	0.88	39.71	—
19 Neemuch	370.65	279.42	78.40	12.83	136.14	35	4.89	277.22	228.52	2.25	46.45	—
20 Rajgarh	141.68	117.91	13.57	10.20	44.87	30	0.42	104.32	95.48	0.29	8.55	—

## ANNEXURE 13 (contd.)

(1)		(9a)	(9b)	(9c)	(9d)	(10)	(11)	(12)	(13a)	(13b)	(13c)	(13d)	(14)
21	Ratlam	215.47	176.23	24.10	15.14	93.71	38	4.70	203.39	164.02	4.21	35.16	—
22	Shivpuri	121.41	112.21	8.93	0.27	86.94	58	3.00	56.86	54.84	1.66	0.36	—
23	Shujalpur	305.22	265.49	15.26	24.47	119.01	39	7.08	204.89	166.04	0.05	38.80	3.5
24	Ujjain	355.87	278.66	59.77	17.44	95.36	22	8.17	288.40	259.46	8.59	20.35	—
25	Vidisha	299.71	222.35	24.23	53.13	17.28	8	7.55	433.53	254.13	10.87	168.53	—
Sub-total		2744.73	2249.83	302.53	192.37	1058.01		40.96	2337.51	1919.81	38.89	378.81	
JABALPUR ZONE													
26	Bishnuddatta	182.85	119.11	38.97	24.77	88.39	43	1.70	194.74	78.34	13.95	102.45	—
27	Chhindwara	382.37	311.49	66.27	4.61	184.63	45	2.66	377.46	255.31	18.10	104.05	—
28	Damoh	197.40	120.85	33.68	42.87	74.13	35	0.45	287.60	145.04	14.67	127.89	1
29	Narsinghpur	194.46	147.57	46.89	—	70.54	31	10.00	338.69	316.87	21.82	—	6.25
30	Sagar	209.24	176.05	29.33	3.86	134.98	43	7.07	172.30	167.57	0.58	4.15	..
31	Seoni	142.01	84.53	56.32	1.16	62.98	54	—	97.74	86.21	10.79	0.74	—
Sub-total		1308.33	959.60	271.46	77.27	615.35		21.88	1468.53	1049.34	79.91	339.28	
VINDHYA ZONE													
32	Chhatarpur	176.04	139.09	28.15	8.80	90.41	49	1.00	118.79	106.73	12.06	—	—
33	Panna	82.17	63.89	18.28	—	37.78	48	..	55.29	44.45	10.84	—	—
34	Satna	143.39	83.90	46.65	12.84	48.48	36	1.00	133.70	103.09	30.61	—	—
35	Sidhi	66.61	42.99	23.62	—	55.29	74	(---)0.61	19.16	16.54	2.62	—	—
36	Tikamgarh	170.51	141.34	18.76	10.41	114.51	59	..	221.89	89.55	2.10	130.24	..
37	Vindhya	121.51	69.31	48.80	3.40	60.33	52	..	65.67	41.85	18.64	5.18	—
Sub-total		760.23	540.52	184.26	35.45	406.80		1.39	614.50	402.21	76.87	135.42	
TRIBAL ZONE													
38	Bastar	107.65	83.95	21.21	2.49	87.19	74	..	4.84	4.84	—	—	—
39	Dhar	257.67	135.53	56.32	65.82	65.72	30	—	204.09	151.35	21.15	31.59	—
40	Jhabua	92.82	71.97	20.58	0.27	24.78	30	—	95.71	89.42	6.29	—	—
41	Mandla	124.33	74.20	42.23	7.90	38.01	43	1.25	79.27	44.70	12.83	21.74	1
42	Shahdol	70.69	36.43	29.92	4.34	54.58	84	1.04	20.71	13.73	2.96	4.02	—
43	Surguja	66.58	32.66	29.21	4.71	47.28	78	—	7.96	7.96	—	—	—
Sub-total		719.74	434.74	199.47	85.53	317.56		2.29	412.58	312.00	43.23	57.35	
Total		10103.10	7230.05	2050.59	822.46	4419.40		118.32	9293.63	6574.20	817.24	1902.19	

# ANNEXURE 14

NUMBER OF BRANCHES WHICH CENTRAL CO-OPERATIVE BANKS IN MADHYA PRADESH SHOULD HAVE ON THE BASIS OF SHORT-TERM CREDIT POTENTIAL AND THEIR ACTUAL NUMBER OF OFFICES AS ON 30-6-75

Sr. No.	Name of district	Irrigated area	Unirrigated area	Credit potential	Area in Lakh Hectares Rupees Lakhs	
					No. of offices which the ccb can support at the rate of 1 branch per potential of Rs 40 lakhs	No. of offices which the ccb has as on 30-6-75
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>BHOPAL-INDORE ZONE</b>						
1	Betul	0.34	3.89	472.75 <sup>a</sup>	12	11
2	Bhopal (inclusive of Sehore)	0.29	4.73	663.38	17	15
3	Dewas	0.21	3.43	481.13	12	13
4	Hoshangabad	0.18	4.25	576.63	14	13
5	Indore	0.29	2.50	546.25 <sup>1</sup>	14	15
6	Khandwa	0.26	4.29	598.63	15	13
7	Khargone	0.48	6.17	891.25	22	28
8	Raisen	0.10	3.84	505.13	13	11
				4735.15	119	119
<b>CHHATISGARH ZONE</b>						
9	Balaghat	1.04	2.73	601.25	15	10
10	Bilaspur	1.12	9.43	1458.75	36	32
11	Durg (including Rajnandgaon)	1.53	12.61	1958.75	49	30
12	Raigarh	0.14	5.33	568.60 <sup>a</sup>	14	14
13	Raipur	2.05	10.29	1798.75	45	28
				6385.50	159	114
<b>GWALIOR ZONE</b>						
14	Bhind	0.70	2.78	522.50	13	14
15	Datia	0.15	1.16	181.86	5	6
16	Guna	0.20	5.45	731.35	18	17
17	Gwalior	0.74	1.84	415.41	10	10
18	Mandsaur	0.82	5.74	921.93	23	23
19	Morena	1.15	3.28	696.72	17	15
20	Rajgarh	0.27	4.10	579.84	14	11
21	Ratlam	0.31	3.13	468.49	12	12
22	Shajapur	0.32	4.25	611.58	15	20
23	Shivpuri	0.57	3.20	543.02	14	13
24	Ujjain	0.27	4.77	665.09	17	20
25	Vidisha	0.05	4.96	632.25	16	12
				6970.04	174	173

*ANNEXURE 14 (contd.)*

(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>JABALPUR ZONE</b>						
26	Chhindwara	0·29	4·85	679·82	17	14
27	Damoh	0·11	2·86	385·71	10	12
28	Jabalpur	0·24	5·18	708·09	18	17
29	Narsinghpur	0·16	2·65	371·16	9	10
30	Sagar	0·17	5·09	679·11	17	16
31	Seoni	0·23	3·76	527·63	13	13
				3351·52	84	82
<b>VINDHYA ZONE</b>						
32	Chhatarpur	0·63	2·97	528·75	13	15
33	Panna	0·10	2·18	297·50	7	8
34	Rewa	0·14	4·32	467·00 <sup>a</sup>	12	13
35	Satna	0·14	3·86	421·00 <sup>a</sup>	11	10
36	Sidhi	0·03	4·19	426·50 <sup>a</sup>	11	10
37	Tikamgarh	0·70	1·89	411·25	10	13
				2552·00	64	69
<b>TRIBAL ZONE</b>						
38	Bastar	0·13	7·63	604·75 <sup>a</sup>	15	17
30	Dhar	0·37	5·03	720·63	18	18
40	Jhabua	0·12	3·59	389·00 <sup>a</sup>	10	10
41	Mandla	0·03	5·14	393·00 <sup>a</sup>	10	12
42	Shahdol	0·04	5·34	544·00 <sup>a</sup>	14	12
43	Surguja	0·11	6·13	640·50 <sup>a</sup>	16	18
				3291·88	83	87
<b>Total</b>				<b>27286·09</b>	<b>683</b>	<b>644</b>

<sup>1</sup> At Rs 375 per hectare of irrigated land and Rs 175 per hectare of unirrigated land.

<sup>2</sup> At Rs 250 per hectare of irrigated land and Rs 100 per hectare of unirrigated land.

<sup>3</sup> At Rs 250 per hectare of irrigated land and Rs 75 per hectare of unirrigated land.

# ANNEXURE 15

## VIABILITY OF CENTRAL CO-OPERATIVE BANKS—GRADES OF PAY AND ASSUMED MONTHLY AND ANNUAL CONSOLIDATED SALARY FOR VARIOUS CATEGORIES OF STAFF

Category of staff	Grade	Assumed consolidated salary at the middle of the grade	
		Monthly	Annual
	Rs	Rs	Rs
1 Manager	1000—1500	1500	18000
2 Assistant Manager (who will also be the Chief Administrative Officer)	800—1200	1250	15000
3 Chief Accountant	600—900	1000	12000
4 Chief Supervisor (i.e., the Chief Executive Officer)	600—900	1000	12000
5 Inspectors of Branches (for internal inspection and audit)	600—900	1000	12000
6 Assistant Chief Supervisor/Loan Officer/Accountant/Establishment Officer/Branch Agent	350—650	750	9000
7 Senior Supervisor/Asstt. Accountant	250—500	550	6600
8 Supervisor/Branch Cashier/Stenographer	200—350	450	5400
9 Clerk/Typist	150—300	350	4200
10 Driver/Watchman	100—200	250	3000
11 Peon	75—150	200	2400

*Note :* (i) Grades given above are notional but are such as would be necessary to attract adequately qualified and competent officers and staff.

(ii) While calculating the consolidated salary for each grade the proportion of allowances to basic pay has been assumed as higher in the case of non-officer staff (items 7 to 11) whose dearness allowance is linked to cost of living index.

**ANNEXURE 16**

**VIABILITY OF CENTRAL CO-OPERATIVE BANKS — ANNUAL EXPENDITURE ON SALARIES OF STAFF POSTED AT HEAD OFFICE**

Serial No.	Category of staff	Expenditure in respect of central co-operative bank with branches around											
		Five		Ten		Fifteen		Twenty		Twenty-five		Thirty	
		N	E	N	E	N	E	N	E	N	E	N	E
1	Manager	—	— <sup>1</sup>	1	18000	1	18000	1	18000	1	18000	1	18000
2	Assistant Manager	1	15000	—	— <sup>2</sup>	1	15000	1	15000	1	15000	1	15000
3	Chief Accountant	1	12000	1	12000	1	12000	1	12000	1	12000	1	12000
4	Chief Supervisor	1	12000	1	12000	1	12000	1	12000	1	12000	1	12000
5	Inspector of Branches	—	— <sup>3</sup>	1	12000	1	12000	1	12000	1	12000	1	12000
6	Asstt. Chief Supervisor	—	— <sup>4</sup>	—	— <sup>4</sup>	1	9000	1	9000	2	18000	2	18000
7	Loan Officer	1	9000	1	9000	1	9000	1	9000	2	18000	2	18000
8	Establishment Officer	—	— <sup>5</sup>	1	9000	1	9000	1	9000	1	9000	1	9000
9	Accountants	—	— <sup>6</sup>	1	9000	1	9000	1	9000	1	9000	1	9000
10	Senior Supervisors <sup>7</sup>	2	13200	4	26400	6	39600	8	52800	10	66000	12	79200
11	Assistant Accountants	1	6600	—	— <sup>8</sup>	1	6600	1	6600	2	13200	2	13200
12	Stenographers	—	—	1	5400	1	5400	1	5400	1	5400	1	5400
13	Typists	2	8400	1	4200	2	8400	2	8400	3	12600	3	12600
14	Clerks <sup>9</sup>	6	25200	9	37800	12	52400	12	52400	15	63000	15	63000
15	Driver	1	3000	1	3000	1	3000	1	3000	2	6000	2	6000
16	Peons	4	9600	5	12000	6	14400	6	14400	8	19200	8	19200
	<b>Total</b>	<b>20</b>	<b>114000</b>	<b>28</b>	<b>169800</b>	<b>38</b>	<b>234800</b>	<b>41</b>	<b>251000</b>	<b>52</b>	<b>308400</b>	<b>54</b>	<b>321600</b>

*Note :* N — Number of incumbents

E — Annual expenditure in rupees

- Assumptions :*
- <sup>1</sup> The Manager of a central co-operative bank with five branches may be in the grade of Assistant Manager.
  - <sup>2</sup> No Assistant Manager may be necessary for central co-operative bank with ten branches and the Manager himself can look after the work of the Chief Administrative Officer with the assistance of one Establishment Officer.
  - <sup>3</sup> The Inspector of Branches may not be necessary for a central co-operative bank with five branches and this work can be handled by the Manager.
  - <sup>4</sup> No Assistant Chief Supervisor may be necessary for a central co-operative bank with five or ten branches.
  - <sup>5</sup> Separate Establishment Officer may not be necessary for a central co-operative bank with five branches.
  - <sup>6</sup> The Chief Accountant of a central co-operative bank with five branches can directly be assisted by an Assistant Accountant and, therefore, the post of Accountant may not be necessary for it.
  - <sup>7</sup> One Senior Supervisor may control the work of five supervisors. It is assumed that about 20 primary agricultural credit societies will be attached to a branch serving a block and two Supervisors will be posted at each branch. The Senior Supervisors may not necessarily be posted at Head Office.
  - <sup>8</sup> The Chief Accountant of a central co-operative bank with ten branches will be assisted by an Accountant and, therefore, an Assistant Accountant may not be necessary for it.
  - <sup>9</sup> Each central co-operative bank has three main sections at its Head Office, viz., Establishment, Supervision and Accounts. The strength of clerks may be 2, 3, 4 or 5 per Section according to the size of the central co-operative bank.

# ANNEXURE 17

## VIABILITY OF CENTRAL CO-OPERATIVE BANKS --- ANNUAL EXPENDITURE ON SALARIES OF STAFF POSTED AT A BRANCH

Category of staff	No. of incumbents	Annual Expenditure
		Rs
1 Branch Agent	1	9000
2 Cashier	1	5400
3 Supervisors	2	10800
4 Clerks or Clerk-cum-Typists	2	8400
5 Peons	2	4800
	<b>Total</b>	<b>38400</b>

*Assumption :* It is assumed that the jurisdiction of a branch will extend to a block having 20 primary agricultural credit societies and about 10 primary agricultural credit societies will be under the charge of a Supervisor.

*Note :* Expenditure on rent for premises, stationery, postage, etc., in respect of a branch has been taken into account while calculating other establishment expenses in a subsequent Annexure.



**ANNEXURE 18**

**VIABILITY OF CENTRAL CO-OPERATIVE BANKS — TOTAL ANNUAL EXPENDITURE ON ESTABLISHMENT, i.e., EXCLUDING THAT IN RESPECT OF INTEREST ON DEPOSITS, BORROWINGS, ETC.**

Rupees Lakhs

Serial No.	Item of expenditure	Basis	Expenditure in respect of central co-operative bank with branches around					
			Five	Ten	Fifteen	Twenty	Twenty-five	Thirty
(i)	Salaries of staff at H.O.	Annexure 16	1·14	1·70	2·35	2·51	3·08	3·22
(ii)	Salaries at branches	Rs 38400 x No. of branches vide Annexure 17	1·92	3·84	5·76	7·68	9·60	11·52
(iii)	Total salaries of staff	(i) + (ii)	3·06	5·54	8·11	10·19	12·68	14·74
(iv)	T.A., D.A. of staff and ccb's contribution to P.F.	10% of (iii) above	0·31	0·55	0·81	1·02	1·27	1·47
(v)	Directors' fees, allowances and board meeting expenses	1% -do-	0·03	0·06	0·08	0·10	0·13	0·15
(vi)	Rent, taxes, insurance, lighting, depreciation, etc.	8% -do-	0·25	0·44	0·65	0·81	1·02	1·18
(vii)	Postage, telegram, telephone charges	1½% -do-	0·05	0·08	0·12	0·15	0·19	0·23
(viii)	Stationery, printing, etc.	5% -do-	0·15	0·27	0·40	0·50	0·63	0·73
(ix)	Vehicle expenses	2% -do-	0·06	0·11	0·16	0·20	0·25	0·29
(x)	Audit fees	1% -do-	0·03	0·06	0·08	0·10	0·13	0·15
(xi)	Miscellaneous expenses (General body meeting expenses, legal charges, etc.)	1½% -do-	0·05	0·08	0·12	0·15	0·19	0·23
	<b>Total</b>		<b>3·99</b>	<b>7·19</b>	<b>10·53</b>	<b>13·22</b>	<b>16·49</b>	<b>19·17</b>
	<b>That is, say,</b>		<b>4·00</b>	<b>7·00</b>	<b>10·50</b>	<b>13·00</b>	<b>16·50</b>	<b>19·00</b>

*Note :* The basis for calculation of expenditure at items (iv) to (xi) above has been fixed after review of annual accounts of a few central co-operative banks of different sizes.

# ANNEXURE 19

## VIABILITY OF CENTRAL CO-OPERATIVE BANKS — MARGIN AVAILABLE FOR MEETING ESTABLISHMENT EXPENDITURE ON A LOAN BUSINESS OF Rs 100

Cost of raising resources				Return on deployment of resources			
Item	Amount raised Rs	Cost		Item	Amount deployed Rs	Return	
		In per cent	In amount Rs			In per cent	In amount Rs
Share capital	10	10	1·00	Cash reserve, i.e., cash on hand or in current account with other banks	4	—	—
Reserves	5	—	—	Investments in shares of the apex bank	3	7	0·21
Deposits	67	6½	4·36	Investments for the purposes of statutory liquidity in :			
Borrowings from the apex bank for agricultural purposes	51	9	4·59	(i) Government and other trustee securities	9	5½	0·50
				(ii) Fixed deposits with the apex bank	10	9	0·90
				Loans and advances :			
				(i) Agricultural	75	10½	8·06
				(ii) Non-agricultural	25	14	3·50
				Other assets	7	—	..
	133		9·95		133		13·17

Margin available  $13·17 \text{ less } 9·95 = 3·22$  or say, 3·20 per cent on loan business

- Assumption :*
- (i) The cost of raising share capital has been taken as 10 per cent which means that the net profit has to be of the order of 10 per cent of the paid-up share capital. Fifty per cent of the net profit will be utilised for paying a dividend of 5 per cent on shares, forty per cent will be utilised for appropriations to statutory reserve and stabilization fund and the balance ten per cent for other appropriations.
  - (ii) The proportion between share capital and reserves has been taken as 2 : 1. Of the owned funds of Rs 15, Rs 5 have been invested in loan business, Rs 3 in the shares of the apex bank to provide a linking at 5 per cent for the borrowings from it and the balance Rs 7 in other assets like premises, dead stock, vehicles, stationery, etc.
  - (iii) Thirty-five per cent of the deposits, i.e., Rs 23 are held in the form of cash reserve and investment in securities and fixed deposits with the apex bank to ensure maintenance of statutory liquidity standards.
  - (iv) The entire borrowings of Rs 51 have been deemed to have been raised for advancing Rs 75 as agricultural loans.
  - (v) The return on agricultural loans has been deemed to be  $10\frac{3}{4}$  per cent instead of 11 per cent as  $\frac{1}{4}$  per cent of such loans outstanding against the societies will be the contribution of the ccb to the cadre fund created for maintaining a cadre of secretaries of primaries.

*Note :* Loan business of Rs 100 corresponds to a working capital of Rs 133.

**ANNEXURE 20**

**VIABILITY AND POTENTIAL VIABILITY NORMS**

**Rupees Lakhs**

330

Item	Central co-operative bank needing branches around					
	Five	Ten	Fifteen	Twenty	Twenty-five	Thirty
(i) Expected annual establishment expenditure	4·00	7·00	10·50	13·00	16·50	19·00
(ii) Loan business required to meet the expenditure at item (i) above on the basis that for meeting establishment expenditure of Rs 3 a loan business of Rs 100 is required as per Annexure 19	125·00	218·75	328·13	406·25	515·62	593·75
(iii) Viability norm in terms of loan business	125·00	220·00	330·00	405·00	515·00	595·00
(iv) Potential viability norm [50% of (iii) above]	62·50	110·00	165·00	202·50	257·50	297·50

**ANNEXURE 21**  
**POSITION OF CENTRAL CO-OPERATIVE BANKS IN MADHYA PRADESH ON THE**  
**BASIS OF REVISED NORMS**

Sr. No.	Name of bank	Total loans outstanding as on 30-6-75 (Rs lakhs)	Viability on the basis of revised norms		
			Viable	Poten- tially viable	Non- viable
(1)	(2)	(3)	(4)	(5)	(6)
Group I	— ccbs which need around 5 branches				
1	Datia	59.18	—	—	Yes
2	Panna	82.17	—	Yes	—
Group II	— ccbs which need around 10 branches				
3	Betul	125.65	—	Yes	—
4	Dewas	259.66	Yes	—	—
5	Raisen	181.54	—	Yes	—
6	Gwalior	174.71	—	Yes	—
7	Ratlam	215.47	—	Yes	—
8	Damoh	185.19	—	Yes	—
9	Narsinghpur	194.46	—	Yes	—
10	Vindhya	121.51	—	Yes	—
11	Satna	143.39	—	Yes	—
12	Sidhi	66.61	—	—	Yes
13	Tikamgarh	170.51	—	Yes	—
14	Jhabua	92.32	—	—	Yes
15	Mandla	124.33	—	Yes	—
Group III	— ccbs which need around 15 branches				
16	Bhopal	278.17	—	Yes	—
17	Harda	114.43	—	—	Yes
18	Indore	345.52	Yes	—	—
19	Nimar	376.19	Yes	—	—
20	Bhind	299.99	—	Yes	—
21	Morena	208.53	—	Yes	—
22	Rajgarh	141.68	—	—	Yes
23	Shujalpur	305.22	—	Yes	—
24	Shivpuri	121.41	—	—	Yes
25	Ujjain	355.87	Yes	—	—
26	Vidisha	299.71	—	Yes	—
27	Chhindwarā	382.37	Yes	—	—
28	Sagar	209.24	—	Yes	—
29	Seoni	142.01	—	—	Yes
30	Chhatarpur	176.04	—	Yes	—
31	Balaghat	271.17	—	Yes	—
32	Raigarh	131.40	—	—	Yes
33	Bastar	107.65	—	—	Yes
34	Shahdol	70.69	—	—	Yes
35	Surguja	66.58	—	—	Yes
Group IV	— ccbs which need around 20 branches				
36	Barwani	488.27	Yes	—	—
37	Guna	192.31	—	—	Yes
38	Bishnudatta	182.85	—	—	Yes
39	Dhar	257.67	—	Yes	—
Group V	— ccbs which require around 25 branches				
40	Neemuch	370.65	—	Yes	—
Group VI	— ccbs which require not less than 10 branches				
41	Bilaspur	525.98	—	Yes	—
42	Durg	601.53	Yes	—	—
43	Raipur	870.56	Yes	—	—
			8	22	13

# ANNEXURE 22

## MAJOR NORMS WITH SUB-NORMS UNDER EACH MAJOR NORM FOR RATING THE EFFICIENCY OF CCBS

				Marks allot- ted	% to aggre- gate marks	
Assessment of efficiency of a ccb	-I	Performance in mobilizing ade- quate internal resources <i>Marks allotted 225 or 22.5%</i>	1	Size of owned funds	50	5
			2	Size of deposits	100	10
			3	Extent of reliance on external borrowings	50	5
			4	Size of working capital	25	2½
	-II	Performance in meeting credit needs of the area <i>Marks allotted 200 or 20%</i>	5	Total loans outstanding	100	10
			6	Performance in meet- ing demand for short- term agricultural credit	100	10
	-III	Performance in ensuring recovery of loans <i>Marks allotted 300 or 30%</i>	7	Level of overdues	100	10
			8	Proportion of chronic defaults	100	10
			9	Coercive steps taken for recovery	100	10
	-IV	Ability in regard to the efficient management of funds <i>Marks allotted 200 or 20%</i>	10	Defaults in repayment to the apex bank	50	5
			11	Defaults in maintain- ing prescribed percent- age of liquid assets	50	5
			12	Rate of dividend	100	10
	-V	Role played as federal body of pacs <i>Marks allotted 75 or 7.5%</i>	13	Coverage of pacs	25	2½
			14	Size of loan business of pacs	25	2½
			15	Proportion of pacs with full-time paid managers	25	2½
				1000	100	

### ANNEXURE 23

METHODOLOGY ADOPTED TO RATE THE PERFORMANCE OF CENTRAL CO-OPERATIVE  
BANKS IN MADHYA PRADESH WITH REFERENCE TO EACH OF THE FIFTEEN  
INDICATORS MENTIONED IN ANNEXURE 22

Sr. No.	Indicator	Rating
1	<b>SIZE OF OWNED FUNDS</b> Proportion of actual level of owned funds as on 30 June 1975 to the expected level of owned funds in percentage— 10 or below Above 10 and upto 25 Above 25 and upto 50 Above 50 and upto 60 Above 60 and upto 75 Above 75 and upto 100 Above 100	5 13 18 25 30 38 50
2	<b>SIZE OF DEPOSITS</b> Proportion of actual level of deposits as on 30 June 1975 to the expected level of deposits in percentage— 10 or below Above 10 and upto 25 Above 25 and upto 50 Above 50 and upto 60 Above 60 and upto 75 Above 75 and upto 100 Above 100	10 25 35 50 60 75 100
3	<b>EXTENT OF RELIANCE ON EXTERNAL BORROWINGS</b> Percentage of total outstanding borrowings as on 30 June 1975 to total loans outstanding— Above 80 Above 70 and upto 80 Above 60 and upto 70 Above 50 and upto 60 Above 40 and upto 50 Above 30 and upto 40 30 or less	5 10 15 22 30 38 50
4	<b>SIZE OF WORKING CAPITAL</b> Percentage of actual working capital as on 30 June 1975 to the minimum expected level— Less than 20 Above 20 and upto 40 Above 40 and upto 50 Above 50 and upto 60 Above 60 and upto 80 Above 80 and upto 100 Above 100	2 7 10 15 18 22 25
5	<b>SIZE OF TOTAL LOANS OUTSTANDING</b> Percentage of loans outstanding as on 30 June 1975 to the level of loan business required to function as viable unit— 20 or less Above 20 and upto 40 Above 40 and upto 50	10 30 40

*ANNEXURE 23 (contd.)*

Sr. No.	Indicator	Rating
	Above 50 and upto 60	60
	Above 60 and upto 80	75
	Above 80 and upto 100	90
	Above 100	100
6	<b>PERFORMANCE IN MEETING DEMAND FOR SHORT-TERM AGRICULTURAL CREDIT—</b> Extent of credit gap in percentage—	
	Above 90	10
	Above 80 and upto 90	25
	Above 70 and upto 80	35
	Above 60 and upto 70	50
	Above 50 and upto 60	60
	Above 40 and upto 50	75
	Above 25 and upto 40	90
	25 or less	100
7	<b>LEVEL OF OVERDUES</b> Percentage of overdues to demand for two out of three years (1972-3 to 1974-5)	
	Above 60	10
	Above 50 and upto 60	25
	Above 40 and upto 50	35
	Above 30 and upto 40	50
	Above 20 and upto 30	75
	20 or less	100
8	<b>PROPORTION OF CHRONIC DEFAULTS</b> Percentage of overdues over 3 years to total overdues—	
	Above 40	10
	Above 30 and upto 40	20
	Above 25 and upto 30	25
	Above 20 and upto 25	40
	Above 15 and upto 20	60
	Above 10 and upto 15	80
	10 or less	100
9	<b>COERCIVE STEPS TAKEN FOR RECOVERY</b> Proportion of the number of award cases filed to the number of defaulters for periods over one year in percentage—	
	30 or less	10
	Above 30 and upto 50	25
	Above 50 and upto 60	40
	Above 60 and upto 75	50
	Above 75 and upto 90	75
	Above 90	100
10	<b>DEFAULTS IN REPAYMENT TO THE APEX BANK</b> Number of years of default in the last 5 years 1970-71 to 1974-5	
	All the five years	Nil
	Four years	10



Sr. No.	Indicator	Rating
	Three years	20
	Two years	30
	One year	40
	None	50
11	DEFAULTS IN MAINTAINING THE PRESCRIBED PERCENTAGE OF LIQUID ASSETS Number of days of default in the last two years 1973-4 and 1974-5	
	Above 100	Nil
	Above 75 and upto 100	10
	Above 50 and upto 75	20
	Above 25 and upto 50	30
	25 or less	40
	None	50
12	RATE OF DIVIDEND	
	Nil	10
	Upto one per cent	25
	Above 1 and upto 2 per cent	35
	Above 2 and upto 3 per cent	50
	Above 3 but less than 5 per cent	75
	Five per cent and above	100
13	COVERAGE OF PACS	
	20 or less	2
	Above 20 and upto 25	5
	Above 25 and upto 35	8
	Above 35 and upto 40	12
	Above 40 and upto 50	15
	Above 50 and upto 60	20
	Above 60	25
14	SIZE OF LOAN BUSINESS OF PACS Proportion of the number of pacs with loan business of Rs 1 lakh or above each to the total number of pacs in percentage—	
	Nil	Nil
	Upto 25	5
	Above 25 and upto 50	10
	Above 50 and upto 75	15
	Above 75 and upto 90	20
	Above 90	25
15	PROPORTION OF PACS WITH FULL-TIME PAID MANAGERS Proportion to the total number of pacs in percentage—	
	Nil	Nil
	Upto 25	5
	Above 25 and upto 50	10
	Above 50 and upto 75	15
	Above 75 and upto 90	20
	Above 90	25
	<b>Total rating</b>	<b>1000</b>

**ANNEXURE 24**

**AGGREGATE RATINGS RECEIVED BY CENTRAL CO-OPERATIVE BANKS IN MADHYA PRADESH**

Rupees Lakhs

Sr. No.	Bank	Size of owned funds				Size of deposits			
		Expected level	Actual level as on 30-6-75	% of (3b) to (3a)	Rating out of 50 marks	Expected level	Actual level as on 30-6-75	% of (4b) to (4a)	Rating out of 100 marks
(1)	(2)	(3a)	(3b)	(3c)	(3d)	(4a)	(4b)	(4c)	(4d)
<b>BHOPAL-INDORE ZONE</b>									
1	Barwani	133·69	116·67	87	38	215·90	132·09	61	60
2	Betul	70·91	25·25	36	18	122·30	44·43	36	35
3	Bhopal	99·51	76·08	76	38	319·15	314·84	99	75
4	Dewas	72·17	69·98	97	38	125·40	88·49	71	60
5	Harda	86·49	27·78	32	18	191·65	68·19	36	35
6	Indore	81·94	68·30	83	38	375·70	314·81	84	75
7	Nimar	89·79	101·06	112	50	215·70	99·47	46	35
8	Raisen	75·76	50·60	67	30	94·40	65·31	69	60
<b>CHHATISGARH ZONE</b>									
9	Balaghat	90·19	88·43	98	38	189·75	69·69	36	35
10	Bilaspur	218·80	132·26	60	30	441·80	257·11	58	50
11	Durg	293·80	129·01	45	18	534·20	165·20	30	35
12	Raigarh	85·20	36·41	43	18	168·05	44·49	26	35
13	Raipur	269·81	195·85	73	30	509·60	182·78	35	35
<b>GWALIOR ZONE</b>									
14	Bhind	78·38	87·77	112	50	156·10	105·94	68	60
15	Datia	27·28	23·82	87	38	54·45	28·23	52	50
16	Guna	109·70	40·40	37	18	156·80	127·98	82	75
17	Gwalior	62·34	55·05	88	38	277·20	81·32	29	35
18	Morena	104·51	93·82	90	38	190·40	127·09	67	60

(1)	(2)	(3a)	(3b)	(3c)	(3d)	(4a)	(4b)	(4c)	(4d)
19	Neemuch	138·29	107·77	77	38	229·75	160·58	70	60
20	Rajgarh	86·97	38·37	44	18	129·55	49·43	38	35
21	Ratlam	70·27	57·28	81	38	158·00	72·98	46	35
22	Shivpuri	81·45	46·71	57	25	130·90	75·29	56	50
23	Shujalpur	91·74	90·05	98	38	136·35	92·39	68	60
24	Ujjain	99·76	104·07	103	50	233·90	179·27	777	75
25	Vidisha	94·84	76·77	81	38	133·50	148·10	110	100
JABALPUR ZONE									
26	Bishnudatta	106·21	38·62	36	18	488·40	83·09	17	25
27	Chhindwara	101·97	105·38	103	50	179·50	99·79	56	50
28	Damoh	57·85	44·75	77	38	120·60	104·68	87	75
29	Narsinghpur	55·68	42·82	77	38	103·50	97·59	94	75
30	Sagar	101·81	80·33	79	38	257·10	96·60	38	35
31	Seoni	79·14	39·93	51	25	102·10	44·44	43	35
VINDHYA ZONE									
32	Chhatarpur	79·31	42·77	54	25	141·05	71·19	51	50
33	Panna	44·62	16·07	36	18	75·15	5·67	8	10
34	Satna	63·15	34·75	55	25	174·85	29·06	17	25
35	Sidhi	63·97	24·87	39	18	108·45	32·35	19	25
36	Tikamgarh	61·68	45·52	74	30	101·20	26·51	26	35
37	Vindhya	70·05	37·32	53	25	179·70	63·17	35	35
TRIBAL ZONE									
38	Bastar	90·71	27·39	30	18	158·00	48·90	31	35
39	Dhar	108·09	54·59	51	25	117·90	149·13	126	100
40	Jhabua	58·35	22·20	38	18	60·70	61·67	101	100
41	Mandla	58·95	32·81	56	25	103·85	46·02	44	35
42	Shahdol	81·60	20·50	25	18	158·60	64·52	41	35
43	Surguja	96·07	24·30	25	18	171·00	39·17	22	25

*ANNEXURE 24 (contd.)*

Sr. No.	Bank	Reliance on external borrowings				Size of working capital			
		Total loans outstanding as on 30-6-75	Outstanding borrowings as on 30-6-75	% of (5b) to (5a)	Rating out of 50 marks	Expected level necessary to function as viable unit	Actual level as on 30-6-75	% of (6b) to (6a)	Rating out of 25 marks
(1)	(2)	(5a)	(5b)	(5c)	(5d)	(6a)	(6b)	(6c)	(6d)
<b>BHOPAL-INDORE ZONE</b>									
1	Barwani	488·27	223·56	46	30	540·00	591·63	110	25
2	Betul	125·65	68·96	55	22	293·33	152·53	52	15
3	Bhopal	278·17	63·28	23	50	440·00	443·33	101	25
4	Dewas	259·66	154·09	59	22	293·33	346·81	118	25
5	Harda	114·43	61·02	53	22	440·00	171·38	39	7
6	Indore	345·52	88·02	25	50	440·00	510·22	116	25
7	Nimar	376·19	199·87	53	22	440·00	431·87	98	22
8	Raisen	181·54	135·14	74	10	293·33	275·24	94	22
<b>CHHATISGARH ZONE</b>									
9	Balaghat	271·17	140·62	52	22	440·00	327·40	74	18
10	Bilaspur	525·98	256·21	94	5	793·33	677·38	85	22
11	Durg	601·53	411·21	68	15	793·33	765·05	96	22
12	Raigarh	131·40	57·31	44	30	440·00	163·32	37	7
13	Raipur	870·56	487·49	56	22	793·33	1115·03	141	25
<b>GWALIOR ZONE</b>									
14	Bhind	299·99	160·26	53	22	440·00	392·22	89	22
15	Datia	59·18	13·80	23	50	166·67	69·24	42	10
16	Guna	192·31	86·97	45	30	540·00	256·54	48	10

(1)	(2)	(5a)	(5b)	(5c)	(5d)	(6a)	(6b)	(6c)	(6d)
17	Gwalior	174.71	71.05	41	30	293.33	236.76	81	22
18	Morena	208.53	60.52	29	50	440.00	281.49	44	18
19	Neemuch	370.65	177.71	48	30	686.67	468.21	68	18
20	Rajgarh	141.68	86.56	61	15	440.00	187.40	43	10
21	Ratlam	215.47	118.32	55	22	293.33	268.66	92	22
22	Shivpuri	121.41	25.91	21	50	440.00	160.95	37	7
23	Shujalpur	305.22	163.21	53	22	440.00	362.47	82	22
24	Ujjain	355.87	152.85	43	30	440.00	481.97	110	25
25	Vidisha	299.71	112.53	38	38	440.00	379.37	86	22
JABALPUR ZONE									
26	Bishnudatta	182.85	87.98	48	30	540.00	209.69	39	7
27	Chhindwara	382.37	261.80	68	15	440.00	478.55	109	25
28	Damoh	185.19	117.14	63	15	293.33	271.36	93	22
29	Narsinghpur	194.46	113.46	58	22	293.33	267.58	91	22
30	Sagar	209.24	71.65	34	38	440.00	275.50	63	18
31	Seoni	142.01	86.31	61	15	440.00	180.28	41	10
VINDHYA ZONE									
32	Chhatarpur	176.04	95.35	54	22	440.00	226.31	51	15
33	Panna	82.17	65.68	80	10	166.67	105.85	64	18
34	Satna	143.39	121.23	85	5	293.33	191.32	65	18
35	Sidhi	66.61	28.14	42	30	293.33	95.20	32	7
36	Tikamgarh	170.51	106.12	62	15	293.33	197.42	67	18
37	Vindhya	121.51	78.82	65	15	293.33	190.38	65	18
TRIBAL ZONE									
38	Bastar	107.65	8.14	8	50	440.00	159.60	36	7
39	Dhar	257.67	111.17	43	30	540.00	331.08	61	18
40	Jhabua	92.82	40.68	44	30	293.33	134.14	46	10
41	Mandla	124.33	80.94	65	15	293.33	180.90	62	18
42	Shahdol	70.69	18.78	27	50	440.00	103.75	24	7
43	Surguja	66.58	15.57	23	50	440.00	102.76	23	7

*ANNEXURE 24 (contd.)*

Sr. No.	Bank	Total loans outstanding				Credit gap		Level of overdues in two out of three years from 1972-3 to 1974-5	
		Expected level necessary to function as viable unit	Actual level as on 30-6-75	% of (7b) to (7a)	Rating out of 100 marks	In per cent of credit potential	Rating out of 100 marks	In per cent of demand	Rating out of 100 marks
(1)	(2)	(7a)	(7b)	(7c)	(7d)	(8a)	(8b)	(9a)	(9b)
<b>BHOPAL-INDORE ZONE</b>									
1	Barwani	405.00	488.27	121	100	48.8	75	.. 49.38	35
2	Betul	220.00	125.65	57	60	77.1	35	52.52.41	25
3	Bhopal	330.00	278.17	84	90	64.8	50	.. 30.40	50
4	Dewas	220.00	259.66	118	100	77.8	35	35.33.29	50
5	Harda	330.00	114.43	35	30	75.8	35	53.55.46	25
6	Indore	330.00	345.52	105	100	34.0	90	25.34.22	75
7	Nimar	330.00	376.19	114	100	38.5	90	36.38.30	50
8	Raisen	220.00	181.54	82	90	62.2	50	43.48.40	35
<b>CHHATISGARH ZONE</b>									
9	Balaghat	330.00	271.17	82	90	58.9	60	51.47.43	35
10	Bilaspur	595.00	525.98	88	90	66.0	50	28.29.40	75
11	Durg	595.00	601.53	101	100	83.1	25	42.36.45	35
12	Raigarh	330.00	131.40	40	30	81.2	25	56.53.57	25
13	Raipur	595.00	870.56	146	100	61.1	50	51.56.61	25
<b>GWALIOR ZONE</b>									
14	Bhind	330.00	299.99	91	90	34.6	90	28.26.30	75
15	Datia	125.00	59.18	47	40	70.5	35	60.61.54	25
16	Guna	405.00	192.31	47	40	73.4	35	60.43.45	35
17	Gwalior	220.00	174.71	79	75	44.6	75	31.41.43	35
18	Morena	330.00	208.53	63	75	51.0	60	35.36.44	50
19	Neemuch	515.00	370.65	72	75	53.8	60	38.58.35	50
20	Rajgarh	330.00	141.68	43	40	74.1	35	45.55.30	35

(1)	(2)	(7a)	(7b)	(7c)	(7d)	(8a)	(8b)	(9a)	(9b)
21	Ratlam	220·00	215·47	98	90	56·2	60	.. 41·38	35
22	Shivpuri	330·00	121·41	37	30	70·7	35	.. 58·58	25
23	Shujalpur	330·00	305·22	92	90	50·3	60	48·50·39	35
24	Ujjain	330·00	355·87	108	100	33·7	90	35·53·22	50
25	Vidisha	330·00	299·71	91	90	53·0	60	25·15·18	100
JABALPUR ZONE									
26	Bishnudatta	405·00	182·85	45	40	81·7	25	41·39·43	35
27	Chhindwara	330·00	382·37	116	100	53·2	60	40·34·45	50
28	Damoh	220·00	185·19	84	90	48·4	75	23·25·35	75
29	Narsinghpur	220·00	194·46	88	90	40·0	75	29·18·31	75
30	Sagar	330·00	209·24	63	75	70·0	35	46·43·43	35
31	Seoni	330·00	142·01	43	40	79·0	35	54·50·54	25
VINDHYA ZONE									
32	Chhatarpur	330·00	176·04	53	60	69·2	50	65·43·49	35
33	Panna	125·00	82·17	66	75	77·9	35	60·49·48	35
34	Satna	220·00	143·39	65	75	64·3	50	.. 50·36	35
35	Sidhi	220·00	66·61	30	30	90·5	10	65·68·74	10
36	Tikamgarh	220·00	170·51	78	75	63·8	50	54·65·59	25
37	Vindhya	220·00	121·51	55	60	80·1	25	.. .. 52	25
TRIBAL ZONE									
38	Bastar	330·00	107·65	33	30	90·9	10	.. 80·74	10
39	Dhar	405·00	257·67	64	75	59·1	60	37·34·30	50
40	Jhabua	220·00	92·82	42	40	77·3	35	32·37·30	50
41	Mandla	220·00	124·33	56	60	80·9	25	35·49·42	35
42	Shahdol	330·00	70·69	22	30	94·3	10	88·82·84	10
43	Surguja	330·00	66·58	20	30	92·5	10	77·51·78	10

**ANNEXURE 24 (contd.)**

Sr. No.	Bank	Chronic defaults				Coercive steps taken for recovery			
		Total overdues	Overdues over 3 years	% of (10b) to (10a)	Rating out of 100 marks	No. of defaulters over one year	No. of award cases filed	% of (11b) to (11a)	Rating out of 100 marks
(1)	(2)	(10a)	(10b)	(10c)	(10d)	(11a)	(11b)	(11c)	(11d)
<b>BHOPAL-INDORE ZONE</b>									
1	Barwani	241·20	120·09	50	10	4808	2524	53	40
2	Betul	55·55	16·63	30	25	7047	2866	41	25
3	Bhopal	118·76	17·26	15	80	11452	3260	28	10
4	Dewas	93·13	21·65	23	40	10350	2603	25	10
5	Harda	59·29	9·15	15	60	11478	2046	18	10
6	Indore	150·88	23·72	16	60	3809	4213	111	100
7	Nimar	118·41	29·36	24	40	6672	4243	64	50
8	Raisen	86·92	27·41	32	20	2330	632	27	10
<b>CHHATISGARH ZONE</b>									
9	Balaghat	146·56	42·55	29	25	8527	4725	55	40
10	Bilaspur	351·00	94·94	27	25	5762	5505	96	100
11	Durg	320·65	151·52	47	10	27312	10561	39	25
12	Raigarh	85·02	38·84	46	10	23415	5837	25	10
13	Raipur	533·31	219·00	41	10	75578	41947	56	40
<b>GWALIOR ZONE</b>									
14	Bhind	141·00	43·30	31	20	7417	633	62	50
15	Datia	33·37	17·27	52	10	6269	1805	29	10
16	Guna	105·79	44·76	42	10	11510	6105	53	40
17	Gwalior	137·11	36·57	27	25	15456	1981	13	10
18	Morena	183·30	68·11	37	20	16215	3490	22	10
19	Neemuch	203·22	49·35	24	40	10422	9694	93	100
20	Rajgarh	57·46	28·51	50	10	13284	3669	28	10
21	Ratlam	109·38	37·75	35	20	13823	3297	24	10



(1)	(2)	(10a)	(10b)	(10c)	(10d)	(11a)	(11b)	(11c)	(11d)
22	Shivpuri	124·41	60·01	48	10	15979	3669	23	10
23	Shujalpur	146·36	54·96	38	20	11434	4401	38	25
24	Ujjain	157·61	38·89	25	40	12392	19310	156	100
25	Vidisha	54·09	34·31	63	10	5916	2046	35	25
JABALPUR ZONE									
26	Bishnudatta	80·17	20·67	26	25	10259	1635	16	10
27	Chhindwara	193·67	43·28	22	40	18974	1994	11	10
28	Damoh	88·93	17·67	20	60	4064	2652	65	50
29	Narsinghpur	91·16	12·21	13	80	4825	1809	37	25
30	Sagar	154·44	75·52	49	10	6253	1985	32	25
31	Seoni	80·59	38·35	48	10	13553	1424	11	10
VINDHYA ZONE									
32	Chhatarpur	81·02	15·76	19	60	6119	2625	43	25
33	Panna	30·98	13·49	44	10	5460	1379	25	10
34	Satna	47·85	13·15	27	25	8535	2397	28	10
35	Sidhi	44·42	24·17	54	10	10386	5818	56	40
36	Tikamgarh	108·24	33·89	31	20	8730	2915	33	25
37	Vindhya	64·28	30·99	48	10	6912	4381	63	50
TRIBAL ZONE									
38	Bastar	65·00	15·57	24	40	27200	5027	18	10
39	Dhar	143·07	41·77	29	25	16630	7412	45	25
40	Jhabua	45·46	29·43	65	10	17640	6335	36	25
41	Mandla	35·16	10·15	29	25	9316	7306	78	75
42	Shahdol	47·03	29·63	63	10	15087	4401	29	10
43	Surguja	55·24	28·23	51	10	21358	1010	5	10

**ANNEXURE 24 (contd.)**

Sr. No.	Bank	Defaults in repayment to the apex bank in the last five years 1970-71 to 1974-5		Defaults in maintaining the prescribed percentage of liquid assets in the last two years		Rate of dividend		Coverage of pacs	
		No. of years of default	Rating out of 50 marks	No. of days of default	Rating out of 50 marks	In per cent for 1973-4	Rating out of 100 marks	In per cent	Rating out of 25 marks
(1)	(2)	(12a)	(12b)	(13a)	(13b)	(14a)	(14b)	(15a)	(15b)
<b>BHOPAL-INDORE ZONE</b>									
1	Barwani	3	20	310	Nil	—	10	26	8
2	Betul	1	40	—	50	—	10	40	12
3	Bhopal	—	50	—	50	—	10	31	8
4	Dewas	—	50	75	10	—	10	29	9
5	Harda	1	40	33	30	—	10	18	2
6	Indore	—	50	—	50	2	35	60	20
7	Nimar	—	50	4	40	3	50	28	8
8	Raisen	3	20	4	40	3	50	45	15
<b>CHHATISGARH ZONE</b>									
9	Balaghat	3	20	106	Nil	4	75	45	15
10	Bilaspur	1	40	65	20	—	10	33	8
11	Durg	2	30	235	Nil	2	35	47	15
12	Raigarh	1	40	93	10	—	10	26	8
13	Raipur	1	40	132	Nil	3	50	37	12
<b>GWALIOR ZONE</b>									
14	Bhind	1	40	—	50	1	25	53	20
15	Datia	3	20	—	50	—	10	49	15
16	Guna	3	20	—	50	—	10	40	12
17	Gwalior	—	50	—	50	2½	50	57	20
18	Morena	1	40	—	50	4	75	27	8
19	Neemuch	1	40	48	30	4	75	37	12
20	Rajgarh	3	20	10	40	—	10	39	12

(1)	(2)	(12a)	(12b)	(13a)	(13b)	(14a)	(14b)	(15a)	(15b)
21	Ratlam	—	50	44	30	—	10	32	8
22	Shivpuri	3	20	3	40	—	10	35	8
23	Shujalpur	1	40	—	50	3	50	60	20
24	Ujjain	—	50	—	50	—	10	49	15
25	Vidisha	—	50	—	50	3	50	42	15
<b>JABALPUR ZONE</b>									
26	Bishnudatta	1	40	216	Nil	2	35	12	2
27	Chhindwara	1	40	40	30	—	10	46	15
28	Damoh	—	50	82	10	1	25	37	12
29	Narsinghpur	—	50	2	40	6½	100	37	12
30	Sagar	1	40	54	20	2	35	30	8
31	Seoni	1	40	56	20	1	25	39	12
<b>VINDHYA ZONE</b>									
32	Chhatarpur	1	40	—	50	2½	50	46	15
33	Panna	1	40	7	40	—	10	36	12
34	Satna	1	40	—	50	—	10	20	2
35	Sidhi	4	10	213	Nil	—	10	34	8
36	Tikamgarh	1	40	67	20	1	25	60	20
37	Vindhya	1	40	215	Nil	—	10	27	8
<b>TRIBAL ZONE</b>									
38	Bastar	4	10	131	Nil	—	10	26	8
39	Dhar	—	50	1	40	—	10	56	20
40	Jhabua	1	40	—	50	—	10	34	8
41	Mandla	—	50	—	50	2	35	38	12
42	Shahdol	3	20	—	50	—	10	25	5
43	Surguja	1	40	129	Nil	—	10	19	2

**ANNEXURE 24 (contd.)**

Sr. No.	Bank	Size of loan business of pacs				Proportion of pacs with full-time paid managers				Aggregate rating out of 1000 marks
		Total number of pacs	No. of pacs with loan business of Rs 1 lakh or more	% of (16b) to (16a)	Rating out of 25 marks	Total number of pacs	No. of pacs with full-time paid manager	% of (17b) to (17a)	Rating out of 25 marks	
(1)	(2)	(16a)	(16b)	(16c)	(16d)	(17a)	(17b)	(17c)	(17d)	(18)
<b>BHOPAL-INDORE ZONE</b>										
1	Barwani	277	164	59	15	277	250	90	25	491
2	Betul	142	47	33	10	142	63	44	10	392
3	Bhopal	194	103	53	15	194	170	88	20	621
4	Dewas	111	88	79	20	111	111	100	25	503
5	Harda	172	44	26	10	172	56	33	10	344
6	Indore	128	110	86	20	128	86	67	15	803
7	Nimar	222	199	90	20	222	99	45	10	637
8	Raisen	155	93	60	15	155	155	100	25	492
<b>CHHATISGARH ZONE</b>										
9	Balaghat	280	74	26	10	280	95	34	10	493
10	Bilaspur	715	184	26	10	715	412	58	15	550
11	Durg	652	146	22	5	652	91	14	5	375
12	Raigarh	375	13	3	5	375	132	35	10	273
13	Raipur	593	352	59	15	593	480	81	20	474
<b>GWALIOR ZONE</b>										
14	Bhind	199	140	70	15	199	2	1	5	634
15	Datia	60	17	28	10	60	44	73	15	388
16	Guna	184	101	55	15	184	99	54	15	415
17	Gwalior	108	91	84	20	108	81	75	20	555
18	Morena	283	70	29	10	238	92	39	10	574
19	Neemuch	183	155	85	20	183	175	96	25	673
20	Rajgarh	155	45	29	10	155	69	45	10	310
21	Ratlam	105	79	75	20	105	89	85	20	470

(1)	(2)	(16a)	(16b)	(16c)	(16d)	(17a)	(17b)	(17c)	(17d)	(18)
22	Shivpuri	164	59	35	10	164	71	43	10	340
23	Shujalpur	146	139	95	25	146	146	100	25	582
24	Ujjain	183	179	98	25	183	183	100	25	735
25	Vidisha	171	131	77	20	171	63	37	10	678
JABALPUR ZONE										
26	Bishnudatta	334	22	7	5	334	20	6	5	302
27	Chhindwara	172	109	63	15	172	172	100	25	535
28	Damoh	125	74	59	15	125	64	51	15	627
29	Narsinghpur	110	45	41	10	110	110	100	25	739
30	Sagar	232	82	35	10	232	171	74	15	437
31	Seoni	153	56	37	10	153	101	66	15	327
VINDHYA ZONE										
32	Chhatarpur	157	56	36	10	157	157	100	25	532
33	Panna	101	21	21	5	101	71	70	15	343
34	Satna	197	50	25	10	197	116	59	15	395
35	Sidhi	228	—	Nil	Nil	228	—	Nil	Nil	208
36	Tikamgarh	135	40	30	10	135	—	Nil	Nil	408
37	Vindhya	227	16	7	5	227	40	18	5	331
TRIBAL ZONE										
38	Bastar	364	3	1	5	364	—	Nil	Nil	243
39	Dhar	229	118	52	15	229	133	58	15	558
40	Jhabua	183	30	16	5	183	13	7	5	436
41	Mandla	136	43	32	10	136	136	100	25	495
42	Shahdol	258	4	2	5	258	5	2	5	275
43	Surguja	413	3	1	5	413	12	3	5	232

**ANNEXURE 25**  
**DISTRICT-WISE POSITION OF COMMERCIAL BANK OFFICES AS ON 30 JUNE 1975**

District	Number of offices				Population per office ( <sup>'000</sup> )	Lead bank
	Total	Rural	Semi-urban	Urban		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>BHOPAL-INDORE ZONE</b>						
1 Betul	11	5	6	—	66.9	Central Bank
2 Bhopal	45	3	3	39	—	Bank of India
3 Dewas	18	10	8	—	33.0	Bank of India
4 Hoshangabad	28	12	15	1	28.8	Central Bank
5 Indore	82	16	4	62	12.5	Bank of India
6 Khandwa	28	10	13	5	31.4	Bank of India
7 Khargone	27	13	14	—	47.6	Bank of India
8 Raisen	13	8	5	—	42.5	Central Bank
9 Sehore	18	11	7	—	60.3*	Bank of India
Sub-total	270	88	75	107	25.8	
<b>CHHATISGARH ZONE</b>						
10 Balaghat	10	6	4	—	97.8	Central Bank
11 Bilaspur	30	15	10	5	81.4	State Bank
12 Durg	25	8	10	7	61.5+	Dena Bank
13 Raigarh	16	12	4	—	79.9	State Bank
14 Raipur	43	18	7	18	60.7	Dena Bank
15 Rajnandgaon	15	5	10	—	—	Dena Bank
Sub-total	139	64	45	30	70.3	
<b>GWALIOR ZONE</b>						
16 Bhind	12	6	6	—	66.2	Central Bank
17 Datia	9	6	2	1	28.4	Punjab National Bank
18 Guna	14	7	7	—	56.0	State Bank of Indore
19 Gwalior	26	2	2	22	33.0	Central Bank
20 Mandsa	27	8	19	—	25.6	Central Bank
21 Morena	12	6	6	—	82.1	Central Bank
22 Rajgarh	13	6	7	—	50.0	Bank of India
23 Ratlam	20	5	9	6	31.3	Central Bank
24 Shajapur	15	8	7	—	45.2	Bank of India

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
25 Shivpuri		9	6	3	—	75.2	State Bank
26 Ujjain		39	11	13	15	22.1	Bank of India
27 Vidisha		17	8	8	1	38.7	State Bank of Indore
Sub-total		213	79	89	45	41.2	
<b>JABALPUR ZONE</b>							
28 Chhindwara		19	11	8	—	52.1	Central Bank
29 Damoh		10	6	4	—	57.3	State Bank
30 Jabalpur		59	14	11	34	28.6	Central Bank
31 Narsinghpur		10	2	4	4	51.9	Central Bank
32 Sagar		23	7	9	7	46.2	Central Bank
83 Seoni		8	5	3	—	83.5	Central Bank
Sub-total		129	45	39	45	42.6	
<b>VINDHYA ZONE</b>							
34 Chhatarpur		15	12	3	—	47.5	State Bank
35 Panna		9	7	2	—	47.7	State Bank
36 Rewa		18	12	6	—	54.3	Allahabad Bank
37 Satna		16	9	6	1	57.1	Allahabad Bank
38 Sidhi		10	9	1	—	77.7	Allahabad Bank
39 Tikamgarh		10	8	2	—	56.9	State Bank
Sub-total		78	57	20	1	56.1	
<b>TRIBAL ZONE</b>							
40 Bastar		21	18	3	—	72.2	State Bank
41 Dhar		16	8	8	—	52.7	State Bank
42 Jhabua		13	9	4	—	51.4	Bank of Baroda
43 Mandla		8	4	4	—	109.2	Central Bank
44 Shahdol		12	8	4	—	85.8	Central Bank
45 Surguja		10	5	5	—	132.6	Central Bank
Sub-total		80	52	28	—	78.2	
<b>Total</b>		<b>909</b>	<b>385</b>	<b>296</b>	<b>228</b>	<b>45.7</b>	

\* Including Bhopal district

+ Including Rajnandgaon district

**ANNEXURE 26**

**DISTRICT-WISE POSITION OF DEPOSITS OF COMMERCIAL BANKS AND THEIR TOTAL ADVANCES, ETC., AS ON 30-6-75**

Rupees Lakhs

District	Deposits	Deposits per office	Outstanding loans		Percentage of		
			Total	Agricultural	col. (4a) to col. (2)	col. (4b) to col. (2)	col. (4b) to col. (4a)
(1)	(2)	(3)	(4a)	(4b)	(5a)	(5b)	(5c)
<b>BHOPAL-INDORE ZONE</b>							
1 Betul	274.57	24.96	47.30	30.72	17.2	11.2	64.9
2 Bhopal	3925.22	87.23	5375.12	144.41	137.0	3.7	2.7
3 Dewas	403.58	22.42	416.98	77.02	103.3	19.1	18.5
4 Hoshangabad	792.76	28.31	306.32	121.42	38.6	15.3	39.6
5 Indore	5498.81	67.06	3864.24	133.24	70.3	2.4	3.4
6 Khandwa	768.72	27.45	644.89	76.31	83.9	9.9	11.8
7 Khargone	400.10	14.82	272.90	155.19	68.2	38.8	56.9
8 Raisen	193.29	14.87	24.24	14.63	12.5	7.6	60.4
9 Sehore	262.73	14.60	185.53	84.51	70.6	32.2	45.6
Sub-total	12519.78	46.37	11137.52	837.45	89.0	6.7	7.5
<b>CHHATISGARH ZONE</b>							
10 Balaghat	212.51	21.25	49.01	19.99	23.1	9.4	40.8
11 Bilaspur	1138.91	37.96	214.80	46.16	18.9	4.1	21.5
12 Durg	1232.84	49.31	316.32	73.51	25.7	6.0	23.3
13 Raigarh	332.10	20.76	74.64	16.16	22.5	4.9	21.7
14 Raipur	1782.49	41.45	676.62	173.12	38.0	9.7	25.6
15 Rajnandgaon	323.68	21.58	212.06	54.23	65.5	16.8	25.6
Sub-total	5022.53	36.13	1543.45	383.17	30.7	7.6	24.8
<b>GWALIOR ZONE</b>							
16 Bhind	212.83	17.74	45.08	9.32	21.2	4.4	20.7
17 Datia	114.14	12.68	51.93	33.78	45.5	29.6	65.0
18 Guna	257.91	18.42	157.80	49.01	61.2	19.0	31.1
19 Gwalior	3436.05	132.16	1339.93	18.83	39.0	0.5	1.4
20 Mandsaur	563.82	20.88	217.99	56.54	38.7	10.0	25.9
21 Morena	278.76	23.23	76.58	11.82	27.5	4.2	15.4
22 Rajgarh	174.88	13.45	104.77	49.39	59.9	28.2	47.1



(1)		(2)	(3)	(4a)	(4b)	(5a)	(5b)	(5c)
23	Ratlam	617.55	30.88	535.69	27.75	86.8	4.5	5.2
24	Shajapur	216.05	14.40	115.66	90.19	53.5	41.7	78.0
25	Shivpuri	226.10	25.12	41.03	19.92	18.1	8.8	48.6
26	Ujjain	1677.66	43.02	1660.13	212.11	99.0	12.6	12.8
27	Vidisha	308.20	18.13	222.76	105.27	72.3	34.1	47.3
Sub-total		8083.95	37.95	4569.35	683.93	56.5	8.5	15.0
<b>JABALPUR ZONE</b>								
28	Chhindwara	592.92	31.20	75.41	39.42	12.7	6.6	52.3
29	Damoh	180.19	18.01	50.71	35.33	28.1	19.6	69.7
30	Jabalpur	4208.70	71.33	936.38	163.17	22.3	3.9	17.4
31	Narsinghpur	283.47	28.34	104.31	78.77	36.8	27.8	75.5
32	Sagar	862.18	37.48	231.67	50.39	26.9	5.8	21.8
33	Seoni	147.64	18.45	44.93	27.70	30.4	18.8	61.7
Sub-total		6275.10	48.63	1443.41	394.78	23.0	6.3	27.4
<b>VINDHYA ZONE</b>								
34	Chhatarpur	216.22	14.41	111.38	91.97	51.5	42.5	82.6
35	Panna	128.11	14.23	26.04	7.68	20.3	6.0	29.5
36	Rewa	487.75	27.09	79.64	17.91	16.3	3.7	22.5
37	Satna	435.15	27.20	266.88	53.08	61.3	12.2	19.9
38	Sidhi	121.00	12.10	22.36	7.81	18.5	6.5	34.9
39	Tikamgarh	122.23	12.22	27.35	21.54	22.4	17.6	78.7
Sub-total		1510.46	19.36	533.65	199.99	35.3	13.2	37.5
<b>TRIBAL ZONE</b>								
40	Bastar	401.16	19.10	21.12	3.96	5.3	1.0	18.8
41	Dhar	224.78	14.05	123.79	57.02	55.1	25.4	46.0
42	Jhabua	140.56	10.81	59.92	26.64	42.6	19.0	44.5
43	Mandla	132.55	16.57	7.60	0.91	5.7	0.7	12.0
44	Shahdol	1285.75	107.15	129.22	16.36	10.1	1.3	12.7
45	Surguja	562.75	56.27	30.67	4.82	5.4	0.9	15.7
Sub-total		2747.55	34.34	372.32	109.71	13.6	4.0	29.5
<b>Total</b>		<b>36159.37</b>	<b>39.78</b>	<b>19577.54</b>	<b>2609.03</b>	<b>54.1</b>	<b>7.2</b>	<b>13.3</b>

# ANNEXURE 27

BANK-WISE POSITION OF OUTSTANDING CREDIT PROVIDED BY COMMERCIAL BANKS TO PRIORITY SECTOR AS ON LAST FRIDAY OF DECEMBER 1974

Rupees Lakhs

Bank	Agriculture and allied activities (excluding for plantations)				Small- scale Indus- try	Trans- port	Retail trade	Profes- sional/ Artisans/ Crafts- men	Total cols. (2d) + (3) to (6)
	Through primary societies	Direct finance to far- mers	Others	Total					
(1)	(2a)	(2b)	(2c)	(2d)	(3)	(4)	(5)	(6)	(7)
1 Allahabad Bank	15.39	30.88	39.64	85.91	49.51	43.23	15.94	8.08	202.67
2 Andhra Bank	—	—	—	—	—	—	—	—	—
3 Bank of Baroda	13.35	42.09	6.70	62.14	189.85	67.28	15.71	8.86	343.84
4 Bank of India	3.00	323.00	38.00	364.00	217.00	78.00	70.00	40.00	769.00
5 Bank of Maharashtra	—	5.00	4.00	9.00	90.00	6.00	8.00	3.00	116.00
6 Bank of Rajasthan	—	0.10	—	0.10	6.80	—	1.20	0.10	8.20
7 Canara Bank	—	0.40	—	0.40	29.29	26.93	8.05	3.37	68.04
8 Central Bank of India	65.00	569.00	—	634.00	198.00	55.00	35.00	32.00	954.00
9 Corporation Bank	—	—	—	—	—	—	—	—	—
10 Dena Bank	6.00	135.00	38.00	179.00	130.00	26.00	29.00	4.00	368.00
11 Hindustan Commercial Bank	—	1.70	0.06	1.76	—	2.00	—	—	3.76
12 Indian Bank	—	—	—	—	—	—	—	—	—
13 Indian Overseas Bank	—	—	—	—	1.20	0.05	0.14	0.06	1.45
14 New Bank of India	—	—	0.03	0.03	0.03	—	—	—	0.06

(1)	(2a)	(2b)	(2c)	(2d)	(3)	(4)	(5)	(6)	(7)
15 Oriental Bank of Commerce	—	—	—	—	—	—	—	—	—
16 Punjab National Bank	33·00	187·00	4·00	224·00	391·00	170·00	19·00	4·00	808·00
17 Punjab & Sind Bank	—	2·56	—	2·56	18·23	79·92	2·89	2·13	105·73
18 State Bank of Bikaner and Jaipur	—	0·11	—	0·11	2·51	0·44	0·15	0·74	3·95
19 State Bank of India	67·00	666·00	48·00	781·00	555·00	57·00	44·00	13·00	1450·00
20 State Bank of Indore	26·00	242·00	50·00	318·00	615·00	58·00	159·00	7·00	1157·00
21 Syndicate Bank	—	—	—	—	3·00	2·00	—	1·00	6·00
22 Union Bank of India	0·06	0·08	—	0·14	—	—	—	—	0·14
23 United Commercial Bank	8·00	57·00	2·00	67·00	83·00	26·00	25·00	6·00	207·00
24 United Western Bank	—	—	—	—	2·00	—	—	—	2·00
25 Vijaya Bank	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>236·80</b>	<b>2261·92</b>	<b>230·43</b>	<b>2729·15</b>	<b>2581·42</b>	<b>697·85</b>	<b>433·08</b>	<b>133·34</b>	<b>6574·84</b>

**ANNEXURE 28**  
**DISTRICT-WISE POSITION OF DIRECT FINANCING OF AGRICULTURISTS BY COMMERCIAL BANKS DURING 1973-4**  
**(A) Loans disbursed (last Friday of September 1973 to last Friday of September 1974)**

Rupees Lakhs

District	Short-term (including crop loans)									
	Total		Upto 2·5 acres		2·5 acres to 5 acres		5 acres to 10 acres		Above 10 acres	
	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)	(6a)	(6b)
<b>BHOPAL-INDORE ZONE</b>										
1 Betul	335	10·47	13	0·08	47	0·23	74	4·80	201	5·36
2 Bhopal	190	10·75	1	0·01	32	4·83	29	1·41	128	4·50
3 Dewas	89	1·71	1	0·02	2	0·03	12	0·12	74	1·54
4 Hoshangabad	1341	23·55	57	0·30	183	1·07	378	2·90	723	19·28
5 Indore	389	8·25	10	0·20	53	0·64	126	1·94	200	5·47
6 Khandwa	160	4·30	4	0·05	29	0·39	49	0·74	78	3·12
7 Khargone	308	5·60	4	0·06	16	0·15	51	0·73	237	4·66
8 Raisen	14	0·53	—	—	1	0·01	—	—	13	0·52
9 Sehore	217	3·53	23	0·17	16	0·14	34	0·58	144	2·64
Sub-total	3043	68·69	113	0·89	379	7·49	753	13·22	1798	47·09
<b>CHHATISGARH ZONE</b>										
10 Balaghat	470	2·71	73	0·20	87	0·35	96	0·70	214	1·46
11 Bilaspur	322	5·34	168	1·76	29	0·97	77	1·08	48	1·53
12 Durg	292	3·48	32	0·14	55	0·42	64	0·62	141	2·30
13 Raigarh	127	1·59	9	0·03	19	0·09	21	0·17	78	1·30
14 Raipur	2220	48·46	276	4·13	519	5·30	564	10·93	861	28·10
15 Rajnandgaon	263	2·08	78	0·23	88	0·43	50	0·66	47	0·76
Sub-total	3694	63·66	636	6·49	797	7·56	872	14·16	1389	35·45
<b>GWALIOR ZONE</b>										
16 Bhind	—	—	—	—	—	—	—	—	—	—
17 Datia	6	0·10	—	—	—	—	4	0·07	2	0·03
18 Guna	10	0·17	1	0·0	1	0·01	3	0·01	5	0·15
19 Gwalior	6	0·36	—	—	—	—	—	—	6	0·36
20 Mandsaur	189	2·75	37	0·46	57	0·64	45	0·64	50	1·01
21 Morena	54	12·19	5	0·03	3	0·03	3	0·04	43	12·09

(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)	(6a)	(6b)
22 Rajgarh	53	0.49	3	0.03	9	0.06	4	0.04	37	0.36
23 Ratlam	1117	4.81	65	0.16	240	0.69	251	1.09	561	2.87
24 Shajapur	25	0.90	1	0.01	2	0.07	—	—	22	0.82
25 Shivpuri	2	0.18	—	—	—	—	—	—	2	0.18
26 Ujjain	1174	11.71	511	3.37	80	0.76	166	1.48	417	6.10
27 Vidisha	145	2.42	4	0.03	15	0.31	26	0.61	100	1.47
Sub-total	2781	36.08	627	4.09	407	2.57	502	3.98	1245	25.44
JABALPUR ZONE										
28 Chhindwara	288	4.67	127	2.97	47	0.32	44	0.37	70	1.01
29 Damoh	30	0.55	1	0.0	6	0.10	14	0.27	9	0.18
30 Jabalpur	467	8.93	21	0.12	62	0.66	145	1.95	239	6.20
31 Narsinghpur	435	8.84	220	5.50	37	0.30	54	0.74	124	2.30
32 Sagar	369	11.43	2	0.03	155	6.55	55	0.53	157	4.32
33 Seoni	200	2.41	8	0.05	24	0.12	34	0.22	134	2.02
Sub-total	1789	36.83	379	8.67	331	8.05	346	4.08	733	16.03
VINDHYA ZONE										
34 Chhatarpur	1519	3.98	84	0.15	508	0.68	608	1.77	319	1.38
35 Panna	37	0.21	1	0.01	6	0.02	20	0.11	10	0.07
36 Rewa	13	0.14	—	—	6	0.05	4	0.05	3	0.04
37 Satna	48	0.54	2	0.02	13	0.12	20	0.17	13	0.23
38 Sidhi	—	—	—	—	—	—	—	—	—	—
39 Tikamgarh	136	1.56	13	0.04	16	0.12	75	0.89	32	0.51
Sub-total	1753	6.43	100	0.22	549	0.99	727	2.99	377	2.23
TRIBAL ZONE										
40 Bastar	1	0.05	—	—	—	—	—	—	1	0.05
41 Dhar	96	0.75	4	0.01	—	—	30	0.14	62	0.60
42 Jhabua	595	6.97	43	0.10	141	0.76	208	1.82	203	4.29
43 Mandla	8	0.10	6	0.07	1	0.02	1	0.01	—	—
44 Shahdol	18	0.39	—	—	3	0.02	10	0.23	5	0.14
45 Surguja	221	2.35	17	0.07	29	0.18	56	0.71	119	1.39
Sub-total	939	10.61	70	0.25	174	0.98	305	2.91	390	6.47
Total	13999	222.30	1925	20.61	2637	27.64	3505	41.34	5932	132.71

**ANNEXURE 28 (contd.)**

District	Term loans										Other direct advances		Total direct loans disbursed to farmers	
	Total		Upto 2.5 acres		2.5 acres to 5 acres		5 acres to 10 acres		Above 10 acres		No. of accounts	Amount	No. of accounts	Amount
	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount			No. of accounts	Amount
(1)	(7a)	(7b)	(8a)	(8b)	(9a)	(9b)	(10a)	(10b)	(11a)	(11b)	(12a)	(12b)	(13a)	(13b)
<b>BHOPAL-INDORE ZONE</b>														
1 Betul	312	37.05	10	0.12	50	8.69	99	8.04	153	20.20	—	—	47	47.52
2 Bhopal	387	37.63	4	0.08	52	7.40	43	1.95	288	28.20	3	0.15	580	48.53
3 Dewas	382	16.80	1	0.01	10	0.24	76	2.24	295	14.31	10	0.30	481	18.81
4 Hoshangabad	1010	33.50	39	0.44	161	3.59	379	10.70	431	18.77	46	0.33	2397	57.38
5 Indore	378	26.04	5	0.21	42	1.26	93	6.46	238	18.11	45	2.43	812	36.72
6 Khandwa	439	15.64	7	0.19	60	1.27	120	3.37	252	10.81	129	2.77	728	22.71
7 Khargone	716	32.16	9	0.14	28	0.99	126	3.64	553	27.39	5	0.20	1029	37.96
8 Raisen	367	17.04	77	1.10	72	1.95	14	0.46	204	13.53	32	2.04	413	19.61
9 Sehore	425	29.17	27	0.66	35	0.90	71	2.54	292	25.07	56	0.88	698	33.58
Sub-total	4416	245.03	179	2.95	510	26.29	1021	39.40	2706	176.39	326	9.10	7785	322.82
<b>CHHATISGARH ZONE</b>														
10 Balaghat	96	3.96	5	0.14	24	1.12	41	1.68	26	1.02	52	2.43	618	9.10
11 Bilaspur	329	14.71	185	5.12	53	1.65	59	1.38	32	6.56	22	0.36	673	20.41
12 Durg	178	5.37	116	1.94	18	0.52	—	—	44	2.91	4	0.03	474	8.88
13 Raigarh	174	6.55	3	0.08	40	0.91	20	0.72	111	4.84	1	0.03	302	8.17
14 Raipur	962	38.11	137	3.88	293	8.05	219	7.64	313	18.54	88	2.92	3270	89.49
15 Rajnandgaon	345	12.23	93	2.84	121	2.72	53	1.60	78	5.07	58	1.09	666	15.40
Sub-total	2084	80.93	539	14.00	549	14.97	392	13.02	604	38.94	225	6.86	6003	151.45
<b>GWALIOR ZONE</b>														
16 Bhind	27	1.31	4	0.17	—	—	3	0.11	20	1.03	—	—	27	1.31
17 Datia	249	15.76	2	0.03	14	0.43	162	5.84	71	9.46	—	—	255	15.86
18 Guna	36	5.87	2	0.06	6	0.20	3	0.10	25	5.51	—	—	46	6.04
19 Gwalior	54	12.68	1	0.06	—	—	1	0.03	52	12.59	20	1.19	80	14.23
20 Mandsaur	294	17.81	48	1.48	53	1.62	70	2.34	123	12.37	—	—	483	20.56
21 Morena	60	7.11	7	0.24	12	0.49	7	0.56	34	5.82	6	0.28	120	19.58
22 Rajgarh	235	9.73	1	0.03	8	0.29	33	1.17	193	8.24	5	0.09	293	10.31

(1)	(7a)	(7b)	(8a)	(8b)	(9a)	(9b)	(10a)	(10b)	(11a)	(11b)	(12a)	(12b)	(13a)	(13b)
23 Ratlam	1009	34.48	92	1.51	240	5.88	278	8.25	399	18.84	1	0.04	2127	39.33
24 Shajapur	362	18.51	3	0.18	14	0.38	32	1.07	313	16.88	3	1.22	390	20.63
25 Shivpuri	8	1.19	—	—	—	—	—	—	8	1.19	—	—	10	1.37
26 Ujjain	1003	53.73	39	1.17	208	7.46	289	10.71	467	34.39	206	3.35	2383	68.79
27 Vidisha	207	26.33	3	0.11	9	0.23	13	0.49	182	25.50	—	—	352	28.75
Sub-total	3544	204.51	202	5.04	564	16.98	891	30.67	1887	151.82	241	6.17	6566	246.76
<b>JABALPUR ZONE</b>														
28 Chhindwara	265	7.63	27	0.60	94	3.35	33	1.03	111	2.65	2	0.03	555	12.33
29 Damoh	99	9.47	7	0.15	10	0.44	23	1.53	59	7.35	—	—	129	10.02
30 Jabalpur	1012	50.99	68	1.64	197	5.06	302	8.10	445	36.19	147	5.43	1626	65.35
31 Narsinghpur	454	19.44	93	1.81	51	1.22	116	3.61	194	12.80	—	—	889	28.28
32 Sagar	224	18.69	10	0.31	32	1.25	56	1.94	126	15.19	48	1.33	641	31.45
33 Seoni	174	5.56	59	1.84	41	1.65	39	0.64	35	1.43	—	—	374	7.97
Sub-total	2228	111.78	264	6.35	425	12.97	569	16.85	970	75.61	197	6.79	4214	155.40
<b>VINDHYA ZONE</b>														
34 Chhatarpur	1320	37.44	53	0.80	388	6.83	557	9.32	322	20.49	—	—	2839	41.42
35 Panna	4	0.81	—	—	1	0.13	1	0.08	2	0.60	—	—	41	1.02
36 Rewa	29	1.59	2	0.03	5	0.13	6	0.16	16	1.27	1	0.28	43	2.01
37 Satna	141	10.18	8	0.21	29	1.15	57	2.34	47	6.48	2	0.61	191	11.33
38 Sidhi	3	0.03	—	—	—	—	—	—	3	0.03	—	—	3	0.03
39 Tikamgarh	620	23.24	61	0.49	89	2.17	335	9.79	135	10.79	—	—	756	24.80
Sub-total	2117	73.29	124	1.53	512	10.41	956	21.69	525	39.66	3	0.89	3873	80.61
<b>TRIBAL ZONE</b>														
40 Bastar	54	1.98	4	0.14	4	0.15	34	1.23	12	0.46	—	—	55	2.03
41 Dhar	238	6.57	3	0.02	14	0.32	86	1.48	135	4.75	6	0.10	340	7.42
42 Jhabua	256	5.74	5	0.08	23	0.44	86	1.60	142	3.62	17	0.36	868	13.07
43 Mandla	93	2.54	15	0.42	21	0.55	46	1.21	11	0.36	—	—	101	2.64
44 Shahdol	154	4.00	3	0.04	9	0.15	43	1.14	99	2.67	1	0.03	173	4.42
45 Surguja	111	3.86	11	0.44	21	0.52	24	0.94	55	1.96	2	0.11	334	6.32
Sub-total	906	24.69	41	1.14	92	2.13	319	7.60	454	13.82	26	0.60	1871	35.90
<b>Total</b>	<b>15295</b>	<b>740.23</b>	<b>1349</b>	<b>31.01</b>	<b>2652</b>	<b>83.74</b>	<b>4148</b>	<b>129.23</b>	<b>7146</b>	<b>496.24</b>	<b>1018</b>	<b>30.41</b>	<b>30312</b>	<b>992.94</b>

**ANNEXURE 28 (contd.)**

**(B) Loans outstanding (last Friday of September 1973 to last Friday of September 1974)**

District	Short-term (including crop loans)									
	Total		Upto 2·5 acres		2·5 acres to 5 acres		5 acres to 10 acres		Above 10 acres	
	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
(1)	(14a)	(14b)	(15a)	(15b)	(16a)	(16b)	(17a)	(17b)	(18a)	(18b)
<b>BHOPAL-INDORE ZONE</b>										
1 Betul	384	3·25	17	0·13	57	0·41	75	0·56	235	2·15
2 Bhopal	357	10·99	1	0·01	235	4·36	14	0·19	107	6·43
3 Dewas	235	8·15	2	0·03	3	0·04	25	0·23	205	7·85
4 Hoshangabad	1764	25·28	95	0·12	196	0·39	418	1·24	1055	23·53
5 Indore	633	16·68	31	0·38	63	0·77	160	1·60	379	13·93
6 Khandwa	135	4·20	5	0·06	21	0·31	40	0·77	69	3·06
7 Khargone	310	5·80	7	0·11	13	0·13	54	0·87	236	4·69
8 Raisen	682	55·81	47	0·86	53	1·51	9	0·25	573	53·19
9 Sehore	625	8·90	19	0·11	26	0·13	51	0·27	529	8·39
Sub-total	5125	139·06	224	1·81	667	8·05	846	5·98	3388	123·22
<b>CHHATISGARH ZONE</b>										
10 Balaghat	1382	11·00	356	0·60	346	0·71	388	1·54	292	8·15
11 Bilaspur	2887	18·21	852	1·80	741	2·68	713	3·85	581	9·98
12 Durg	2791	34·26	481	2·77	672	3·30	612	11·26	1026	16·93
13 Raigarh	128	1·78	9	0·03	19	0·08	21	0·13	79	1·54
14 Raipur	6930	97·51	1033	4·13	1724	10·40	1758	19·10	2415	63·88
15 Rajnandgaon	333	2·14	101	0·23	117	0·46	64	0·74	51	0·71
Sub-total	14451	164·90	2832	9·56	3619	17·53	3556	36·62	4444	101·19
<b>GWALIOR ZONE</b>										
16 Bhind	45	6·66	6	0·20	—	—	—	—	39	6·46
17 Datia	6	0·09	—	—	—	—	4	0·07	2	0·02
18 Guna	20	0·68	1	0·0	4	0·02	3	0·04	12	0·62
19 Gwalior	87	5·07	6	0·01	7	0·12	21	0·23	53	4·71
20 Mandsaur	227	4·00	38	0·39	47	0·52	29	0·39	113	2·70
21 Morena	119	19·25	15	0·20	—	—	—	—	104	19·05
22 Rajgarh	49	0·56	2	0·02	8	0·05	10	0·10	29	0·39
23 Ratlam	1220	13·56	79	0·29	287	4·37	247	1·88	607	7·02



(1)	(14a)	(14b)	(15a)	(15b)	(16a)	(16b)	(17a)	(17b)	(18a)	(18b)
24 Shajapur	86	2·83	9	0·13	7	0·23	13	0·50	57	1·97
25 Shivpuri	98	0·71	1	0·01	—	—	—	—	97	0·70
26 Ujjain	2225	20·53	580	2·48	737	3·56	316	3·77	592	10·72
27 Vidisha	156	2·46	4	0·03	15	0·31	26	0·61	111	1·51
Sub-total	4338	76·40	741	3·76	1112	9·18	669	7·59	1816	55·87
<hr/>										
JABALPUR ZONE										
28 Chhindwara	574	7·02	179	1·97	56	0·38	100	0·96	239	3·71
29 Damoh	228	0·61	25	0·05	61	0·06	90	0·20	52	0·30
30 Jabalpur	408	8·73	92	2·82	43	0·56	105	1·23	168	4·12
31 Narsinghpur	860	12·58	295	6·90	166	1·11	103	0·74	296	3·83
32 Sagar	348	9·75	9	0·06	164	5·98	54	0·40	121	3·31
33 Seoni	170	4·94	131	4·53	18	0·12	17	0·11	4	0·18
Sub-total	2588	43·63	731	16·33	508	8·21	469	3·64	880	15·45
<hr/>										
VINDHYA ZONE										
34 Chhatarpur	139	0·53	13	0·06	31	0·14	56	0·25	39	0·08
35 Panna	37	0·08	1	0·01	14	0·02	10	0·02	12	0·03
36 Rewa	29	0·19	—	—	13	0·06	11	0·08	5	0·05
37 Satna	43	0·53	1	0·01	13	0·11	20	0·24	9	0·17
38 Sidhi	—	—	—	—	—	—	—	—	—	—
39 Tikamgarh	608	12·31	33	0·07	137	0·95	326	4·32	112	6·97
Sub-total	856	13·64	48	0·15	208	1·28	423	4·91	177	7·30
<hr/>										
TRIBAL ZONE										
40 Bastar	14	0·61	—	—	1	0·03	8	0·14	5	0·44
41 Dhar	87	0·72	2	0·01	—	—	27	0·15	58	0·56
42 Jhabua	568	3·78	44	0·09	140	0·44	196	1·03	188	2·22
43 Mandla	16	0·15	—	—	—	—	—	—	16	0·15
44 Shahdol	10	0·22	—	—	1	0·01	8	0·19	1	0·02
45 Surguja	145	1·38	14	0·06	4	0·02	13	0·16	114	1·14
Sub-total	840	6·86	60	0·16	146	0·50	252	1·67	382	4·53
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Total	28198	444·49	4636	31·77	6260	44·75	6215	60·41	11087	307·56

**ANNEXURE 28 (contd.)**

District	Term loans												Total loans outstanding	
	Total		Upto 2·5 acres		2·5 acres to 5 acres		5 acres to 10 acres		Above 10 acres		Other direct advances		Total loans outstanding	
	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
(1)	(19a)	(19b)	(20a)	(20b)	(21a)	(21b)	(22a)	(22b)	(23a)	(23b)	(24a)	(24b)	(25a)	(25b)
<b>BHOPAL-INDORE ZONE</b>														
1 Betul	566	13·18	11	0·14	64	1·20	140	2·51	351	9·33	—	—	950	16·43
2 Bhopal	1505	86·31	142	9·11	23	0·67	131	4·64	1209	71·89	9	0·43	1871	97·73
3 Dewas	780	35·85	3	0·03	17	0·39	171	3·88	643	31·55	14	0·37	1029	44·37
4 Hoshangabad	1434	56·99	65	1·99	215	11·13	507	16·16	647	27·71	42	0·13	3240	82·40
5 Indore	1014	66·37	25	1·22	72	2·32	239	12·94	678	49·89	61	2·82	1708	85·87
6 Khandwa	575	28·18	13	0·28	87	2·86	152	5·05	323	19·99	107	2·54	817	34·92
7 Khargone	1440	51·08	13	0·29	67	1·41	288	7·12	1072	42·26	4	0·18	1754	57·06
8 Raisen	675	29·00	8	0·18	346	6·44	80	3·54	241	18·84	—	—	1357	84·81
9 Sehore	906	43·37	19	0·43	60	1·23	133	3·53	694	38·18	62	2·36	1593	54·63
Sub-total	8895	410·33	299	13·67	951	27·65	1787	59·37	5858	309·64	299	8·83	14319	558·22
<b>CHHATISGARH ZONE</b>														
10 Balaghat	113	4·71	39	1·41	18	0·97	34	1·43	22	0·90	—	—	1495	15·71
11 Bilaspur	1992	29·63	1713	15·38	113	3·27	74	1·87	92	9·11	29	0·47	4908	48·31
12 Durg	310	10·11	33	0·57	215	4·03	8	0·09	54	5·42	4	0·03	3105	44·40
13 Raigarh	180	6·15	1	0·03	65	1·64	12	0·50	102	3·98	1	0·03	309	7·96
14 Raipur	1402	50·01	182	3·47	310	11·00	401	13·01	509	22·53	82	2·30	8414	149·82
15 Rajnandgaon	370	17·32	102	3·97	120	4·72	58	2·36	90	6·27	89	0·80	792	20·26
Sub-total	4367	117·93	2070	24·83	841	25·63	587	19·26	869	48·21	205	3·63	19023	286·46
<b>GWALIOR ZONE</b>														
16 Bhind	28	3·08	3	0·14	—	—	5	0·12	20	2·82	—	—	73	9·74
17 Datia	307	19·55	5	0·10	22	0·54	172	5·86	108	13·05	—	—	313	19·64
18 Guna	252	27·27	4	0·06	10	0·31	31	0·45	207	26·45	—	—	272	27·95
19 Gwalior	231	20·65	—	—	6	0·16	12	1·27	213	19·22	27	1·81	345	27·53
20 Mandsaur	1195	70·60	58	1·43	205	4·29	381	10·76	551	54·12	—	—	1422	74·60
21 Morena	80	5·92	3	0·09	30	1·98	24	0·87	23	2·98	—	—	199	25·17
22 Rajgarh	850	29·84	11	0·20	29	0·69	116	3·51	694	25·44	1	0·03	900	30·43

	(1)	(19a)	(19b)	(20a)	(20b)	(21a)	(21b)	(22a)	(22b)	(23a)	(23b)	(24a)	(24b)	(25a)	(25b)
23 Ratlam		828	37.06	84	2.20	169	4.75	214	6.18	361	23.93	9	0.17	2057	50.79
24 Shajapur		821	32.01	56	1.52	9	0.19	169	4.38	587	25.92	2	0.87	909	35.71
25 Shivpuri		14	2.06	—	—	1	0.00	—	—	13	2.06	—	—	112	2.77
26 Ujjain		2917	153.82	60	2.00	463	18.59	650	30.21	1744	103.02	36	1.10	5178	175.45
27 Vidisha		420	50.28	4	0.13	11	0.34	16	0.57	389	49.24	—	—	576	52.74
Sub-total		7943	452.14	288	7.87	955	31.84	1790	64.18	4910	348.25	75	3.98	12356	532.52
<b>JABALPUR ZONE</b>															
28 Chhindwara		659	18.36	246	5.96	57	1.24	85	2.10	271	9.06	9	0.08	1242	25.46
29 Damoh		278	18.69	19	0.30	76	2.78	98	5.95	85	9.66	—	—	506	19.30
30 Jabalpur		1222	60.75	65	1.06	373	10.22	293	10.71	491	38.76	38	2.49	1668	71.97
31 Narsinghpur		1028	40.68	120	4.74	132	2.70	249	7.11	527	26.13	—	—	1888	53.26
32 Sagar		1009	46.80	65	1.44	136	3.35	232	7.19	576	34.82	13	0.23	1370	56.78
33 Seoni		473	17.67	108	8.44	18	0.42	89	2.11	258	6.70	—	—	643	22.61
Sub-total		4669	202.95	623	21.94	792	20.71	1046	35.17	2208	125.13	60	2.80	7317	249.38
<b>VINDHYA ZONE</b>															
34 Chhatarpur		2228	57.13	131	2.03	628	10.69	935	16.82	534	27.59	—	—	2367	57.66
35 Panna		30	1.44	—	—	1	0.05	1	0.23	28	1.16	—	—	67	1.52
36 Rewa		54	3.51	2	0.01	8	0.09	5	0.04	39	3.37	1	0.30	84	4.00
37 Satna		151	10.23	8	0.20	31	1.12	62	2.35	50	6.56	2	1.10	196	11.86
38 Sidhi		3	0.03	—	—	—	—	—	—	3	0.03	—	—	3	0.03
39 Tikamgarh		326	7.47	53	0.30	53	0.89	172	3.87	48	2.41	—	—	934	19.78
Sub-total		2792	79.81	194	2.54	721	12.84	1175	23.31	702	41.12	3	1.40	3651	94.85
<b>TRIBAL ZONE</b>															
40 Bastar		62	2.15	13	0.29	4	0.14	34	1.07	11	0.65	—	—	76	2.76
41 Dhar		715	23.99	5	0.08	43	1.30	120	3.75	547	18.86	14	0.14	816	24.85
42 Jhabua		422	13.04	17	0.25	41	1.20	129	2.90	235	8.69	36	0.49	1026	17.31
43 Mandla		113	2.76	18	0.52	2	0.05	1	0.02	92	2.17	—	—	129	2.91
44 Shahdol		145	4.02	33	0.76	22	0.34	40	0.96	50	1.96	4	0.09	159	4.33
45 Surguja		134	4.57	1	0.02	48	0.99	46	0.61	39	2.95	2	0.05	281	6.00
Sub-total		1591	50.53	87	1.92	160	4.02	370	9.31	974	35.28	56	0.77	2487	58.16
<b>Total</b>		<b>30257</b>	<b>1313.69</b>	<b>3561</b>	<b>72.77</b>	<b>4420</b>	<b>122.69</b>	<b>6755</b>	<b>210.60</b>	<b>15521</b>	<b>907.63</b>	<b>698</b>	<b>21.41</b>	<b>59153</b>	<b>1779.59</b>

# ANNEXURE 29

DISTRICT-WISE POSITION OF RECOVERIES OF COMMERCIAL BANKS IN RESPECT OF THEIR  
SHORT-TERM AND INVESTMENT CREDIT FOR AGRICULTURE AS ON LAST FRIDAY  
OF JUNE 1975

Rupees Lakhs				
District	Demand	Recoveries	Overdues	Percentage of overdues to demand
(1)	(2)	(3)	(4)	(5)
<b>BHOPAL-INDORE ZONE</b>				
1 Betul	22.02	10.49	11.53	52.4
2 Bhopal	90.64	32.24	58.40	64.4
3 Dewas	23.82	13.19	10.63	44.6
4 Hoshangabad	70.30	41.57	28.73	40.9
5 Indore	79.58	34.60	44.98	56.5
6 Khandwa	23.55	18.98	4.57	19.4
7 Kargone	36.56	20.05	16.51	45.2
8 Raisen	52.18	26.47	25.71	49.5
9 Sehore	34.17	18.78	15.39	45.0
Sub-total	432.82	216.37	216.45	50.0
<b>CHHATISGARH ZONE</b>				
10 Balaghat	14.12	3.66	10.46	74.1
11 Bilaspur	51.86	12.42	39.44	76.1
12 Durg	57.95	10.55	47.40	81.8
13 Raigarh	4.59	2.99	1.60	34.9
14 Raipur	118.58	28.38	90.20	76.1
15 Rajnandgaon	24.32	17.29	7.03	28.9
Sub-total	271.42	75.29	196.13	72.2
<b>GWALIOR ZONE</b>				
16 Bhind	7.74	4.01	3.73	49.5
17 Datia	12.25	6.15	6.10	49.8
18 Guna	16.68	6.13	10.55	63.2
19 Gwalior	15.77	6.52	9.25	58.7
20 Mandsaur	40.35	25.30	15.05	37.3
21 Morena	14.26	5.79	8.47	59.4
22 Rajgarh	15.92	6.67	9.25	58.1
23 Ratlam	27.37	17.45	9.92	36.2
24 Shajapur	20.84	10.41	10.43	50.0
25 Shivpuri	18.14	10.35	7.79	42.9
26 Ujjain	123.59	49.70	73.89	59.8
27 Vidisha	26.73	16.79	9.94	37.2
Sub-total	339.64	165.27	174.37	51.3
<b>JABALPUR ZONE</b>				
28 Chhindwara	27.11	10.20	16.91	62.3
29 Damoh	13.13	6.74	6.39	48.6
30 Jabalpur	121.95	41.27	80.68	66.1
31 Narsinghpur	52.22	27.08	25.14	48.1
32 Sagar	54.94	26.02	28.92	52.6
33 Seoni	38.70	16.08	22.62	58.4
Sub-total	308.05	127.39	180.66	58.6

	(1)	(2)	(3)	(4)	(5)
<b>VINDHYA ZONE</b>					
34 Chhatarpur		40·62	25·56	15·06	37·1
35 Panna		7·57	5·34	2·23	29·5
36 Rewa		15·28	5·09	10·19	66·7
37 Satna		29·90	15·27	14·63	48·9
38 Sidhi		1·22	0·73	0·49	40·2
39 Tikamgarh		19·26	10·02	9·24	48·0
Sub-total		113·85	62·01	51·84	45·5
<b>TRIBAL ZONE</b>					
40 Bastar		2·68	1·82	0·86	32·1
41 Dhar		54·11	23·82	30·29	56·0
42 Jhabua		12·85	7·45	5·40	42·0
43 Mandla		2·54	1·58	0·96	37·8
44 Shahdol		6·67	1·98	4·69	70·3
45 Surguja		25·06	8·36	16·70	66·6
Sub-total		103·91	45·01	58·90	56·7
<b>Total</b>		<b>1569·69</b>	<b>691·34</b>	<b>878·35</b>	<b>55·95</b>

**ANNEXURE 30**

**FINANCING OF PRIMARY AGRICULTURAL CREDIT SOCIETIES BY COMMERCIAL BANKS—COVERAGE, LOAN BUSINESS, ETC.,  
AS ON 30 JUNE 1975**

							Rupees Lakhs	
Name of the bank	No. of districts	No. of branches involved	No. of societies taken over	Member-ship of societies taken over	Societies financed	Borrowing membership of societies	Short-term loans disbursed	
							Total	Of which to small farmers
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8a)	(8b)
1 Allahabad Bank	2	2	20	4176	20	2827	8·65	1·16
2 Bank of Baroda	2	2	15	2915	14	1583	8·58	0·45
3 Bank of India	1	1	5	1125	5	531	3·76	0·52
4 Central Bank of India	4	5	42	9464	42	4931	26·60	0·36
5 Dena Bank	1	1	7	1255	5	900	4·71	—
6 Punjab National Bank	5	8	47	10294	27	4996	8·00	0·40
7 State Bank of India	11	20	117	24658	101	12440	34·85	1·99
8 State Bank of Indore	3	5	31	6355	28	3439	15·16	0·39
9 Union Bank of India	3	3	20	2947	13	520	3·57	0·12
10 United Commercial Bank	1	2	5	937	5	598	3·17	—
<b>State</b>	<b>16</b>	<b>49</b>	<b>309</b>	<b>64126</b>	<b>260</b>	<b>32765</b>	<b>117·05</b>	<b>5·39</b>

Name of the bank	Medium-term loans disbursed		Loans outstanding				Cash credit outstanding		Over- dues as on 30-6-75	No. of societies having full-time paid secre- taries
			Short-term		Medium-term					
	No. of societies	Amount	No. of societies	Amount	No. of societies	Amount	No. of societies	Amount		
(1)	(9a)	(9b)	(10a)	(10b)	(11a)	(11b)	(12a)	(12b)	(13)	(14)
1 Allahabad Bank	14	1·56	20	8·60	17	5·37	—	—	8·34	18
2 Bank of Baroda	6	0·55	15	9·42	14	4·46	—	—	7·58	15
3 Bank of India	—	—	5	4·27	4	0·76	1	0·20	1·79	2
4 Central Bank of India	37	5·30	42	40·33	42	22·08	4	0·14	25·96	30
5 Dena Bank	1	0·10	7	4·96	3	0·14	—	—	0·67	7
6 Punjab National Bank	27	2·79	43	12·86	39	18·37	—	—	11·58	25
7 State Bank of India	54	9·07	113	36·13	81	20·81	11	0·94	29·47	63
8 State Bank of Indore	4	0·60	31	22·65	13	1·81	1	0·20	11·73	19
9 Union Bank of India	5	1·50	20	4·43	16	4·36	—	—	3·62	1
10 United Commercial Bank	3	0·12	5	4·57	5	3·08	1	0·50	5·35	5
State	151	21·59	301	148·22	234	81·24	18	1·98	106·09	185

**ANNEXURE 31**

**BLOCK-WISE PARTICULARS OF GROSS CROPPED AREA, ESTIMATED CREDIT REQUIREMENTS, CREDIT GAPS, ETC.**

Rupees Lakhs

District/block	Gross cropped area ('000 hectares)			Credit requirements	Credit requirements met			Credit gap col. (3)—col. (4c)	Percentage of col. (5) to col. (3)
	Irrigated	Unirrigated	Total		Loans overdue at primary level as on 30-6-74	Loans issued by primary societies during 1974-5	Total		
(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
<b>BHOPAL-INDORE ZONE</b>									
<b>Betul</b>									
1 Amla	7.0	34.7	41.7	52.22	3.75	7.10	10.85	41.37	79.2
2 Athnair	2.0	39.8	41.8	44.82	5.63	11.11	16.74	28.08	62.6
3 Betul	6.0	52.9	58.9	67.95	7.17	14.17	21.34	46.61	68.5
4 Bhainsdehi	3.0	39.7	42.7	47.15	3.93	7.22	11.15	36.00	76.3
5 Bhimpur	0.4	28.6	29.0	29.61	1.36	2.15	3.51	26.10	88.1
6 Chicholi	1.5	45.2	46.7	48.95	1.97	4.30	6.27	42.68	87.1
7 Ghodadongri	1.0	29.2	30.2	31.71	0.63	1.04	1.67	30.04	94.7
8 Multai	11.0	47.4	58.4	74.94	4.14	10.90	15.04	59.90	79.9
9 P. Pattan	8.0	50.6	58.6	70.56	6.01	18.70	24.71	45.85	64.9
10 Shahapur	0.6	31.3	31.9	32.78	2.16	1.07	3.23	29.55	90.1
<b>Total</b>	<b>40.5</b>	<b>399.4</b>	<b>439.9</b>	<b>500.69</b>	<b>36.75</b>	<b>77.76</b>	<b>114.51</b>	<b>386.18</b>	<b>77.1</b>
<b>Bhopal</b>									
1 Ashta	5.3	88.9	94.2	124.47	9.14	35.36	44.50	79.97	64.2
2 Berasia	3.4	74.1	77.5	101.17	16.22	27.36	43.58	57.59	56.9
3 Budhni	0.5	44.6	45.1	56.72	4.55	18.40	22.95	33.77	59.5
4 Ichhawar	4.6	42.1	46.7	64.09	9.62	5.07	14.69	49.40	77.1
5 Nasrullaganj	0.5	60.6	61.1	76.87	6.33	8.06	14.39	62.48	81.3
6 Phanda	5.5	69.1	74.6	100.18	13.69	29.83	43.52	56.66	56.5
7 Sehore	9.7	93.0	102.7	140.65	17.72	32.45	50.17	90.48	64.3
<b>Total</b>	<b>29.5</b>	<b>472.4</b>	<b>501.9</b>	<b>664.15</b>	<b>77.27</b>	<b>156.53</b>	<b>233.80</b>	<b>430.35</b>	<b>64.8</b>



(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
<b>Dewas</b>									
1 Bagli	6.3	66.7	73.0	99.24	10.28	6.38	16.66	82.58	83.2
2 Dewas	6.7	76.4	83.1	112.25	26.34	9.68	36.02	76.23	67.9
3 Kannod	2.3	59.3	61.6	79.96	11.71	3.98	15.69	64.27	80.4
4 Khategaon	0.7	55.1	55.8	70.49	5.75	3.44	9.19	61.30	87.0
5 Sonkatch	2.7	43.5	46.2	61.01	11.84	6.38	18.22	42.79	70.1
6 Tonk Khurd	2.2	42.1	44.3	58.13	6.05	4.98	11.03	47.10	81.0
<b>Total</b>	<b>20.9</b>	<b>343.1</b>	<b>364.0</b>	<b>481.08</b>	<b>71.97</b>	<b>34.84</b>	<b>106.81</b>	<b>374.27</b>	<b>77.8</b>
<b>Hoshangabad</b>									
1 Babai	2.7	34.8	37.5	50.20	9.15	12.53	21.68	28.52	56.8
2 Barkedi	2.3	28.6	30.9	41.57	5.24	6.41	11.65	29.92	72.0
3 Harda	0.8	57.1	57.9	73.39	5.57	8.24	13.81	59.58	81.2
4 Hoshangabad	1.9	27.1	29.0	38.59	4.72	9.58	14.30	24.29	62.9
5 Kosla	2.4	34.8	37.2	49.56	7.04	1.56	8.60	40.96	82.6
6 Khirkiya	0.6	54.7	55.3	70.03	2.95	9.29	12.24	57.79	82.5
7 Pipariya	2.4	33.4	35.8	47.87	5.04	9.80	14.84	33.03	69.0
8 Sohagpur	3.1	41.8	44.9	59.85	5.89	9.40	15.29	44.56	74.5
9 Seoni-Malwa	1.4	66.3	67.7	86.32	3.96	9.64	13.60	72.72	84.2
10 Timarni	0.7	46.2	46.9	59.50	2.96	10.51	13.47	46.03	77.4
<b>Total</b>	<b>18.3</b>	<b>424.8</b>	<b>443.1</b>	<b>576.88</b>	<b>52.52</b>	<b>86.96</b>	<b>139.48</b>	<b>437.40</b>	<b>75.8</b>
<b>Indore</b>									
1 Depalpur	6.2	79.9	86.1	162.98	53.69	85.32	139.01	23.97	14.7
2 Indore	9.8	63.7	73.5	148.27	40.30	67.19	107.49	40.78	27.5
3 Mhow	8.2	44.2	52.4	108.30	23.79	33.15	56.94	51.36	47.4
4 Sawyer	4.8	61.7	66.5	126.07	19.07	37.82	56.89	69.18	54.9
<b>Total</b>	<b>29.0</b>	<b>249.5</b>	<b>278.5</b>	<b>545.62</b>	<b>136.85</b>	<b>223.48</b>	<b>360.33</b>	<b>185.29</b>	<b>34.0</b>
<b>Khandwa</b>									
1 Baldi	0.8	24.0	24.8	32.02	4.50	9.08	13.58	18.44	57.5
2 Chhegaon M	3.0	46.6	49.6	65.79	12.73	17.29	30.02	35.77	54.4
3 Harsud	1.5	36.8	38.3	49.70	4.51	9.39	13.90	35.80	72.0

## ANNEXURE 31 (contd.)

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
4 Khaknar	1·6	52·1	53·7	69·25	14·17	30·06	44·23	25·02	36·1
5 Khalwa	1·2	44·3	45·5	58·44	11·96	17·49	29·45	28·99	49·6
6 Khandwa	2·6	47·4	50·0	65·81	19·67	19·96	39·63	26·18	39·8
7 Pandwana	2·4	78·3	80·7	103·80	20·64	28·62	49·26	54·54	62·5
8 Punasa	3·1	46·4	49·5	65·63	23·72	35·39	59·11	6·52	9·9
9 Shahpur	9·8	53·1	62·9	90·81	26·93	69·33	96·26	—	—
<b>Total</b>	<b>26·0</b>	<b>429·0</b>	<b>455·0</b>	<b>601·25</b>	<b>138·83</b>	<b>236·61</b>	<b>375·44</b>	<b>231·26</b>	<b>38·5</b>
<b>Khargone</b>									
1 Barwani	3·5	19·6	23·1	33·23	7·98	4·96	12·94	20·29	61·1
2 Barwah	9·1	63·0	72·1	101·40	19·37	53·77	73·14	28·26	27·9
3 Bhagwanpur	1·8	36·7	38·5	50·49	5·26	14·98	20·24	30·25	59·9
4 Bhikangaon	2·2	57·0	59·2	76·79	10·09	12·93	23·02	53·77	70·0
5 Gogaon	2·1	28·7	30·8	41·25	6·47	11·35	17·82	23·43	56·8
6 Kasarawad	4·7	55·2	59·9	80·66	6·37	24·57	30·94	49·72	61·6
7 Khargone	2·4	22·0	24·0	33·45	19·58	23·28	42·86	—	—
8 Maheshwar	6·7	37·3	44·0	63·27	18·44	45·15	63·59	—	—
9 Niwali	1·3	21·4	22·7	30·07	3·36	7·99	11·35	18·72	62·3
10 Pansemal	1·6	21·6	23·2	30·92	10·57	15·77	26·34	4·58	14·8
11 Pati	—	22·7	22·7	28·42	4·64	2·46	7·10	21·32	75·0
12 Rajpur	3·9	80·1	84·0	109·90	27·92	15·22	43·14	66·76	60·7
13 Thikari	3·9	39·6	43·5	59·26	9·69	15·78	25·47	33·79	57·0
14 Segaoon	1·5	36·8	38·3	49·81	10·95	7·13	18·08	31·73	63·7
15 Sendhwa	2·2	38·3	40·5	53·41	15·28	24·42	39·70	13·71	25·7
16 Zirniya	1·1	37·1	38·2	49·16	5·90	4·82	10·72	38·44	78·2
<b>Total</b>	<b>48·0</b>	<b>617·1</b>	<b>665·1</b>	<b>891·49</b>	<b>181·87</b>	<b>284·58</b>	<b>466·45</b>	<b>434·77</b>	<b>48·8</b>
<b>Raisen</b>									
1 Bareli	2·2	58·1	60·3	78·15	13·35	29·93	43·38	34·87	60·8
2 Begumganj	1·4	51·6	53·0	68·17	14·43	7·66	22·09	46·08	67·6
3 Gairatganj	1·9	56·9	58·8	76·05	8·62	14·59	23·21	52·84	69·5
4 Obedullaganj	3·8	58·4	62·2	82·49	8·82	32·20	41·02	41·47	71·5
5 Sanchi	1·3	59·0	60·3	77·02	10·33	20·52	30·85	46·17	59·9

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
6 Silwani	1·6	42·8	44·4	57·35	6·98	6·00	12·98	44·37	77·4
7 Udaipura	1·8	53·3	55·1	70·95	3·99	15·20	19·19	51·76	73·0
<b>Total</b>	<b>14·0</b>	<b>380·1</b>	<b>394·1</b>	<b>510·18</b>	<b>66·52</b>	<b>126·10</b>	<b>192·62</b>	<b>317·56</b>	<b>62·2</b>
<b>CHHATISGARH ZONE</b>									
<b>Balaghat</b>									
1 Baihar	0·9	28·5	29·4	37·88	3·29	3·13	6·42	31·46	83·1
2 Balaghat	4·5	43·4	47·9	65·45	14·26	8·40	22·66	42·79	65·4
3 Birsa	5·4	29·2	34·6	49·98	4·23	2·22	6·45	43·53	87·1
4 Katangi	16·8	20·2	37·0	65·31	12·41	16·04	28·45	36·86	56·4
5 Kirnapur	8·8	36·8	45·6	68·08	12·14	14·28	26·42	41·66	61·2
6 Khairlanji	17·0	20·6	37·6	68·29	25·01	13·35	38·36	29·93	43·8
7 Lalbarra	19·9	18·5	38·4	74·98	16·51	19·18	35·69	39·29	52·4
8 Lanji	8·4	27·2	35·6	54·97	17·48	18·56	36·04	18·93	34·4
9 Paraswada	2·3	28·7	31·0	41·63	5·55	0·68	6·23	35·40	85·0
10 Waraseoni	19·5	20·4	39·9	74·10	20·28	19·95	40·23	33·87	45·7
<b>Total</b>	<b>103·5</b>	<b>273·5</b>	<b>377·0</b>	<b>600·67</b>	<b>131·16</b>	<b>115·79</b>	<b>246·95</b>	<b>353·72</b>	<b>58·9</b>
<b>Bilaspur</b>									
1 Akaltara	2·7	23·9	26·6	36·69	7·50	6·15	13·65	23·04	62·8
2 Baloda	6·1	27·6	33·7	49·81	8·65	7·87	16·52	33·29	66·8
3 Belha	3·0	61·7	64·7	84·53	16·96	15·95	32·91	51·62	61·1
4 Champa	2·4	27·5	29·9	40·33	10·58	10·20	20·78	19·55	48·5
5 Dabhara	3·0	30·0	33·0	44·87	6·70	16·48	23·18	21·69	48·3
6 Jaijaipur	5·1	38·8	43·9	61·23	8·95	7·13	16·08	45·15	73·7
7 Janjgir	6·9	53·9	60·8	84·69	10·44	14·01	24·45	60·24	71·1
8 Kargi Road	5·8	72·0	77·8	104·48	12·48	17·43	29·91	74·57	71·4
9 Kartala	—	10·8	10·8	13·48	2·73	4·21	6·94	6·54	48·5
10 Katghora	—	61·1	61·1	76·42	2·66	3·61	6·27	70·15	91·8
11 Korba	—	31·0	31·0	38·69	5·16	4·95	10·11	28·58	73·9
12 Lormi	27·3	25·5	52·8	100·16	13·82	12·04	25·86	74·30	74·2
13 Malkharoda	—	27·3	27·3	34·07	3·15	6·82	9·97	24·10	70·7
14 Marahi	—	28·8	28·8	36·00	3·52	3·08	6·60	29·40	81·7

**ANNEXURE 31 (contd.)**

	(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
15	Masturi	23.2	65.0	88.2	139.36	32.53	22.82	55.35	84.01	60.2
16	Mungeli	7.7	42.2	49.9	71.92	12.25	21.15	33.40	38.52	53.6
17	Pali	—	27.4	27.4	34.27	5.20	5.16	10.36	23.91	69.8
18	Pamgarh	5.4	36.9	42.3	59.70	10.93	10.34	21.27	38.43	64.4
19	Padariya	—	50.4	50.4	62.95	9.89	17.12	27.01	35.94	57.1
20	Pathariya	—	39.6	39.6	49.47	13.98	10.68	24.66	24.81	50.2
21	Pendra Road	—	39.7	39.7	49.67	3.61	5.25	8.86	40.81	82.2
22	Pondi Uprora	—	14.2	14.2	17.71	1.24	0.63	1.87	15.84	89.4
23	Sakti	0.6	68.8	69.4	87.61	17.35	9.68	27.03	60.58	69.1
24	Takhatpur	12.4	38.1	50.5	78.67	21.42	20.26	41.68	36.99	47.0
	<b>Total</b>	<b>111.6</b>	<b>942.2</b>	<b>1053.8</b>	<b>1456.78</b>	<b>241.70</b>	<b>253.02</b>	<b>494.72</b>	<b>962.06</b>	<b>66.0</b>
370	<b>Durg</b>									
	1 Balod	11.0	18.5	29.5	50.67	4.94	3.94	8.88	41.79	82.5
	2 Bemetara	0.8	91.4	92.2	116.38	6.58	8.93	15.51	100.87	86.7
	3 Berla	13.3	70.3	83.6	120.99	3.76	9.79	13.55	107.44	88.8
	4 Dhamdha	14.9	81.2	96.1	138.71	3.66	7.92	11.58	127.13	91.7
	5 Dondi	0.5	35.9	36.4	46.03	2.71	0.93	3.64	42.39	92.0
	6 Dondi Lohara	2.7	57.8	60.5	78.99	7.09	7.31	14.40	64.59	81.8
	7 Durg	29.9	21.0	50.9	101.15	11.73	15.52	27.25	73.90	73.1
	8 Gunderdehi	16.6	63.4	80.0	120.68	22.96	6.45	29.41	91.27	75.6
	9 Gurur	4.3	38.5	42.8	58.78	6.74	13.31	20.05	38.73	65.9
	10 Nawagarh	0.2	67.5	67.7	84.85	8.99	5.58	14.57	70.28	82.8
	11 Patan	28.2	50.8	79.0	134.07	25.60	20.66	46.26	87.81	65.5
	12 Saja	2.5	76.0	78.5	101.27	7.66	6.96	14.62	86.65	85.6
	<b>Total</b>	<b>124.9</b>	<b>672.3</b>	<b>797.2</b>	<b>1152.57</b>	<b>112.42</b>	<b>107.30</b>	<b>219.72</b>	<b>932.85</b>	<b>80.9</b>
	<b>Raigarh</b>									
	1 Bagicha	0.1	52.3	52.4	52.64	4.91	2.21	7.12	45.52	86.4
	2 Baramkela	1.0	29.5	30.5	31.91	3.09	4.56	7.65	24.26	70.0
	3 Dharamjaigarh	0.6	42.5	43.1	44.09	5.62	2.27	7.89	36.20	82.1
	4 Duldula	—	37.7	37.7	37.78	2.14	0.17	2.31	35.47	93.8
5 Ghargoda	1.2	23.1	24.3	26.19	4.34	1.49	5.83	20.36	77.7	

	(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
6	Jashpur	0·5	20·9	21·4	22·17	1·93	0·29	2·22	19·95	89·9
7	Kansabel	0·2	19·7	19·9	20·19	1·41	1·10	2·51	17·68	87·5
8	Kharsia	1·0	18·7	19·7	21·25	6·78	3·88	10·66	10·59	49·8
9	Kunkari	0·8	23·6	24·4	25·54	0·77	1·34	2·11	23·43	91·7
10	Lailunga	0·1	14·8	14·9	15·10	4·97	2·53	7·50	7·60	50·3
11	Manora	0·1	20·8	20·9	21·12	1·23	0·05	1·28	19·84	93·9
12	Pathalgaon	1·1	41·9	43·0	44·59	4·34	3·24	7·58	37·01	83·0
13	Pussore	0·7	38·9	39·6	40·60	5·34	6·06	11·40	29·20	71·9
14	Raigarh	1·9	62·8	64·7	67·45	4·04	7·01	11·05	56·40	83·6
15	Thamnar	0·2	29·1	29·3	29·57	4·83	1·20	6·03	23·54	79·6
16	Tapkara	0·2	24·6	24·8	24·93	1·89	0·16	2·05	22·88	91·7
17	Sarangarh	3·9	32·8	36·7	42·64	8·01	3·65	11·66	30·98	72·6
	<b>Total</b>	<b>13·6</b>	<b>533·7</b>	<b>547·3</b>	<b>567·76</b>	<b>65·64</b>	<b>41·21</b>	<b>106·85</b>	<b>460·91</b>	<b>81·1</b>
<hr/>										
<b>Raipur</b>										
1	Abhanpur	19·4	43·1	62·5	102·46	25·66	16·39	42·05	60·41	58·8
2	Arang	35·0	32·7	67·7	128·24	51·41	22·20	73·61	54·63	42·5
3	Bagbhara	1·7	192·6	194·3	245·05	26·22	12·71	38·93	206·12	84·1
4	Basna	16·6	17·0	33·6	62·77	17·14	5·96	23·10	39·67	63·2
5	B. Bazar	13·4	18·8	32·2	57·08	23·66	15·25	38·91	18·17	38·1
6	Bhatapara	3·5	38·7	42·2	57·19	15·81	5·03	20·84	36·35	63·6
7	Balaigarh	—	91·8	91·8	114·71	7·40	1·33	8·73	105·98	92·4
8	Chhura	—	27·0	27·0	33·74	5·96	2·48	8·44	25·30	74·9
9	Deobhog	0·1	43·9	44·0	55·11	5·13	0·25	5·38	49·73	90·2
10	Dhamtari	17·7	46·0	63·7	101·75	15·25	25·16	40·41	61·34	60·2
11	Dharsiwa (Raipur)	15·6	56·0	71·6	108·92	35·60	19·49	55·09	53·83	49·4
12	Gariyaband	—	19·8	19·8	24·69	4·59	0·84	5·43	19·26	78·0
13	Fingeshwar	—	40·0	40·0	49·93	13·00	6·84	19·84	30·09	60·1
14	Kasdol	—	29·9	29·9	37·54	5·60	1·88	7·48	30·06	80·0
15	Kurud	26·3	38·5	64·8	113·80	27·73	39·19	66·92	46·88	41·1
16	Magarlod	6·3	38·0	44·3	63·18	12·64	9·10	21·74	41·44	65·5
17	Mahasamundra	5·7	43·9	49·6	69·22	28·46	11·63	40·09	29·13	42·1
18	Nagri	—	21·6	21·6	27·04	8·20	4·39	12·59	14·45	53·4

*ANNEXURE 31 (contd.)*

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
19 Pallari	24·3	27·0	51·3	94·44	33·97	11·38	45·35	49·09	52·0
20 Pithora	1·7	57·0	58·7	75·45	22·04	5·15	27·19	48·26	64·0
21 Saraipalli	—	39·2	39·2	49·00	11·20	3·28	14·48	34·52	70·4
22 Simga	1·1	31·2	32·3	41·76	16·60	9·21	25·81	15·95	38·2
23 Tilda	16·6	35·7	52·3	86·14	42·35	14·87	57·22	28·92	33·5
<b>Total</b>	<b>205·0</b>	<b>1029·4</b>	<b>1234·4</b>	<b>1799·21</b>	<b>455·62</b>	<b>244·01</b>	<b>699·63</b>	<b>1099·58</b>	<b>61·1</b>
<b>Rajnandgaon</b>									
1 Bodla	0·9	45·4	46·3	58·90	1·92	2·66	4·58	54·32	92·2
2 Chowki	0·3	77·0	77·3	96·95	2·82	2·98	5·80	91·15	94·0
3 Chhui Khadan	6·5	52·2	58·7	81·43	9·94	3·96	13·90	67·53	82·7
4 Chhuria	2·2	70·4	72·6	93·44	7·63	3·17	10·80	82·64	88·4
5 Dongergaon	2·6	13·0	15·6	22·80	5·93	5·08	11·01	11·79	51·7
6 Dongergarh	6·5	52·3	58·8	81·67	2·74	4·05	6·79	74·88	91·7
7 Kawardha	2·2	14·2	16·4	23·38	6·25	3·85	10·10	13·28	56·8
8 Khairagarh	3·1	55·3	58·4	76·80	16·12	6·27	22·39	54·41	70·8
9 Manpur	0·2	26·8	27·0	33·84	2·18	0·68	2·86	30·98	91·5
10 Mohalla	0·7	64·7	65·4	82·63	1·19	1·78	2·97	79·66	96·4
11 Rajnandgaon	2·4	57·3	59·7	77·76	6·29	6·42	12·71	65·05	83·7
12 Sahaspur (Lohara)	0·7	59·9	60·6	76·71	3·97	3·16	7·13	69·59	90·7
<b>Total</b>	<b>28·3</b>	<b>588·5</b>	<b>616·8</b>	<b>806·31</b>	<b>66·98</b>	<b>44·06</b>	<b>111·04</b>	<b>695·27</b>	<b>86·2</b>
<b>GWALIOR ZONE</b>									
<b>Bhind</b>									
1 Atter	8·4	54·7	63·1	89·25	8·32	37·92	46·24	43·01	48·2
2 Bhind	13·9	42·1	56·0	87·46	32·19	28·75	60·94	26·52	30·3
3 Gohad	17·8	50·5	68·3	107·56	29·19	45·90	75·09	32·47	30·2
4 Lahar	8·4	33·6	42·0	63·03	13·80	38·30	52·10	10·93	17·3
5 Mehgaon	13·6	68·7	82·3	119·96	25·81	63·31	89·12	30·84	25·7
6 Roan	7·4	29·4	36·8	55·21	8·74	9·53	18·27	36·94	66·9
<b>Total</b>	<b>69·5</b>	<b>279·0</b>	<b>348·5</b>	<b>522·47</b>	<b>118·05</b>	<b>223·71</b>	<b>341·76</b>	<b>180·71</b>	<b>34·6</b>

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
<b>Datia</b>									
1 Datia	6·1	58·5	64·6	88·50	9·10	8·12	17·22	71·28	80·5
2 Seondha	8·4	57·9	66·3	93·35	15·00	21·46	36·46	56·89	60·9
<b>Total</b>	<b>14·5</b>	<b>116·4</b>	<b>130·9</b>	<b>181·85</b>	<b>24·10</b>	<b>29·58</b>	<b>53·68</b>	<b>128·17</b>	<b>70·4</b>
<b>Guna</b>									
1 Aron	0·2	48·5	48·7	61·05	4·99	7·95	12·94	48·11	78·8
2 Ashoknagar	1·5	93·4	94·9	120·48	4·38	13·78	18·16	102·32	84·9
3 Bamori	4·3	43·9	48·2	65·52	10·45	16·32	26·77	38·75	59·1
4 Chachoda	5·3	70·6	75·9	101·40	18·53	16·82	35·35	66·05	65·1
5 Chanderi	1·6	72·6	74·2	94·82	5·90	5·67	11·57	83·25	88·3
6 Guna	1·0	57·3	58·3	74·13	10·42	15·73	26·15	47·98	64·7
7 Issagarh	1·4	63·9	65·3	83·32	10·20	15·17	25·37	57·95	69·5
8 Mungaoli	2·4	33·6	36·0	48·10	8·15	12·34	20·49	27·61	57·4
9 Raghogarh	2·3	61·3	63·6	82·49	3·78	13·82	17·60	64·89	78·6
<b>Total</b>	<b>20·0</b>	<b>545·1</b>	<b>565·1</b>	<b>731·31</b>	<b>76·80</b>	<b>117·60</b>	<b>194·40</b>	<b>536·91</b>	<b>73·4</b>
<b>Gwalior</b>									
1 Bhander	14·6	44·7	59·3	92·34	13·92	27·40	41·32	51·02	55·2
2 Bhitwar	15·3	23·5	38·8	67·50	26·44	29·01	55·45	12·05	17·8
3 Dabra	16·3	78·8	95·1	139·32	37·59	31·06	68·65	70·67	50·7
4 Ghatigaon	2·7	23·4	26·1	36·00	12·95	10·54	23·49	12·51	34·7
5 Morar	25·2	13·8	39·0	80·24	15·27	26·46	41·73	38·51	47·9
<b>Total</b>	<b>74·1</b>	<b>184·2</b>	<b>258·3</b>	<b>415·40</b>	<b>106·17</b>	<b>124·47</b>	<b>230·64</b>	<b>184·76</b>	<b>44·4</b>
<b>Mandsaur</b>									
1 Bhanpura	4·6	44·4	49·0	66·82	17·75	13·93	31·68	35·14	52·5
2 Garoth	9·5	80·0	89·5	123·85	29·93	20·11	50·04	73·81	59·5
3 Jawad	15·6	44·9	60·5	95·19	14·20	19·09	33·29	61·90	65·0
4 Malhargarh	6·0	70·8	76·8	103·64	49·90	22·93	72·83	30·81	29·7
5 Manasa	8·8	72·9	81·7	113·13	18·40	23·23	41·63	71·50	63·2

**ANNEXURE 31 (contd.)**

	(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
6 Mandsaur		16·6	101·7	118·3	168·53	36·62	42·31	78·93	89·60	53·1
7 Neemuch		9·2	66·0	75·2	105·48	30·94	28·71	59·65	45·83	43·4
8 Sitamau		11·7	92·9	104·6	145·29	34·39	23·65	58·04	87·25	60·0
<b>Total</b>		<b>82·0</b>	<b>573·6</b>	<b>655·6</b>	<b>921·93</b>	<b>232·13</b>	<b>193·96</b>	<b>426·09</b>	<b>495·84</b>	<b>53·7</b>
<b>Morena</b>										
1 Ambah		15·4	36·7	52·1	84·34	13·07	19·55	32·62	51·72	61·3
2 Bijaypur		3·3	20·3	23·6	33·58	10·31	6·27	16·58	17·00	50·6
3 Joura		9·6	23·2	32·8	53·11	10·38	22·70	33·08	20·03	37·7
4 Kailarash		6·2	16·8	23·0	36·40	4·90	6·82	11·72	24·68	67·8
5 Karhal		3·2	16·3	19·5	28·29	3·06	3·10	6·16	22·13	72·2
6 Morena		22·5	80·7	103·2	157·08	20·09	47·48	67·57	89·51	56·9
7 Pahargarh		2·4	10·3	12·7	18·94	5·07	5·51	10·58	8·36	44·1
8 Porsa		13·7	32·1	45·8	74·35	15·21	19·14	34·35	40·00	53·7
9 Sabalgarh		4·3	15·2	19·5	29·82	5·24	3·86	9·10	20·72	69·4
10 Sheopur		34·1	76·5	110·6	180·81	59·91	60·06	119·97	60·84	33·6
<b>Total</b>		<b>114·7</b>	<b>328·1</b>	<b>442·8</b>	<b>696·72</b>	<b>147·24</b>	<b>194·49</b>	<b>341·73</b>	<b>354·99</b>	<b>50·9</b>
<b>Rajgarh</b>										
1 Biaora		4·9	74·5	79·4	105·52	8·33	15·13	23·46	82·06	77·7
2 Narsinghgarh		4·2	100·9	105·1	136·62	16·91	23·60	40·51	96·11	70·3
3 Rajgarh		4·1	61·6	65·7	87·06	12·21	12·09	24·30	62·76	72·0
4 Sarangpur		4·0	69·3	73·3	96·73	10·49	16·80	27·29	69·44	71·7
5 Zirapur		9·8	103·6	113·4	153·88	16·59	18·15	34·74	119·14	77·4
6 Khilchipur										
<b>Total</b>		<b>27·0</b>	<b>409·9</b>	<b>436·9</b>	<b>579·81</b>	<b>64·53</b>	<b>85·77</b>	<b>150·30</b>	<b>429·51</b>	<b>74·0</b>
<b>Ratlam</b>										
1 Alote		3·3	57·0	60·3	79·38	10·73	26·27	37·00	42·38	53·3
2 Bajna		1·6	21·9	23·5	31·25	4·46	1·08	5·54	25·71	82·2
3 Jaora		6·9	66·8	73·7	100·79	9·66	18·06	27·72	73·07	72·4
4 Piploda		7·0	50·5	57·5	80·66	7·98	14·66	22·64	58·02	71·9
5 Ratlam		10·4	95·2	105·6	144·94	55·39	46·39	101·78	43·16	29·7
6 Sailana		1·6	21·9	23·5	31·45	4·26	6·38	10·64	20·81	66·1
<b>Total</b>		<b>30·8</b>	<b>313·3</b>	<b>344·1</b>	<b>468·47</b>	<b>92·48</b>	<b>112·84</b>	<b>205·32</b>	<b>263·15</b>	<b>56·1</b>



(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
<b>Shajapur</b>									
1 Agar	3.3	46.9	50.2	66.73	21.49	19.65	41.14	25.59	38.3
2 Barod	3.6	29.1	32.7	45.54	11.92	9.68	21.60	23.94	52.5
3 Kalapipal	3.7	57.2	60.9	80.70	12.48	21.40	33.88	46.82	58.0
4 M. Baroda	4.2	58.9	63.1	84.09	30.02	34.24	64.26	19.83	23.5
5 Shajapur	8.8	77.6	86.4	119.04	26.88	24.91	51.79	67.25	56.4
6 Shujalpur	1.2	51.4	52.6	67.24	11.83	14.97	26.80	40.44	60.1
7 Susner	7.9	103.2	111.1	148.86	31.73	33.33	65.06	83.80	43.0
<b>Total</b>	<b>32.7</b>	<b>424.3</b>	<b>457.0</b>	<b>612.20</b>	<b>146.35</b>	<b>158.18</b>	<b>304.53</b>	<b>307.67</b>	<b>50.2</b>
<b>Shivpuri</b>									
1 Badarwas	2.7	61.5	64.2	83.63	20.51	11.58	32.09	51.54	61.6
2 Karera	18.3	25.0	43.3	77.12	9.68	7.33	17.01	60.11	77.9
3 Khaniyadhana	12.8	34.0	46.8	74.45	11.36	6.09	17.45	57.00	76.5
4 Kolaras	2.0	43.4	45.4	59.23	13.46	4.35	17.81	41.42	69.9
5 Narwar	7.6	33.1	40.7	60.42	11.59	4.01	15.60	44.82	74.1
6 Pichhore	8.3	26.1	34.4	53.31	6.98	3.93	10.91	42.40	79.5
7 Pohari	0.9	56.4	57.3	72.60	4.85	10.10	14.95	57.65	79.4
8 Shivpuri	4.6	40.5	45.1	62.24	22.15	10.95	33.10	29.14	46.8
<b>Total</b>	<b>57.2</b>	<b>320.0</b>	<b>377.2</b>	<b>543.00</b>	<b>100.58</b>	<b>58.34</b>	<b>158.92</b>	<b>384.08</b>	<b>70.7</b>
<b>Ujjain</b>									
1 Badnagar	5.1	100.8	105.9	138.76	30.40	55.59	85.99	52.77	38.0
2 Ghattia	3.7	51.4	55.1	73.57	27.91	29.36	57.27	16.30	22.1
3 Kachroud	7.0	106.9	113.9	150.98	47.28	45.07	92.35	58.63	38.8
4 Mahidpur	4.2	87.4	91.6	119.68	38.96	32.09	71.05	48.63	40.6
5 Tarana	4.0	78.3	82.3	107.96	42.89	36.95	79.84	28.12	26.0
6 Ujjain	3.7	52.0	55.7	74.14	22.07	32.39	56.46	19.68	26.5
<b>Total</b>	<b>27.7</b>	<b>476.8</b>	<b>504.5</b>	<b>665.09</b>	<b>209.51</b>	<b>231.45</b>	<b>440.96</b>	<b>224.13</b>	<b>33.6</b>
<b>Vidisha</b>									
1 Basoda	1.4	118.1	119.5	151.11	14.73	56.66	71.39	79.72	52.8
2 Gyaraspur	0.7	60.4	61.1	77.18	8.61	50.11	58.72	18.46	23.9
3 Kurwai	0.8	66.7	67.5	85.36	16.04	31.32	47.36	38.00	44.5
4 Lateri	0.3	70.8	71.1	89.23	2.25	9.40	11.65	77.58	86.9

**ANNEXURE 31 (contd.)**

	(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
5	Nateran	0.6	53.3	53.9	68.17	5.50	26.06	31.56	36.61	53.7
6	Sironj	1.0	86.9	87.9	111.09	5.49	22.44	27.93	83.16	74.9
7	Vidisha	0.4	39.6	40.0	50.61	10.68	38.13	48.81	1.80	3.6
	<b>Total</b>	<b>5.2</b>	<b>495.8</b>	<b>501.0</b>	<b>632.75</b>	<b>63.30</b>	<b>234.12</b>	<b>297.42</b>	<b>335.33</b>	<b>53.0</b>
<hr/>										
<b>JABALPUR ZONE</b>										
<b>Chhindwara</b>										
1	Amarwara	7.1	49.6	56.7	79.64	3.87	6.87	10.74	68.90	86.5
2	Bichua	0.4	28.8	29.2	37.01	6.64	13.51	20.15	16.86	45.6
3	Chhindwara	4.0	39.5	43.5	59.45	21.59	19.19	40.78	18.67	31.4
4	Chourai	3.6	68.3	71.9	94.24	27.64	23.55	51.19	43.06	77.6
5	Harrai	0.2	36.6	36.8	46.38	3.23	4.19	7.42	38.96	84.0
6	Jamai	0.5	35.1	35.6	45.20	6.95	7.16	14.11	31.09	68.8
7	Mohkheda	3.7	54.1	57.8	76.77	12.40	15.67	28.07	48.70	63.4
8	Pandhurna	4.6	57.1	61.7	82.86	23.29	44.07	67.36	15.50	18.7
9	Parasia	2.3	38.9	41.2	54.28	5.85	10.00	15.85	38.43	70.8
10	Sausar	2.8	38.7	41.5	55.50	17.00	43.75	60.75	—	—
11	Tamia	0.2	38.4	38.6	48.46	3.79	3.52	7.31	41.15	84.8
	<b>Total</b>	<b>29.4</b>	<b>485.1</b>	<b>514.5</b>	<b>679.79</b>	<b>132.25</b>	<b>191.48</b>	<b>323.73</b>	<b>361.31</b>	<b>53.2</b>
<hr/>										
<b>Damoh</b>										
1	Batiagarh	0.6	29.7	30.3	38.53	5.29	17.09	22.38	16.15	41.9
2	Damoh	1.7	60.0	61.7	79.19	26.63	20.28	46.91	32.28	40.8
3	Hatta	0.7	42.3	43.0	54.61	12.76	17.65	30.41	24.20	44.3
4	Jabera	4.4	26.4	30.8	44.09	9.82	10.80	20.62	23.47	53.2
5	Patera	2.1	40.6	42.7	56.16	7.92	13.86	21.78	34.38	61.2
6	Patharia	0.4	54.2	54.6	68.78	11.98	24.78	36.76	32.02	46.6
7	Tendukheda	1.5	32.5	34.0	44.36	5.70	14.48	20.18	24.18	54.5
	<b>Total</b>	<b>11.4</b>	<b>285.7</b>	<b>297.1</b>	<b>385.72</b>	<b>80.10</b>	<b>118.94</b>	<b>199.04</b>	<b>186.68</b>	<b>48.4</b>
<hr/>										
<b>Jabalpur</b>										
1	Badwara	1.9	42.7	44.6	58.27	2.87	5.15	8.02	50.25	86.2
2	Bahoriband	3.5	40.6	44.1	59.32	5.90	7.66	13.56	45.76	77.2
3	Bargi	0.8	37.3	38.1	48.76	4.87	2.35	7.22	41.54	85.2
4	Dhimarkheda	0.1	23.6	23.7	29.81	2.21	5.84	8.05	21.76	73.0

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
5 Katni	2.8	25.0	27.8	38.15	3.43	5.01	8.44	29.71	77.9
6 Kundam	0.1	23.6	23.7	29.81	3.39	1.95	5.34	24.47	82.1
7 Majholi	0.6	40.0	40.6	51.45	2.97	9.27	12.24	39.21	76.2
8 Panagar	2.4	78.0	80.4	103.47	2.69	5.98	8.67	94.80	91.6
9 Patan	0.5	56.1	56.6	71.30	6.48	8.62	15.10	56.20	78.8
10 Rithi	6.4	27.3	33.7	50.27	3.93	5.85	9.78	40.49	80.5
11 Shahpur	1.0	49.4	50.4	64.15	6.05	6.59	12.64	51.51	80.3
12 Sehora	3.1	30.6	33.7	46.04	2.82	9.32	12.14	33.90	73.6
13 Vijayaraghogarh	1.1	43.6	44.7	57.28	3.71	4.75	8.46	48.82	85.2
<b>Total</b>	<b>24.3</b>	<b>517.8</b>	<b>542.1</b>	<b>708.08</b>	<b>51.32</b>	<b>78.34</b>	<b>129.66</b>	<b>578.42</b>	<b>81.7</b>
<b>Narsinghpur</b>									
1 Babai-Chicholi	5.4	30.5	35.9	51.53	5.43	32.86	38.29	13.24	25.7
2 Chawarpatha	0.8	57.3	58.1	73.46	7.47	40.92	48.39	25.07	34.1
3 Gotegaon	1.2	58.3	59.5	75.97	9.19	34.79	43.98	31.99	42.1
4 Kareli	1.8	38.8	40.6	53.12	5.63	33.41	39.04	14.08	26.5
5 Narsinghpur	0.9	55.4	56.3	71.62	8.84	14.87	23.71	47.91	66.9
6 Sainkheda	5.7	25.1	30.8	45.46	5.10	24.35	29.45	16.01	35.2
<b>Total</b>	<b>15.8</b>	<b>265.4</b>	<b>281.2</b>	<b>371.16</b>	<b>41.66</b>	<b>181.20</b>	<b>222.86</b>	<b>148.30</b>	<b>40.0</b>
<b>Sagar</b>									
1 Banda	1.2	41.6	42.8	54.92	14.57	0.82	15.39	39.53	72.0
2 Bina	0.3	46.7	47.0	59.33	10.73	9.30	20.03	39.30	66.2
3 Deori	0.8	42.3	43.1	54.85	5.54	7.68	13.22	41.63	75.9
4 Jaisinghnagar	0.6	34.5	35.1	44.53	10.72	4.44	15.16	29.37	66.0
5 Kesli	1.7	33.3	35.0	45.75	4.73	2.68	7.41	38.34	83.8
6 Khurai	0.7	67.4	68.1	86.11	9.13	6.53	15.66	70.45	81.8
7 Malthone	0.4	40.2	40.6	51.20	8.92	4.75	13.67	37.53	73.3
8 Rahatgarh	1.0	52.4	53.4	67.99	10.38	6.13	16.51	51.48	75.7
9 Rehli	1.9	42.7	44.6	58.04	10.74	15.84	26.58	31.46	54.2
10 Sagar	3.3	53.9	57.2	75.79	23.62	6.58	30.20	45.59	60.2
11 Shahgarh	5.0	54.4	59.4	80.61	10.47	19.56	30.03	50.58	62.7
<b>Total</b>	<b>16.9</b>	<b>509.4</b>	<b>526.3</b>	<b>679.12</b>	<b>119.55</b>	<b>84.31</b>	<b>203.86</b>	<b>475.26</b>	<b>70.0</b>

**ANNEXURE 31 (contd.)**

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
<b>Seoni</b>									
1 Barghat	11.0	35.0	46.0	71.35	7.56	14.32	21.88	49.47	69.3
2 Chhapara	0.6	43.2	43.8	55.53	2.95	3.08	6.03	49.50	89.1
3 Dhanora	0.1	35.3	35.4	44.33	4.83	1.41	6.24	38.09	85.9
4 Ghansore	—	45.1	45.1	56.45	3.44	8.33	11.77	44.68	79.1
5 Keolari	3.3	48.7	52.0	69.07	6.15	9.10	15.25	53.82	77.9
6 Kurai	1.5	26.5	28.0	36.99	6.06	6.17	12.23	24.76	66.9
7 Lakhanadone	0.4	62.6	63.0	79.21	6.05	9.39	15.44	63.77	80.5
8 Seoni	5.9	80.0	85.9	114.71	12.18	9.76	21.94	92.77	80.9
<b>Total</b>	<b>22.8</b>	<b>376.4</b>	<b>399.2</b>	<b>527.64</b>	<b>49.22</b>	<b>61.56</b>	<b>110.78</b>	<b>416.86</b>	<b>79.0</b>
<b>VINDHYA ZONE</b>									
<b>Chhatarpur</b>									
1 Bada Ma Lebara	13.3	27.8	41.1	67.90	8.31	35.60	43.91	23.99	35.3
2 Baxwaha	1.1	27.4	28.5	36.86	1.58	10.32	11.90	24.96	67.7
3 Bijawar	7.5	20.6	28.1	44.53	8.03	6.50	14.53	30.00	67.4
4 Chhatarpur	14.2	36.1	50.3	80.61	8.14	14.02	22.16	58.45	72.5
5 Gaurihar	0.5	60.6	61.1	77.04	3.81	11.62	15.43	61.61	80.0
6 Laundi	2.1	45.6	47.7	62.28	4.46	11.76	16.22	46.06	74.0
7 Nowgang	10.1	43.2	53.3	79.39	6.76	12.89	19.65	59.74	75.2
8 Raj Nagar	14.9	34.2	49.1	80.06	8.11	11.01	19.12	60.94	76.1
<b>Total</b>	<b>63.7</b>	<b>295.5</b>	<b>359.2</b>	<b>528.67</b>	<b>49.20</b>	<b>113.72</b>	<b>162.92</b>	<b>365.75</b>	<b>69.2</b>
<b>Panna</b>									
1 Ajaigarh	0.6	36.5	37.1	47.05	2.02	1.90	3.92	43.13	91.7
2 Gunnore	2.4	45.9	48.3	63.46	7.74	12.32	20.06	43.40	68.4
3 Panna	4.3	42.6	46.9	63.96	7.53	5.51	13.04	50.92	79.6
4 Pawai	1.8	51.3	53.1	68.78	4.11	9.40	13.51	55.27	80.4
5 Shah Nagar	1.0	41.2	42.2	53.84	2.13	13.08	15.21	38.63	71.7
<b>Total</b>	<b>10.1</b>	<b>217.5</b>	<b>227.6</b>	<b>297.09</b>	<b>23.53</b>	<b>42.21</b>	<b>65.74</b>	<b>231.35</b>	<b>77.9</b>
<b>Rewa</b>									
1 Gangeo	0.7	40.2	40.9	41.89	5.12	3.49	8.61	33.28	79.4
2 Hanumana	9.9	83.9	93.8	108.54	4.38	10.16	14.54	94.00	86.6
3 Jawa	0.6	45.5	46.1	46.95	3.95	1.71	5.66	41.29	87.9
4 Mauganj	0.6	56.2	56.8	57.82	6.03	6.48	12.51	45.31	78.4

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
5 Naigarhi	0·2	34·8	35·0	35·30	3·51	4·79	8·30	27·00	76·5
6 Raipur	0·2	35·4	35·6	36·04	4·20	5·54	9·74	26·30	73·0
7 Rewa	0·2	38·6	38·8	39·11	5·16	3·06	8·22	30·89	79·0
8 Sirmour	1·2	48·4	49·6	51·34	10·64	4·48	15·12	36·22	70·5
9 Teonthar	1·0	48·9	49·9	51·35	4·96	5·76	10·72	40·63	79·1
<b>Total</b>	<b>14·6</b>	<b>431·9</b>	<b>446·5</b>	<b>468·34</b>	<b>47·95</b>	<b>45·47</b>	<b>93·42</b>	<b>374·92</b>	<b>80·0</b>
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<b>Satna</b>									
1 Amarpatan	1·6	50·1	51·7	54·22	2·20	5·26	7·46	46·76	86·2
2 Maihar	1·5	45·3	46·8	49·07	4·28	7·10	11·38	37·69	76·8
3 Majhgaon	1·3	50·2	51·5	53·60	2·28	14·57	16·85	36·75	68·5
4 Nagod	2·7	60·1	62·8	66·90	20·69	17·69	38·38	28·52	42·6
5 Ramnagar	1·1	42·8	43·9	45·37	3·00	12·53	15·53	29·84	65·7
6 Rampur	1·7	45·7	47·4	49·83	11·77	12·17	23·94	25·89	51·9
7 Satna	2·0	45·0	47·0	49·92	11·36	15·62	26·98	22·94	45·9
8 Uchhera	2·3	47·1	49·4	52·95	1·03	9·21	10·24	42·71	80·7
<b>Total</b>	<b>14·2</b>	<b>386·3</b>	<b>400·5</b>	<b>421·86</b>	<b>56·61</b>	<b>94·15</b>	<b>150·76</b>	<b>271·10</b>	<b>64·2</b>
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<b>Sidhi</b>									
1 Chitarangi	0·1	57·0	57·1	57·26	2·47	1·55	4·02	53·24	94·0
2 Deosar	0·3	156·0	156·3	156·72	3·36	0·97	4·33	152·39	97·2
3 Kusmi	—	8·4	8·4	8·47	1·32	0·14	1·46	7·01	82·7
4 Majhauri	0·9	15·7	16·6	17·83	3·27	0·56	3·83	14·00	78·5
5 Rampur	0·6	40·1	40·7	41·51	5·89	3·30	9·19	32·32	80·3
6 Sidhi	1·0	45·3	46·3	47·89	5·76	1·71	7·47	40·42	84·4
7 Sihawal	—	35·7	35·7	35·84	4·53	1·10	5·63	30·21	84·3
8 Waidhan	0·7	60·2	60·9	61·85	2·97	1·73	4·70	57·15	92·4
<b>Total</b>	<b>3·6</b>	<b>418·4</b>	<b>422·0</b>	<b>427·37</b>	<b>29·57</b>	<b>11·06</b>	<b>40·63</b>	<b>386·74</b>	<b>90·4</b>
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<b>Tikamgarh</b>									
1 Baldeogarh	11·6	27·7	39·3	63·56	9·40	15·87	25·27	38·29	60·3
2 Jatara	12·6	31·6	44·2	70·96	16·33	17·46	33·79	37·17	52·4
3 Niwari	10·0	26·6	36·6	58·35	8·19	12·79	20·98	37·37	64·1
4 Palera	9·0	25·6	34·6	54·59	4·24	4·17	8·41	46·18	84·6

**ANNEXURE 31 (contd.)**

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
5 Prithvipur	11.2	29.9	41.1	65.40	10.64	14.78	25.42	39.98	61.1
6 Tikamgarh	16.5	46.5	63.0	99.27	10.88	24.48	35.36	63.91	64.3
<b>Total</b>	<b>70.9</b>	<b>187.9</b>	<b>258.8</b>	<b>412.13</b>	<b>59.68</b>	<b>89.55</b>	<b>149.23</b>	<b>262.90</b>	<b>63.8</b>

**TRIBAL ZONE**

**Bastar**

1 Antagarh	---	21.1	21.1	15.89	0.66	0.01	0.67	15.22	95.8
2 Bade Rajpur	---	22.4	22.4	16.82	1.28	---	1.28	15.54	92.4
3 Bakaband	0.1	30.4	30.5	22.96	3.23	0.16	3.39	19.57	85.2
4 Bastanar	---	30.2	30.2	22.66	0.94	0.01	0.95	21.71	95.8
5 Bastar	0.1	33.1	33.2	24.96	2.21	0.19	2.40	22.56	90.4
6 Bhairamgarh	---	18.5	18.5	13.85	0.46	0.04	0.50	13.35	96.4
7 Bhanupratappur	0.1	25.1	25.2	18.91	1.61	0.04	1.65	17.26	91.2
8 Bhopalpatnam	0.5	13.6	14.1	11.55	1.68	0.02	1.70	9.85	85.3
9 Bijapur	0.1	20.3	20.4	15.33	0.85	0.06	0.91	14.42	94.1
10 Charama	0.1	34.2	34.3	25.96	4.19	0.06	4.25	21.71	83.6
11 Chhindgarh	---	30.6	30.6	22.96	2.19	---	2.19	20.77	90.5
12 Dantewada	---	34.3	34.3	25.74	2.06	0.02	2.08	23.66	91.9
13 Darbha	---	8.1	8.1	6.04	1.39	---	1.39	4.65	77.0
14 Durga Kondal	---	29.6	29.6	22.27	0.76	0.02	0.78	21.49	96.5
15 Geedam	---	30.4	30.4	22.86	1.37	---	1.37	21.49	94.0
16 Jagdalpur	---	22.2	22.2	16.73	3.32	0.03	3.25	13.38	80.0
17 Kanker	0.1	32.1	32.2	24.34	3.44	0.01	3.45	20.89	85.8
18 Kate Kalyan	---	23.3	23.3	17.49	0.13	---	0.13	17.36	99.3
19 Keskal	---	17.9	17.9	13.48	1.45	0.02	1.47	12.01	89.1
20 Koilebeda	---	20.4	20.4	15.34	0.47	---	0.47	14.87	96.9
21 Kondagaon	0.1	35.3	35.4	26.56	1.82	0.02	1.84	24.72	93.1
22 Konta	0.1	23.3	23.4	17.67	1.33	0.06	1.39	16.28	92.1
23 Kuwa Kunda	---	32.5	32.5	24.43	1.37	---	1.37	23.06	94.4
24 Lohandiguda	---	24.8	24.8	18.65	2.22	0.02	2.24	16.41	88.0
25 Makadi	---	2.2	2.2	1.67	1.10	---	1.10	0.57	34.1
26 Narayanpur	---	30.8	30.8	23.13	1.15	0.01	1.16	21.97	95.0
27 Orchha	---	6.2	6.2	4.62	---	---	---	4.62	100.0
28 Pharasgaon	---	13.2	13.2	9.92	0.91	---	0.91	9.01	90.8
29 Sarona	0.1	35.3	35.4	26.73	2.72	---	2.72	24.01	89.8
30 Sukma	---	28.9	28.9	21.71	1.55	---	1.55	20.16	92.9

	(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
31 Tokapal	—	21·4	21·4	16·13	3·38	—	3·38	12·75	79·0	
32 Usoor	0·2	22·6	22·8	17·52	1·32	0·07	1·39	16·13	92·1	
<b>Total</b>	<b>1·6</b>	<b>774·3</b>	<b>775·9</b>	<b>584·88</b>	<b>52·56</b>	<b>0·87</b>	<b>53·43</b>	<b>531·45</b>	<b>90·9</b>	
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<b>Dhar</b>										
1 Badnavar	5·1	90·3	95·4	125·79	29·51	41·29	70·80	54·99	43·7	
2 Bagh	1·5	22·0	23·5	31·20	3·40	3·13	6·53	24·67	79·1	
3 Dahi	1·8	23·1	24·9	33·40	3·22	1·31	4·53	28·87	86·4	
4 Dhar	1·4	44·8	46·2	59·54	11·91	7·30	19·21	40·33	67·7	
5 Dharamपुरi	5·7	39·3	45·0	63·29	17·16	35·33	52·49	10·80	17·1	
6 Gandhwani	1·7	28·9	30·6	40·24	1·99	2·78	4·77	35·47	88·1	
7 Kusmi	1·8	24·4	26·2	34·82	5·95	6·84	12·79	22·03	63·2	
8 Manawar	4·1	31·5	35·6	49·76	17·34	20·16	37·50	12·26	24·6	
9 Nalchha	1·1	37·4	38·5	49·42	4·36	6·55	10·91	38·51	77·9	
10 Nisarpur	2·4	25·6	28·0	37·99	8·44	4·93	13·37	24·62	64·8	
11 Sardarpur	5·0	91·9	96·9	127·41	17·76	15·45	33·21	94·20	73·9	
12 Tilda	1·2	38·6	39·8	51·18	9·08	15·09	24·17	27·01	52·7	
13 Umarban	3·8	32·6	36·4	50·45	5·06	13·43	18·49	31·96	63·3	
<b>Total</b>	<b>36·6</b>	<b>530·4</b>	<b>567·0</b>	<b>754·49</b>	<b>135·18</b>	<b>173·59</b>	<b>308·77</b>	<b>445·72</b>	<b>59·0</b>	
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<b>Jhabua</b>										
1 Alirajpur	0·4	40·2	40·6	41·28	1·03	2·26	3·29	37·99	92·0	
2 Bhabra	0·1	39·6	39·7	40·02	3·18	6·11	9·29	30·73	76·7	
3 Jhabua	0·7	29·2	29·9	30·85	4·03	7·02	11·05	19·80	64·1	
4 Jobat	0·8	13·6	14·4	15·61	2·68	3·53	6·21	9·40	60·2	
5 Kattiwara	0·3	21·7	22·0	22·45	0·44	0·51	0·95	21·50	95·7	
6 Meghnagar	0·8	12·2	13·0	14·07	2·79	6·94	9·73	4·34	30·8	
7 Rama	0·6	25·2	25·8	26·65	1·78	4·94	6·72	19·93	74·7	
8 Ranapur	0·6	30·3	30·9	31·99	2·15	5·12	7·27	24·72	77·2	
9 Petlawad	5·3	50·8	56·1	64·01	8·65	11·32	19·97	44·04	68·8	
10 Sondwa	0·5	35·6	36·1	36·81	1·13	2·85	3·98	32·83	89·1	
11 Tandla	1·1	40·2	41·3	43·02	2·78	3·13	5·91	37·11	86·2	
12 Udaigarh	0·6	20·1	20·7	21·44	1·91	1·81	3·72	17·72	82·6	
<b>Total</b>	<b>11·8</b>	<b>358·7</b>	<b>370·5</b>	<b>388·20</b>	<b>32·55</b>	<b>55·54</b>	<b>88·09</b>	<b>300·11</b>	<b>77·3</b>	

**ANNEXURE 31 (contd.)**

	(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
<b>Mandla</b>										
1	Amarpur	—	13·2	13·2	9·98	1·17	1·50	2·67	7·31	73·2
2	Bajag	0·1	33·0	33·1	25·14	1·70	1·80	3·50	21·64	86·1
3	Bichhiya	0·4	33·7	34·1	26·20	3·04	4·34	7·38	18·82	71·8
4	Bijadandi	—	25·1	25·1	18·85	1·59	0·23	1·82	17·03	90·3
5	Dindori	0·1	58·4	58·5	43·96	2·87	3·12	5·99	37·97	86·3
6	Ghugari	0·1	20·0	20·1	15·15	1·91	0·69	2·60	12·55	82·8
8	Karanjiya	—	14·8	14·8	11·16	1·31	2·25	3·56	7·60	68·1
8	Mandla	1·6	44·8	46·4	37·69	0·92	2·64	3·56	34·13	90·1
9	Mavai	0·1	27·3	27·4	20·74	3·51	1·46	4·97	15·77	76·0
10	Mehadwani	—	26·2	26·2	19·69	1·03	0·52	1·55	18·14	92·1
11	Mohgaon	—	23·0	23·0	17·29	2·36	3·40	5·76	11·53	66·7
12	Nainpur	0·6	39·0	39·6	30·68	1·62	6·21	7·83	22·85	74·5
13	Narayanganj	0·1	26·6	26·7	20·07	1·36	0·83	2·19	17·88	89·2
14	Niwas	—	28·8	28·8	21·62	2·53	5·74	8·27	13·35	61·7
15	Samnapur	—	38·8	38·8	29·19	1·94	2·18	4·12	25·07	85·9
16	Shahpur	0·1	61·0	61·1	45·90	2·04	7·38	9·42	36·48	79·5
	<b>Total</b>	<b>3·2</b>	<b>513·7</b>	<b>516·9</b>	<b>393·31</b>	<b>30·90</b>	<b>44·29</b>	<b>75·19</b>	<b>318·12</b>	<b>80·8</b>
<b>Shahdol</b>										
1	Anuppur	0·5	103·4	103·9	104·76	2·25	0·76	3·01	101·75	97·1
2	Beohari	2·8	38·7	41·5	45·63	1·88	0·45	2·33	43·30	94·5
3	Burhar	—	38·9	38·9	38·93	2·41	0·78	3·19	35·74	91·8
4	Jaisingnagar	0·2	41·1	41·3	41·62	1·49	1·14	2·63	38·99	93·7
5	Jaitbar	0·1	41·6	41·7	41·85	2·24	0·22	2·46	39·39	94·1
6	Karkeli	0·1	54·0	54·1	54·14	1·73	0·29	2·02	52·12	96·3
7	Kotma	—	40·0	40·0	40·04	1·80	0·12	1·91	38·12	95·2
8	Manpur	0·4	33·6	34·0	34·62	3·13	1·50	4·63	29·99	86·6
9	Pali No. 1	0·1	22·0	22·1	22·09	1·44	—	1·44	20·65	61·4
10	Pali No. 2	—	14·9	14·9	14·94	1·09	0·04	1·13	13·81	92·4
11	Pushprajgadh	—	72·7	72·7	72·79	1·57	2·47	4·04	68·75	94·5
12	Sohagpur	0·3	32·7	33·0	33·61	2·03	0·13	2·16	31·45	93·6
	<b>Total</b>	<b>4·5</b>	<b>533·6</b>	<b>538·1</b>	<b>545·02</b>	<b>23·06</b>	<b>7·90</b>	<b>30·96</b>	<b>514·06</b>	<b>94·3</b>



	(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
<b>Surguja</b>										
1 Ambikapur	0·3	48·3	48·6	49·12	4·21	0·25	4·46	44·66	90·9	
2 Baikunthpur	1·0	33·2	34·2	35·74	4·19	0·35	4·54	31·20	87·2	
3 Balrampur	0·7	24·4	25·1	26·11	1·18	—	1·18	24·93	95·4	
4 Batoli	0·1	11·6	11·7	11·95	4·33	—	4·33	7·62	63·7	
5 Bhaiyathan	0·6	57·5	58·1	58·87	2·16	0·02	2·18	56·69	96·2	
6 Janekpur	0·4	19·7	20·1	20·71	0·85	0·14	0·99	19·72	95·2	
7 Khadgawan	0·3	12·9	13·2	13·71	0·98	—	0·98	12·73	92·8	
8 Kusmi	0·7	28·4	29·1	30·01	0·57	0·01	0·58	29·43	98·0	
9 Lakhanpur	0·2	26·6	26·8	27·01	0·59	—	0·59	26·42	97·8	
10 Lundra	0·2	27·5	27·7	28·11	5·76	—	5·76	22·35	79·5	
11 Mainpat	0·1	10·6	10·7	10·81	1·18	0·78	1·96	8·85	81·8	
12 M. Garh	0·8	31·9	32·7	33·90	1·24	0·32	1·56	32·34	95·3	
13 Odgi	0·5	24·7	25·2	26·02	0·39	—	0·39	25·63	98·5	
14 Pratappur	0·7	27·2	27·9	28·97	2·20	0·26	2·46	26·51	91·5	
15 Premnagar	0·4	15·8	16·2	16·73	0·36	0·11	0·47	16·26	97·1	
16 Rajpur	0·2	37·6	37·8	38·11	1·88	0·96	2·84	35·27	92·5	
17 Ramanuj Nagar	0·3	12·3	12·6	13·01	1·03	1·27	2·30	10·71	82·3	
18 Ramchandrapur	0·6	22·3	22·9	23·85	0·51	0·41	0·92	22·93	96·1	
19 Shankergarh	0·6	26·4	27·0	27·88	1·80	0·09	1·89	25·99	93·2	
20 Sitapur	0·1	10·6	10·7	10·81	2·00	0·81	2·81	8·00	74·0	
21 Sonhat	0·6	20·4	21·0	22·03	0·55	0·11	0·66	21·37	97·0	
22 Surajpur	0·8	26·3	27·1	28·41	2·71	0·22	2·93	25·48	89·6	
23 Udiapur	0·2	32·6	32·8	33·04	0·55	—	0·55	32·49	98·3	
24 Wadrafnagar	0·7	24·6	25·3	26·35	0·90	0·02	0·92	25·43	96·5	
<b>Total</b>	<b>11·1</b>	<b>613·4</b>	<b>624·5</b>	<b>641·26</b>	<b>42·12</b>	<b>6·13</b>	<b>48·25</b>	<b>593·01</b>	<b>92·4</b>	

**ANNEXURE 32**

**BLOCKS WHERE COMMERCIAL BANKS MAY UNDERTAKE FINANCING OF PACS**

Rupees Lakhs							
District	Credit gap above Rs 100 lakhs		Credit gap between Rs 60 lakhs & Rs 100 lakhs		Credit gap between Rs 40 lakhs and Rs 60 lakhs		No. of branches of commercial banks required
	Block	Amount	Block	Amount	Block	Amount	
(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5)
<b>Bhopal-Indore Zone</b>							
Betul	—	—	—	—	1 Amla	41·37	
					2 Betul	46·61	
					3 Chicholi	42·68	
					4 Multai	59·90	4
Bhopal	—	—	1 Nasrullaganj	62·48	5 Icchawar	49·40	3
Dewas	—	—	2 Bagli	82·58	6 Sonkatch	42·79	
			3 Dewas	76·23	7 Tonk Khurd	47·10	
			4 Kannod	64·27			
			5 Khategaon	61·30			10
Hoshangabad	—	—	6 Seoni-Malwa	72·72	8 Harda	59·58	
					9 Kosla	40·96	
					10 Khirkiya	57·79	
					11 Sohagpur	44·56	
					12 Timarni	46·03	7
Khargone	—	—	—	—	13 Bhikangaon	53·77	1
Raisen	—	—	—	—	14 Begumganj	46·08	
					15 Gairatganj	52·84	
					16 Obedullaganj	41·47	
					17 Silwani	44·37	
					18 Udaipura	51·76	5

(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5)
<b>Chhatisgarh Zone</b>							
<b>Balaghat</b>	—	—	—	—	19 Balaghat 20 Birsā	42·79 43·53	2
<b>Bilaspur</b>	—	—	7 Janjgir 8 Kargi Road 9 Katghora 10 Lormi 11 Sakti	60·24 74·57 70·15 74·30 60·58	21 Jaijaipur 22 Pendra road	45·15 40·81	
<b>Durg</b>	1 Bemetara 2 Berla 3 Dhamdha	100·87 107·44 127·13	12 Dondi Lohara 13 Durg 14 Gunderdehi 15 Nawagarh 16 Patan 17 Saja	64·59 73·90 91·27 70·28 87·81 86·65	23 Balod 24 Dondi	41·79 42·39	12
<b>Raigarh</b>	—	—	—	—	25 Bagicha 26 Raigarh	45·52 56·40	23
<b>Raipur</b>	4 Bagbhara 5 Balaigarh	206·12 105·98	—	—	27 Deobhog 28 Magarlod 29 Pithora	49·73 41·44 48·26	2
<b>Rajnandgaon</b>	—	—	18 Chowki 19 Chhui Khadan 20 Chhuria 21 Dongergarh 22 Mohalla 23 Rajnandgaon 24 Sahaspur (Lohara)	91·15 67·53 82·64 74·88 79·66 65·05 69·58	30 Bodla 31 Khairagarh	54·32 54·41	9
<b>Gwalior Zone</b>							
<b>Datia</b>	—	—	25 Datia	71·28	—	—	16
							2

## ANNEXURE 32 (contd.)

(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5)
Guna	6 Ashoknagar	102·32	26 Chachoda 27 Chanderi 28 Raghogarh	66·05 33·25 64·89	32 Aron 33 Issagarh	48·11 57·95	11
Mandsaur	—	—	29 Jawad	61·90	—	—	2
Rajgarh	7 Zirapur 8 Khilchipur }	119·14	30 Biaora 31 Narsinghgarh 32 Rajgarh 33 Sarangpur	82·06 96·11 62·76 69·44	—	—	11
Ratlam	—	—	34 Jaora	73·07	34 Piploda	58·02	3
Shivpuri	—	—	35 Karera	60·11	35 Khaniyadhana 36 Kolaras 37 Narwar 38 Pichhore 39 Pohari	57·00 41·42 44·82 42·40 57·65	7
Vidisha	—	—	36 Lateri 37 Sironj	77·58 83·16	—	—	4
Jabalpur Zone Chhindwara	—	—	38 Amarwara	68·90	40 Chourai 41 Tamia	43·06 41·15	4
Jabalpur	—	—	39 Panagar	94·80	42 Badwara 43 Bahoriband 44 Bargi 45 Patan 46 Rithi 47 Shahpur 48 Vijayaragho- garh	50·25 45·76 41·54 56·20 40·49 51·51 48·82	9
Narsinghpur	—	—	—	—	49 Narsinghpur	47·91	1
Sagar	—	—	40 Khurai	70·45	50 Deori 51 Rahatgarh	41·63 51·48	4

[illegible]

### ANNEXURE 33

AVAILABILITY OF BRANCHES OF COMMERCIAL BANKS IN THE BLOCKS IDENTIFIED FOR  
INTRODUCTION OF THE SCHEME FOR FINANCING AGRICULTURISTS THROUGH  
PRIMARY SOCIETIES

District	Block	Credit gap (Rs lakhs)	Number of commercial bank branches		
			Requi- red	Exist- ing	Short- fall
(1)	(2)	(3)	(4a)	(4b)	(4c)
<b>Bhopal-Indore Zone</b>					
Betul	1 Amla	41.37	1	2	—
	2 Betul	46.61	1	4	—
	3 Chicholi	42.68	1	—	1
	4 Multai	59.90	1	—	1
Bhopal	5 Ichhawar	49.40	1	—	1
	6 Nasrullaganj	62.48	2	—	2
Dewas	7 Bagli	82.58	2	3	—
	8 Dewas	76.23	2	8	—
	9 Kannod	64.27	2	2	—
	10 Khategaon	61.30	2	2	—
	11 Sonkatch	42.79	1	2	—
	12 Tonk-Khurd	47.10	1	1	—
Hoshangabad	13 Harda	59.58	1	3	—
	14 Kesla	40.96	1	1	—
	15 Khirkiya	57.79	1	1	—
	16 Seoni-Malwa	72.72	2	1	1
	17 Sohagpur	44.56	1	1	—
	18 Timarni	46.03	1	1	—
Khargone	19 Bhikangaon	53.77	1	1	—
Raisen	20 Begumganj	46.08	1	1	—
	21 Gairatganj	52.84	1	—	1
	22 Obedullaganj	41.47	1	2	—
	23 Silwani	44.37	1	1	—
	24 Udaipura	51.76	1	1	—
<b>Chhatisgarh Zone</b>					
Balaghat	25 Balaghat	42.79	1	3	—
	26 Birsia	43.53	1	1	—
Bilaspur	27 Jaijaipur	45.15	1	—	1
	28 Janjgir	60.24	2	1	1
	29 Kargi Road	74.57	2	1	1
	30 Katghora	70.15	2	2	—
	31 Lormi	74.30	2	1	1
	32 Pendra road	40.81	1	1	—
	33 Sakti	60.58	2	1	1
Durg	34 Balod	41.79	1	1	—
	35 Bemetara	100.87	3	1	2
	36 Berla	107.44	3	—	3
	37 Dhamdha	127.13	3	2	1
	38 Dondi	42.39	1	1	—
	39 Dondi Lohara	64.59	2	1	1
	40 Durg	73.90	2	18	—
	41 Gunderdehi	91.27	2	1	1
	42 Nawagarh	70.28	2	—	2
	43 Patan	87.81	2	—	2
	44 Saja	86.65	2	1	1

(1)	(2)	(3)	(4a)	(4b)	(4c)
Raigarh	45 Bagicha	45·52	1	—	1
	46 Raigarh	56·40	1	3	—
Raipur	47 Bagbhara	206·12	3	1	2
	48 Balaigarh	105·98	3	—	3
	49 Deobhog	49·73	1	—	1
	50 Magarlod	41·44	1	—	1
	51 Pithora	48·26	1	1	—
Rajnandgaon	52 Bodla	54·32	1	—	1
	53 Chowki	91·15	2	—	2
	54 Chhui Khadan	67·53	2	1	1
	55 Chhuria	82·64	2	1	1
	56 Dongergarh	74·88	2	2	—
	57 Khairagarh	54·41	1	1	—
	58 Mohalla	79·66	2	—	2
	59 Rajnandgaon	65·05	2	5	—
	60 Sahaspur (Lohara)	69·59	2	—	2
<b>Gwalior Zone</b>					
Datia	61 Datia	71·28	2	6	—
Guna	62 Aron	48·11	1	1	—
	63 Ashoknagar	102·32	3	2	1
	64 Chachoda	66·05	2	2	—
	65 Chanderi	83·25	2	1	1
	66 Issagarh	57·95	1	1	—
	67 Raghogarh	64·89	2	3	—
Mandsaur	68 Jawad	61·90	2	1	1
Rajgarh	69 Biaora	82·06	2	2	—
	70 Narsingharh	96·11	2	3	—
	71 Rajgarh	62·76	2	2	—
	72 Sarangpur	69·44	2	3	—
	73 Zirapur } 74 Khilchipur }	119·14	3	2	1
Ratlam	75 Jaora	73·07	2	3	—
	76 Piploda	58·02	1	1	—
Shivpuri	77 Karera	60·11	2	1	1
	78 Khaniyadhana	57·00	1	—	1
	79 Kolaras	41·42	1	2	—
	80 Narwar	44·82	1	—	1
	81 Pichhore	42·40	1	1	—
	82 Pohari	57·65	1	1	—
Vidisha	83 Lateri	77·58	2	1	1
	84 Sironj	83·16	2	1	1
<b>Jabalpur Zone</b>					
Chhindwara	85 Amarwara	68·90	2	1	1
	86 Chourai	43·06	1	1	—
	87 Tamia	41·15	1	—	1
Jabalpur	88 Badwara	50·25	1	1	—
	89 Bahoriband	45·76	1	—	1
	90 Bargi	41·54	1	2	—
	91 Panagar	94·80	2	35	—
	92 Patan	56·20	1	2	—

**ANNEXURE 33 (contd.)**

(1)	(2)	(3)	(4a)	(4b)	(4c)
	93 Rithi	40·49	1	—	1
	94 Shahpur	51·51	1	2	—
	95 Vijayaraghogarh	48·82	1	—	1
Narsinghpur	96 Narsinghpur	47·91	1	3	—
Sagar	97 Deori	41·63	1	1	—
	98 Khurai	70·45	2	2	—
	99 Rahatgarh	51·48	1	1	—
Seoni	100 Barghat	49·47	1	1	—
	101 Chhapara	49·50	1	1	—
	102 Ghansore	44·68	1	1	—
	103 Keolari	53·82	1	1	—
	104 Lakhanadone	63·77	2	1	1
	105 Seoni	92·77	2	3	—
Vindhya Zone					
Chhatarpur	106 Chhatarpur	58·45	1	2	—
	107 Gaurihar	61·61	2	—	2
	108 Laundi	46·06	1	2	—
	109 Nowgang	59·74	1	4	—
	110 Raj Nagar	60·94	2	1	1
Panna	111 Ajaigarh	43·13	1	1	—
	112 Gunnore	43·40	1	2	—
	113 Panna	50·92	1	4	—
	114 Pawai	55·27	1	1	—
Rewa	115 Hanumana	94·00	2	1	1
	116 Jawa	41·29	1	1	—
	117 Mauganj	45·31	1	1	—
	118 Teonthar	40·63	1	2	—
Satna	119 Amarpatan	46·76	1	1	—
	120 Uchhera	42·71	1	1	—
Sidhi	121 Chitarangi	53·24	1	—	1
	122 Deosar	152·39	3	2	1
	123 Sidhi	40·42	1	2	—
	124 Waidhan	57·15	1	1	—
Tikamgarh	125 Palera	46·18	1	1	—
	126 Tikamgarh	63·91	2	3	—
Tribal Zone					
Dhar	127 Dhar	40·33	1	4	—
	128 Sardarpur	94·20	2	1	1
Jhabua	129 Petlawad	44·04	1	3	—
Shahdol	130 Anuppur	101·75	3	1	2
	131 Beohari	43·30	1	1	—
	132 Karkeli	52·12	1	1	—
	133 Pushparajgadh	68·75	2	—	2
Surguja	134 Ambikapur	44·66	1	2	—
	135 Bhaiyathan	56·69	1	—	1



**ANNEXURE 34**  
**DISTRICT-WISE LIST OF TRIBAL BLOCKS**

	District	Blocks in the district	Blocks to be covered by tribal development projects		
			'meso' type	'micro' type	total
	(1)	(2)	(3)	(4)	(5)
BZ	Betul	10	Athnair, Betul, Bhainsdehi, Bhimpur, Chicholi, Ghodadongari, Shahapur	—	7
	Hoshangabad	10	—	Kesla	1
	Khandwa	9	—	Khalwa	1
	Khargone	16	Barwani, Bhagwanpur, Bhikangaon, Gogaon, Khargone, Niwali, Pansemal, Pati, Rajpur, Segaoon, Sendhwa, Thikari, Zirniya	Maheshwar	14
CZ	Balaghat	10	Baihar, Birsa, Paraswada	—	3
	Bilaspur	25	Gaurela II, Kartala, Katghora, Korba, Kota (Kargi Road), Marahi, Pali, Pondi Uprora	—	8
	Durg	15	—	Dondi	1
	Raigarh	17	All the blocks in the district barring Pus-sore, Raigarh, Sarailendra and Sarangarh	—	13
	Raipur	23	Chhura, Gariyaband, Sihawa (Nagri)	—	3
	Rajnandgaon	9	—	Chowki, Manpur, Mohalla	3
GZ	Morena	10	—	Karhal (Sheopur)	1
	Ratlam	5	—	Bajna, Sailana	2
JZ	Chhindwara	11	Harrai, Jamai, Tamia	Sausar	4
	Seoni	8	Chhapara, Dhanora, Kahani Khas (Ghansore), Lakhanadone	Kurai	5
VZ	Sidhi	8	—	Kusmi	1
TZ	Bastar	32	All 32 blocks	—	32

**ANNEXURE 34 (contd.)**

(1)	(2)	(3)	(4)	(5)
Dhar	13	All the blocks in the district barring Badnavar	--	12
Jhabua	12	All 12 blocks	—	12
Mandla	16	All 16 blocks	—	16
Shahdol	12	All blocks barring Umaria-Karkeli, Manpur and Beohari and Jaisinghnagar covered by a 'micro' project	Jaisinghnagar	9
Surguja	24	All 24 blocks	—	24
			<b>Total</b>	<b>172</b>

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### ANNEXURE 35

#### SOME IMPORTANT RECOMMENDATIONS OF THE STUDY TEAM ON CO-OPERATIVES IN TRIBAL DEVELOPMENT PROJECT AREAS

- (i) The existing pacs in Dantewada and Konta tehsils which are active, should serve as basic structure at the primary level for providing various services to the tribals.
- (ii) The good working multi-purpose co-operative societies (mpcs) and forest labour contract societies (flcs) which are under the administrative control of the Tribal Welfare Department of the GOMP and which are located in the area may be converted into service societies undertaking non-credit as well as credit activities.
- (iii) The scope of the activities of the institutions to be retained should be enlarged to cover not only the short-term and medium-term credit but also supply of consumer articles and agricultural inputs and purchase of agricultural and minor forest produce.
- (iv) The total number of such societies both in Dantewada and Konta tehsils may be around 40. The headquarters of each such society should as far as possible be located at a 'hat' centre.
- (v) Keeping the above objective in view, the existing service societies, mpcs and flcs in the project area should be re-organized.
- (vi) The credit activities of the primary societies may be supported and supervised by the higher level co-operative banking structure.
- (vii) The existing ccb will not be able to provide the needed support and guidance to the re-organized primaries and, therefore, the state co-operative bank should take up the responsibility directly by opening a branch each in Dantewada and Konta tehsils.
- (viii) The non-credit activities of the primary co-operatives may be serviced by the normal co-operative marketing structure. For this purpose a new co-operative marketing society may be organized in each of the two tehsils.
- (ix) Their activities, in turn should be supported by the apex marketing federation which, although is not dealing at present in minor forest produce, should be brought into the picture.
- (x) To enable the primary societies to contribute to the share capital of the primary marketing society of their area, the TDA may provide subsidy to the primary societies at the rate of Rs 10,000 per society. Besides, the state government may contribute a minimum of Rs 5 lakhs to the share capital of each of the marketing societies.
- (xi) Further, the state government may also subsidise the cost of staff and also forest rentals of the marketing societies.
- (xii) The TDA may provide grants to primary societies at the rate of eight per cent of the additional loans given in each year to tribals and 3 per cent to the apex bank. The TDA may also provide grants to the two marketing societies at the rate of 5 per cent of the total marketing turnover of produce.
- (xiii) The state government may obtain assistance from the Reserve Bank's LTO Fund to ensure that each re-organized primary society has a minimum share capital of Rs 10,000.
- (xiv) For loans given for agricultural purposes to the tribals, three per cent of the loans may be collected as share capital by the primaries every year. Besides, at least one per cent of the total produce marketed by a tribal may be collected as additional share capital every year.

*ANNEXURE 35 (contd.)*

- (xv) Apart from agricultural production credit, the Reserve Bank may provide accommodation at the Bank Rate through the apex bank to the marketing societies for dealing in minor forest produce.
- (xvi) The byelaws of the primaries may provide that at least 70 per cent of the loans given by them should be to their tribal members.
- (xvii) To begin with, consumption credit at Rs 50 per tribal member to be recovered from the sale proceeds of agricultural and minor forest produce, may be given by the primary societies and for this purpose the societies may be given suitable cash credit accommodation by the apex bank.
- (xviii) As a solution to the problem of overdues, the amount of overdues over three years against tribal members may be converted into a medium-term interest free loan repayable in five annual instalments. For this purpose the TDA concerned may provide a subsidy of 4.5 per cent and the remaining amount of interest may be absorbed by the banking structure.
- (xix) The pldb should make special efforts to provide long-term loans to the tribals in the project area and for this purpose the TDA may contribute at the rate of 3 per cent of the loans issued to the 'Risk Fund' to be maintained by the pldb.
- (xx) For collection of nationalized items of forest produce, the co-operatives can be made the authorized agencies and the price at which such produce would be bought by the state government from the co-operatives as also the commission of the co-operatives should be fixed in advance. As regards non-nationalized items, the co-operatives may be given monopoly rights of collection through the tribals.
- (xxi) Only tribals should be eligible for election to the boards of management of the primaries. However, the non-tribals may be allowed to become members for availing of agricultural loan facility.
- (xxii) Every primary society should be served by a minimum of two hands, one for credit and one for non-credit business. The cost of the staff may be subsidised by the TDA for the first five years.

# ANNEXURE 36

EXPENDITURE INCURRED UNDER VARIOUS HEADS UPTO 31 MARCH 1975 OUT OF THE GRANT-IN-AID OF RS 65 LAKHS EACH RECEIVED BY T.D.A. DANTEWADA AND KONTA

Item	Rupees Lakhs	
	Expenditure incurred from inception up to 31 March 1975 to T.D.A.	
	Dantewada	Konta
1 Agriculture--Provision of improved seeds (50 p.c. subsidy), fertilizers (75 p.c. subsidy), demonstration plots, etc.	6.05	7.23
2 Land development--Mainly levelling and bunding of paddy fields	0.12	0.10
3 Minor irrigation	12.99	16.31
4 Animal husbandry - Provision of milch cattle (50 p.c. subsidy) and poultry units (100 p.c. subsidy)	1.50	0.74
5 Forestry	0.01	Nil
6 Training and publicity including bench-work survey	0.26	0.26
7 Co-operation--Risk fund contribution, Managerial subsidy, godown subsidy, etc.	Nil	Nil
8 Arterial and link roads	22.34	20.16
9 Rural industries	0.02	Nil
10 Rural electrification	15.00	10.00
11 Administration, Office building, Staff quarters, etc.	4.54	9.06
<b>Total</b>	<b>62.83</b>	<b>63.86</b>

**ANNEXURE 37**  
**DISTRICT-WISE POSITION OF THE NUMBER OF PRIMARY AGRICULTURAL CREDIT SOCIETIES, THEIR COVERAGE, ETC., AS ON 30 JUNE 1975**

District	Number of societies	Number of dormant societies	Percentage of col. (3) to col. (2)	Number of cultivating families (lakhs)	Membership	Percentage of col. (6) to col. (5)	Indebted membership	Percentage of col. (8) to col. (6)	Defaulting membership	Percentage of col. (10) to col. (8)	Number of societies having full-time independent secretaries	Percentage of col. (12) to col. (11)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>BHOPAL-INDORE ZONE</b>												
1 Betul	142	—	—	1.38	36545	26.5	18613	50.9	10969	58.9	63	44.4
2 Bhopal (including Sehore)	194	—	—	1.49	46656	31.3	40365	86.5	15429	38.2	170	87.6
3 Dewas	111	—	—	1.29	37935	29.4	30355	80.0	9422	31.0	111	100.0
4 Hoshangabad	172	2	1.2	0.99	33380	34.1	23461	69.4	10137	43.2	56	32.6
5 Indore	128	—	—	0.58	22282	38.4	16101	72.3	6138	38.1	86	67.2
6 Khandwa	222	—	—	1.02	56085	55.0	41080	73.2	23850	58.1	99	44.6
7 Khargone	282	5	1.8	2.53	66032	26.1	53080	80.3	25732	48.5	250	88.6
8 Raisen	155	—	—	0.64	28622	44.7	24298	84.9	11201	46.1	155	100.0
Sub-total	1406	7	0.5	9.92	327957	33.1	247353	75.4	112878	45.6	990	70.4
<b>CHHATISGARH ZONE</b>												
9 Balaghat	280	—	—	1.48	66320	44.8	46173	69.6	27216	58.9	95	33.9
10 Bilaspur	715	—	—	4.88	163000	33.4	120000	73.6	90000	75.0	412	57.6
11 Durg	375	—	—	1.80	89200	49.5	63900	71.6	30800	48.2	68	18.1
12 Raigarh	375	10	1.2	2.04	65522	32.1	37685	57.5	26494	70.3	132	35.2
13 Raipur	593	—	—	5.72	208328	36.4	124787	60.0	87403	70.0	480	80.9
14 Rajnandgaon	277	—	—	1.39	58900	42.3	40200	68.2	23800	59.2	23	8.3
Sub-total	2615	10	0.4	17.32	651270	37.6	432745	66.4	285713	66.0	1210	46.2
<b>GWALIOR ZONE</b>												
15 Bhind	199	—	—	1.25	67525	52.5	53072	80.7	22307	42.0	2	1.0
16 Datia	60	—	—	0.37	18467	49.9	9585	51.9	6981	72.8	44	73.3
17 Guna	184	—	—	1.11	44322	39.9	35490	80.1	15903	44.8	99	53.6
18 Gwalior	108	—	—	0.58	33328	57.4	22736	68.2	12149	53.4	81	75.0
19 Mandsaur	183	—	—	1.65	61024	36.9	35855	58.8	17988	50.2	175	95.6

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
20	Morena	238	—	—	2.35	63655	27.1	34905	54.8	24592	70.4	92	38.6
21	Rajgarh	155	—	—	1.01	39860	39.5	33752	84.7	12339	36.6	69	44.5
22	Ratlam	105	—	—	1.12	35500	31.7	25889	72.9	13823	53.4	89	84.7
23	Shajapur	146	—	—	0.82	49121	59.9	41255	84.0	19050	46.2	146	100.0
24	Shivpuri	164	—	—	1.29	45706	35.4	26995	59.1	20339	75.3	71	43.3
25	Ujjain	183	—	—	1.17	56752	48.5	41944	73.9	18073	43.1	183	100.0
26	Vidisha	171	—	—	0.86	36009	41.9	22805	63.3	4806	21.1	63	36.8
	Sub-total	1896	—	—	13.58	549469	40.5	384283	70.0	188350	49.0	1114	58.7
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JABALPUR ZONE													
27	Chhindwara	172	—	—	1.10	50177	45.6	40120	80.0	20109	50.1	172	100.0
28	Damoh	125	—	—	0.98	36725	37.5	14226	38.7	10507	73.8	64	51.2
29	Jabalpur	334	—	—	3.67	45090	12.3	26748	59.3	15058	56.3	20	5.6
30	Narsinghpur	110	—	—	0.75	27421	36.6	16973	61.9	6333	37.3	110	100.0
31	Sagar	232	3	1.3	1.56	46117	29.6	36553	79.3	20042	54.8	171	73.7
32	Seoni	153	—	—	0.98	37853	38.6	22449	59.3	14244	63.4	101	66.0
	Sub-total	1126	3	0.3	9.04	243383	26.9	157069	64.5	86293	54.9	638	56.7
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VINDHYA ZONE													
33	Chhatarpur	157	—	—	0.87	43230	49.7	24898	57.6	11849	47.6	157	100.0
34	Panna	101	—	—	0.55	20832	37.9	14284	68.6	5939	41.5	71	71.0
35	Rewa	227	—	—	1.47	40382	27.5	16987	42.6	9383	55.2	40	17.6
36	Satna	197	—	—	1.84	36865	20.0	19903	54.0	10178	51.1	116	58.9
37	Sidhi	228	23	10.1	0.86	29239	34.0	12695	43.4	10993	86.6	—	—
38	Tikamgarh	135	—	—	0.80	48246	60.3	34423	71.3	27918	81.1	—	—
	Sub-total	1045	23	2.2	6.39	218794	34.2	123190	56.3	76260	61.9	384	36.7
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TRIBAL ZONE													
39	Bastar	364	6	1.6	2.18	57311	26.3	34000	59.3	32000	94.1	—	—
40	Dhar	229	3	1.3	0.80	45143	56.4	32239	71.4	18515	57.4	133	58.1
41	Jhabua	183	—	—	0.61	45018	73.8	35026	77.8	18465	52.7	13	7.1
42	Mandla	136	—	—	1.36	51614	38.0	31513	61.1	11317	35.9	136	100.0
43	Shahdol	258	—	—	1.55	39492	25.5	18545	47.0	16930	91.3	5	1.9
44	Surguja	393	7	1.8	2.41	48690	20.2	18542	38.1	18542	100.0	12	3.1
	Sub-total	1563	16	1.0	8.91	287268	32.2	169865	59.1	115769	68.2	299	19.1
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	Total	9651	59	0.6	65.15	2278141	35.0	1514505	66.5	865263	57.1	4635	48.0

**ANNEXURE 38**  
**DISTRICT-WISE POSITION OF THE PAID-UP CAPITAL, RESERVES, DEPOSITS, BORROWINGS, WORKING CAPITAL OF PRIMARY AGRICULTURAL CREDIT SOCIETIES AS ON 30 JUNE 1975**

Rupees Lakhs							
District	Paid-up capital		Owned funds	Deposits	Outstanding borrowings		Working capital
	Total	Of which from government			Total	Of which from C.F.A.	
(1)	(2a)	(2b)	(3)	(4)	(5a)	(5b)	(6)
<b>BHOPAL-INDORE ZONE</b>							
1 Betul	30.08	10.43	32.40	6.14	115.24	111.39	154.90
2 Bhopal (including Sehore)	66.85	15.00	76.98	8.16	237.54	234.54	348.53
3 Dewas	53.90	10.85	82.33	9.32	242.26	239.72	362.12
4 Hoshangabad	29.92	7.44	43.30	1.92	114.96	114.52	160.18
5 Indore	80.04	11.18	108.01	37.46	303.25	303.25	448.72
6 Khandwa	87.01	15.71	109.68	10.42	348.93	347.95	511.15
7 Khargone	92.15	5.70	129.37	25.28	419.04	416.64	680.82
8 Raisen	48.73	10.60	51.56	3.71	163.39	162.41	218.65
Sub-total	488.68	86.91	633.63	102.41	1944.61	1930.42	2885.07
<b>CHHATISGARH ZONE</b>							
9 Balaghat	63.49	19.54	77.56	14.16	229.81	229.81	412.49
10 Bilaspur	130.22	11.32	175.48	64.71	449.03	437.71	842.62
11 Durg	63.62	10.28	90.36	28.55	345.79	342.94	464.70
12 Raigarh	44.27	19.91	55.43	20.09	122.90	120.59	219.14
13 Raipur	157.70	8.19	215.29	45.94	685.98	652.91	1038.25
14 Rajnandgaon	36.57	3.74	48.58	14.58	168.60	167.87	231.76
Sub-total	495.87	72.98	662.70	188.03	2002.11	1951.83	3208.96
<b>GWALIOR ZONE</b>							
15 Bhind	83.16	12.70	122.82	11.69	315.00	315.00	457.00
16 Datia	14.79	4.55	17.44	1.57	52.49	51.27	71.50
17 Guna	49.34	7.07	76.47	4.55	194.01	193.20	295.04
18 Gwalior	55.47	4.96	83.03	8.29	168.25	166.70	289.57
19 Mandsaur	95.23	14.92	137.99	14.24	376.71	372.17	558.94
20 Morena	73.62	3.09	131.07	49.88	250.98	249.18	465.02
21 Rajgarh	32.81	4.75	37.28	5.59	132.07	131.70	206.68
22 Ratlam	55.46	13.15	75.38	15.64	196.01	194.84	307.03



(1)	(2a)	(2b)	(3)	(4)	(5a)	(5b)	(6)
23 Shajapur	56·80	5·25	99·43	9·12	268·61	267·29	396·48
24 Shivpuri	47·20	15·88	62·97	2·46	133·47	132·54	210·20
25 Ujjain	92·18	14·72	141·42	6·15	348·29	347·25	575·93
26 Vidisha	70·02	8·38	124·96	28·51	247·27	246·58	470·74
Sub-total	726·08	109·42	1110·26	157·69	2683·16	2667·72	4304·13
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JABALPUR ZONE							
27 Chhindwara	64·94	13·31	89·68	9·48	318·87	315·81	497·73
28 Damoh	49·61	5·11	68·43	21·15	144·99	143·98	237·79
29 Jabalpur	33·91	5·94	43·63	5·24	154·34	149·61	233·21
30 Narsinghpur	31·28	—	51·80	13·87	202·83	202·83	286·85
31 Sagar	67·29	24·60	90·65	7·31	196·77	195·73	324·74
32 Seoni	35·14	14·05	42·99	17·07	158·07	157·35	244·32
Sub-total	282·17	63·01	387·18	74·12	1175·87	1165·31	1824·64
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VINDHYA ZONE							
33 Chhatarpur	33·94	9·31	36·34	3·30	159·11	158·73	198·75
34 Panna	17·58	7·76	18·00	1·39	81·53	81·53	100·92
35 Rewa	34·96	16·72	38·38	2·01	104·41	103·20	144·86
36 Satna	35·75	17·21	40·98	3·89	145·98	144·54	194·67
37 Sidhi	21·97	9·60	24·94	1·96	71·90	70·61	98·80
38 Tikamgarh	31·51	6·77	31·76	4·80	139·54	135·54	176·10
Sub-total	175·71	67·37	190·40	17·35	702·47	694·15	914·10
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TRIBAL ZONE							
39 Bastar	18·30	1·19	23·20	7·84	110·76	104·85	141·80
40 Dhar	68·58	13·28	90·85	33·73	278·59	277·76	429·00
41 Jhabua	30·73	12·18	35·42	2·94	97·58	97·68	150·87
42 Mandla	22·33	6·45	27·94	2·46	116·52	116·43	146·92
43 Shahdol	26·85	15·38	37·60	2·51	66·72	65·87	106·83
44 Surguja	25·02	8·58	32·99	6·05	37·53	35·04	102·04
Sub-total	191·81	57·16	248·00	55·53	707·70	697·53	1077·46
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Total	2360·32	456·85	3232·17	595·13	9215·92	9106·96	14214·36

**ANNEXURE 39**

**DISTRICT-WISE POSITION OF THE LOAN BUSINESS, OVERDUES AND PROFIT OF PRIMARY AGRICULTURAL CREDIT SOCIETIES AS ON 30 JUNE 1975**

District	Rupees Lakhs											
	Loans issued			Loans outstanding		Loans over-due	Percentage of col. (4) to col. (3a)	Overdues over 3 years	Percentage of col. (6) to col. (4)	Number of societies in		
	Number of societies advancing	Total	Of which for sao	Total	Of which short-term					Profit	Loss	No profit no loss
(1)	(2a)	(2b)	(2c)	(3a)	(3b)	(4)	(5)	(6)	(7)	(8a)	(8b)	(8c)
<b>BHOPAL-INDORE ZONE</b>												
1 Betul	119	85.24	77.76	121.86	96.52	55.55	46	16.63	30	118	24	—
2 Bhopal (including Sehore)	194	166.14	156.53	251.83	210.80	118.76	50	17.26	15	142	50	2
3 Dewas	110	173.98	34.84	254.60	205.62	93.13	36	21.65	23	96	15	—
4 Hoshangabad	164	92.55	86.96	118.48	96.70	59.29	50	9.15	15	135	37	—
5 Indore	125	278.27	223.48	342.97	266.19	150.88	44	23.72	16	65	63	—
6 Khandwa	222	264.47	236.61	386.93	288.30	118.41	30	29.36	25	218	4	—
7 Khargone	271	300.07	284.58	464.90	385.45	241.20	39	120.09	50	240	37	5
8 Raisen	150	126.93	126.10	161.51	138.58	86.92	53	27.41	32	109	43	3
Sub-total	1355	1487.65	1226.86	2103.08	1688.16	924.14	44	265.27	29	1123	273	10
<b>CHHATISGARH ZONE</b>												
9 Balaghat	280	138.76	115.79	252.20	187.82	146.56	58	42.55	29	263	17	—
10 Bilaspur	700	352.22	253.02	534.52	305.64	351.00	65	94.94	27	580	132	3
11 Durg	375	235.05	107.30	354.65	227.13	212.63	60	113.86	54	375	—	—
12 Raigarh	365	48.15	41.21	151.65	113.86	85.02	56	38.84	46	278	7	90
13 Raipur	560	491.62	244.01	938.25	616.17	533.31	56	219.00	41	485	96	12
14 Rajnandgaon	277	81.01	44.06	179.28	121.59	108.02	60	37.66	35	277	—	—
Sub-total	2557	1346.81	805.39	2410.55	1572.21	1436.54	60	546.85	38	2258	252	105
<b>GWALIOR ZONE</b>												
15 Bhind	193	227.73	223.71	431.44	377.87	141.00	38	43.00	30	143	56	—
16 Datia	51	29.63	29.58	45.99	36.04	33.37	72	17.27	52	50	10	—
17 Guna	175	118.61	117.60	218.97	174.37	105.79	44	44.76	42	172	12	—
18 Gwalior	93	125.70	124.47	213.62	191.49	137.11	64	36.57	27	62	46	—
19 Mandsaur	178	198.00	193.96	431.51	316.50	203.22	47	49.35	24	176	7	—
20 Morena	228	195.36	194.49	256.75	219.15	183.30	71	68.11	37	121	117	—

	(1)	(2a)	(2b)	(2c)	(3a)	(3b)	(4)	(5)	(6)	(7)	(8a)	(8b)	(8c)
21	Rajgarh	153	86.04	85.77	144.97	118.62	57.46	39	28.51	50	136	19	—
22	Ratlam	97	47.01	112.84	217.70	182.67	109.38	50	37.75	35	41	64	—
23	Shajapur	146	163.04	158.18	317.08	272.23	146.36	46	54.96	38	123	23	—
24	Shivpuri	162	60.03	58.34	167.70	140.70	124.41	74	60.01	48	158	6	—
25	Ujjain	182	239.54	231.45	413.40	310.25	157.61	38	38.89	25	180	2	—
26	Vidisha	171	249.33	234.12	316.51	269.41	54.09	14	34.31	63	170	1	—
	Sub-total	1829	1810.02	1764.51	3175.64	2609.30	1453.10	46	513.49	35	1532	363	—
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JABALPUR ZONE													
27	Chhindwara	172	222.53	191.48	398.57	307.01	193.67	48	43.28	22	172	—	—
28	Damoh	124	133.62	118.95	189.16	156.69	88.93	48	17.67	20	122	3	—
29	Jabalpur	333	110.29	78.00	161.04	112.33	80.17	50	20.67	26	282	50	—
30	Narsinghpur	110	194.59	181.20	213.98	157.96	91.16	43	12.21	13	110	—	—
31	Sagar	222	84.36	84.31	215.69	170.24	154.44	71	75.52	49	213	19	—
32	Seoni	153	79.62	61.56	157.42	94.51	80.59	51	38.35	48	142	11	—
	Sub-total	1114	825.01	715.50	1335.86	998.74	688.96	52	207.70	30	1041	83	—
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VINDHYA ZONE													
33	Chhatarpur	153	133.32	113.72	159.11	131.39	81.02	50	15.76	19	126	31	—
34	Panna	92	53.05	42.21	81.97	70.74	30.98	38	12.41	40	..	..	..
35	Rewa	210	63.65	45.47	96.87	65.90	64.28	64	30.99	48	..	..	..
36	Satna	197	129.66	94.15	145.98	102.93	47.85	33	13.15	27	111	78	8
37	Sidhi	151	13.69	11.06	53.54	33.87	44.42	83	24.17	54	181	47	—
38	Tikamgarh	115	91.67	89.55	127.40	88.14	108.24	80	33.89	31	95	40	—
	Sub-total	918	485.04	396.16	664.87	492.97	376.79	57	130.37	35	513	196	8
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TRIBAL ZONE													
39	Bastar	179	10.94	5.89	97.01	61.71	75.77	78	15.54	21	170	193	6
40	Dhar	217	197.66	173.59	820.41	220.68	143.07	45	41.77	29	206	23	—
41	Jhabua	164	61.93	55.54	107.21	80.77	45.46	45	29.43	65	153	30	—
42	Mandla	136	58.93	44.29	110.28	56.11	35.16	32	10.15	29	136	—	—
43	Shahdol	133	10.78	7.90	55.41	33.52	47.03	86	29.63	63	159	98	1
44	Surguja	160	11.33	6.13	66.48	36.37	55.24	83	28.23	51	347	60	—
	Sub-total	989	351.57	293.34	756.80	489.16	401.73	53	154.75	38	1171	404	7
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	Total	8762	6306.10	5201.76	10446.80	7850.54	5281.26	51	1818.43	35	7638	1571	130

**ANNEXURE 40**  
**DISTRICT-WISE POSITION OF THE LEVEL OF LOANS OUTSTANDING AT THE**  
**PRIMARY LEVEL AS ON 30 JUNE 1975**

District	Number of societies in the district	Number of societies with loans outstanding (Rs lakhs) as on 30 June 1975			
		0·75 or below	0·75 to 1·00	1·00 to 2·00	Above 2·00
(1)	(2)	(3)	(4)	(5)	(6)
<b>BHOPAL-INDORE ZONE</b>					
1 Betul	142	78	17	39	8
2 Bhopal	194	56	35	77	26
3 Dewas	111	9	14	24	64
4 Hoshangabad	172	103	25	36	8
5 Indore	128	11	7	36	74
6 Khandwa	222	11	12	89	110
7 Khargone	282	50	68	88	76
8 Raisen	155	45	17	73	20
Sub-total	1406	363	195	462	386
<b>CHHATISGARH ZONE</b>					
9 Balaghat	280	137	69	56	18
10 Bilaspur	715	303	228	160	24
11 Durg	652	396	110	109	37
12 Raigarh	375	335	27	13	—
13 Raipur	593	169	72	217	135
Sub-total	2615	1340	506	555	214
<b>GWALIOR ZONE</b>					
14 Bhind	199	38	21	74	66
15 Datia	60	30	13	17	—
16 Guna	184	59	24	79	22
17 Gwalior	108	7	10	50	41
18 Mandsaur	183	16	12	67	88
19 Morena	238	133	35	49	21
20 Rajgarh	155	75	35	36	9
21 Ratlam	105	16	10	43	36
22 Shajapur	146	1	6	72	67
23 Shivpuri	164	73	32	47	12
24 Ujjain	183	1	3	67	112
25 Vidisha	171	20	20	78	53
Sub-total	1896	469	221	679	527
<b>JABALPUR ZONE</b>					
26 Chhindwara	172	41	22	51	58
27 Damoh	125	35	16	40	34
28 Jabalpur	334	283	29	20	2
29 Narsinghpur	110	44	22	23	21

	(1)	(2)	(3)	(4)	(5)	(6)
30 Sagar		232	105	45	72	10
31 Seoni		153	65	32	47	9
Sub-total		1126	573	166	253	134
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VINDHYA ZONE						
32 Chhatarpur		157	71	30	37	19
33 Panna		101	63	17	19	2
34 Rewa		227	191	20	16	—
35 Satna		197	116	31	44	6
36 Sidhi		228	221	7	—	—
37 Tikamgarh		135	85	10	24	16
Sub-total		1045	747	115	140	43
<hr/>						
TRIBAL ZONE						
38 Bastar		364	350	11	3	—
39 Dhar		229	57	54	84	34
40 Jhabua		183	128	25	27	3
41 Mandla		136	48	45	32	11
42 Shahdol		258	249	5	4	—
43 Surguja		393	384	6	3	—
Sub-total		1563	1216	146	153	48
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Total		9651	4708	1349	2242	1352
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**ANNEXURE 41**

**CLASSIFICATION OF SOCIETIES COVERED BY ON-THE-SPOT STUDIES ACCORDING TO SIZE OF LOAN BUSINESS AND SIZE OF CREDIT  
POTENTIAL OFFERED BY THE AREA OF EACH SOCIETY**

District	No. of societies	No. of societies having loan business				No. of societies with each the area offering credit potential				
		Below Rs 75000	Between Rs 75000 & Rs 1 lakh	Between Rs 1 lakh to Rs 2 lakhs	Over Rs 2 lakhs	Below Rs 1 lakh	Rs 1 lakh to Rs 2 lakhs	Rs 2 lakhs to Rs 2.75 lakhs	Rs 2.75 lakhs to Rs 5 lakhs	Over Rs 5 lakhs
(1)	(2)	(3a)	(3b)	(3c)	(3d)	(4a)	(4b)	(4c)	(4d)	(4e)
<b>BHOPAL-INDORE ZONE</b>										
1 Betul	10	4	2	1	3	2	—	1	2	5
2 Bhopal	7	2	—	5	—	1	2	2	1	1
3 Dewas	6	1	—	2	3	—	—	—	2	4
4 Hoshangabad	10	6	1	2	1	2	1	2	3	2
5 Indore	4	1	1	—	2	—	1	1	2	—
6 Khandwa	7	3	—	2	2	1	2	2	2	—
7 Khargone	13	4	1	5	3	1	5	2	2	3
8 Raisen	7	4	1	2	—	—	1	3	2	1
9 Sehore	Nil	—	—	—	—	—	—	—	—	—
Sub-total	64	25	6	19	14	7	12	13	16	16
<b>CHHATISGARH ZONE</b>										
10 Balaghat	10	3	1	4	2	—	5	2	3	—
11 Bilaspur	24	13	3	4	4	2	17	2	2	1
12 Durg	8	1	1	3	3	—	3	3	1	1
13 Raigarh	17	13	1	3	—	—	10	5	2	—
14 Raipur	23	8	1	5	9	1	6	2	11	3
15 Rajnandgaon	7	1	3	1	2	—	3	2	1	1
Sub-total	89	39	10	20	20	3	44	16	20	6
<b>GWALIOR ZONE</b>										
16 Bhind	6	3	—	2	1	—	3	3	—	—
17 Datia	2	1	—	1	—	—	1	—	1	—
18 Guna	9	4	—	4	1	—	5	1	2	1
19 Gwalior	5	1	—	1	3	—	1	—	1	3
20 Mandsaur	8	2	—	2	4	—	1	1	3	3
21 Morena	10	6	2	1	1	1	1	1	5	2

	(1)	(2)	(3a)	(3b)	(3c)	(3d)	(4a)	(4b)	(4c)	(4d)	(4e)
22	Rajgarh	6	2	2	1	1	1	3	1	—	1
23	Ratlam	6	1	—	3	2	—	1	3	—	2
24	Shajapur	7	—	1	3	3	—	2	3	1	1
25	Shivpuri	8	4	1	2	1	—	5	—	1	2
26	Ujjain	5	1	—	2	2	—	1	2	1	1
27	Vidisha	7	1	1	3	2	—	3	—	3	1
	Sub-total	79	26	7	25	21	2	27	15	18	17
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JABALPUR ZONE											
28	Chhindwara	11	5	1	3	2	1	3	4	3	—
29	Damoh	7	3	1	2	1	2	2	1	1	1
30	Jabalpur	13	8	3	2	—	1	7	1	1	3
31	Narsinghpur	2	1	—	1	—	—	—	—	1	1
32	Sagar	11	2	2	6	1	1	6	—	4	—
33	Seoni	8	3	2	2	1	1	—	2	4	1
	Sub-total	52	22	9	16	5	6	18	8	14	6
<hr/>											
VINDHYA ZONE											
34	Chhatarpur	8	2	—	4	2	—	2	2	1	3
35	Panna	5	2	1	1	1	—	2	1	2	—
36	Rewa	9	5	2	2	—	1	3	3	1	1
37	Satna	8	5	—	3	—	—	2	—	3	3
38	Sidhi	8	7	1	—	—	1	5	2	—	—
39	Tikamgarh	7	2	1	2	2	1	1	2	1	2
	Sub-total	45	23	5	12	5	3	15	10	8	9
<hr/>											
TRIBAL ZONE											
40	Bastar	8	6	2	—	—	1	4	2	1	—
41	Dhar	13	5	1	5	2	—	6	3	4	—
42	Jhabua	12	9	1	1	1	1	4	2	4	1
43	Mandla	11	5	—	5	1	—	—	—	2	9
44	Shahdol	12	10	—	2	—	—	6	4	2	—
45	Surguja	24	22	2	—	—	14	6	3	1	—
	Sub-total	80	57	6	13	4	16	26	14	14	10
<hr/>											
Total		409	192	43	105	69	37	142	76	90	64

# ANNEXURE 42

DISTRIBUTION OF INDEBTED AND DEFAULTING MEMBERS ACCORDING TO SIZE OF HOLDINGS (AS ON 30 JUNE 1975)

						Rupees Thousands		
Size of holdings (in acres)	Indebted members		Defaulting members			Period-wise break-up of overdues		
	Number	Amount outstanding	Number	Amount outstanding	Amount overdue	Less than 1 year	1 to 3 years	Above 3 years
(1)	(2a)	(2b)	(3a)	(3b)	(3c)	(4a)	(4b)	(4c)
<b>BHOPAL-INDORE ZONE</b>								
1 Less than 3	490	226	235	121	107	51	29	27
2 Between 3 & 5	890	557	444	278	258	159	52	47
3 Between 5 & 10	2149	1858	1180	1019	926	446	306	174
4 10 and above	5918	6722	3062	3947	3279	1243	1124	912
5 Tenants and agricultural labourers	377	149	140	59	42	22	11	9
Total	9824	9512	5061	5424	4612	1921	1522	1169
<b>CHHATISGARH ZONE</b>								
1 Less than 3	3869	1793	3290	1471	1261	145	440	676
2 Between 3 & 5	3661	1007	2958	839	809	90	315	404
3 Between 5 & 10	5080	2648	4231	2244	2036	270	819	947
4 10 and above	5683	6904	3477	4776	3591	549	1634	1408
5 Tenants and agricultural labourers	194	100	133	59	53	1	21	31
Total	18487	12452	14089	9389	7750	1055	3229	3466
<b>GWALIOR ZONE</b>								
1 Less than 3	1914	581	1264	478	445	105	159	181
2 Between 3 & 5	2710	1249	1660	880	850	226	312	312
3 Between 5 & 10	5062	3552	2799	2510	2223	585	816	822
4 10 and above	6969	8702	3240	4536	3939	1098	1243	1598
5 Tenants and agricultural labourers	245	62	132	36	31	2	10	19
Total	16900	14146	9095	8440	7488	2016	2540	2932



(1)	(2a)	(2b)	(3a)	(3b)	(3c)	(4a)	(4b)	(4c)
<b>JABALPUR ZONE</b>								
1 Less than 3	670	277	538	225	214	92	70	52
2 Between 3 & 5	880	490	704	392	369	145	113	111
3 Between 5 & 10	1848	1588	1320	1125	988	383	267	338
4 10 and above	2678	3288	2231	2745	2069	725	614	730
5 Tenants and agricultural labourers	9	1	9	1	1	—	—	1
Total	6085	5644	4802	4488	3641	1345	1064	1232
<b>VINDHYA ZONE</b>								
1 Less than 3	776	244	582	165	140	57	31	52
2 Between 3 & 5	1473	683	1312	599	535	199	123	213
3 Between 5 & 10	2034	1468	1611	1166	1085	265	298	522
4 10 and above	1673	2216	1361	1745	1438	408	399	631
5 Tenants and agricultural labourers	71	10	20	4	4	—	—	4
Total	6027	4621	4886	3679	3202	929	851	1422
<b>TRIBAL ZONE</b>								
1 Less than 3	1100	186	939	141	136	23	43	70
2 Between 3 & 5	1556	387	1133	293	262	51	72	139
3 Between 5 & 10	3369	1422	2050	1017	823	224	269	330
4 10 and above	4591	3332	2566	1954	1625	355	472	798
5 Tenants and agricultural labourers	150	12	149	11	11	1	—	10
Total	10766	5339	6837	3416	2857	654	856	1347
<b>STATE TOTAL</b>								
1 Less than 3	8819	3307	6848	2601	2303	473	772	1058
2 Between 3 & 5	11170	4373	8211	3281	3083	870	987	1226
3 Between 5 & 10	19542	12536	13191	9081	8081	2173	2775	3133
4 10 and above	27512	31164	15937	19703	15941	4378	5486	6077
5 Tenants and agricultural labourers	1046	334	583	170	142	26	42	74
Total	68089	51714	44770	34836	29550	7920	10062	11568

**ANNEXURE 43**

**BLOCK-WISE POSITION OF EXISTING NUMBER OF PRIMARY CREDIT SOCIETIES, SOCIETIES THAT CAN BE SUPPORTED ON THE BASIS OF LOAN BUSINESS ETC.**

Name of district/ block	Existing no. of pacs	No. of dormant pacs	Credit require- ments in 1979-80 (at 110% of the existing credit require- ments) (Rs lakhs)	Credit require- ments that will be met by pacs in 1979-80 at 80% 70% or 60% of col. (4) (Rs lakhs)	No. of pacs neces- sary to support business in col. (5) at Rs 2 lakhs per society	No. of excess societies (+) or no. of addl. societies necessary col. (2) -- col. (6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>BHOPAL-INDORE ZONE</b>						
<b>BETUL</b>						
1 Amla	17	--	57	34	17	--
2 Athnair	15	--	49	30	15	--
3 Betul	18	--	75	45	22	-- 4
4 Bhainsdehi	17	--	52	31	15	+ 2
5 Bhimpur	14	--	33	19	10	+ 4
6 Chicholi	9	--	54	32	16	-- 7
7 Ghodadongri	9	--	35	21	11	-- 2
8 Multai	17	--	82	49	25	-- 8
9 P. Pattan	15	--	78	47	23	-- 8
10 Shahapur	11	--	36	22	11	--
<b>Total</b>	<b>142</b>	<b>--</b>	<b>551</b>	<b>330</b>	<b>165</b>	<b>+ 6</b> <b>-- 29</b>
<b>BHOPAL</b>						
1 Ashta	34	--	137	96	48	-- 14
2 Berasia	28	--	111	78	39	-- 11
3 Budhni	22	--	62	44	22	--
4 Ichhawar	16	--	71	49	24	-- 8
5 Nasrullaganj	22	--	85	59	30	-- 8
6 Phanda	29	--	110	77	39	-- 10
7 Sehore	43	--	155	108	54	-- 11
<b>Total</b>	<b>194</b>	<b>--</b>	<b>731</b>	<b>511</b>	<b>256</b>	<b>-- 62</b>
<b>DEWAS</b>						
1 Bagli	25	--	109	65	33	-- 8
2 Dewas	24	--	123	74	37	-- 13
3 Kannod	20	--	88	53	27	-- 7
4 Khategaon	11	--	78	47	23	-- 12
5 Sonkatch	18	--	67	40	20	-- 2
6 Tonk Khurd	13	--	64	38	19	-- 6
<b>Total</b>	<b>111</b>	<b>--</b>	<b>529</b>	<b>317</b>	<b>159</b>	<b>-- 48</b>
<b>HOSHANGABAD</b>						
1 Babai	20	--	55	33	16	+ 4
2 Bankedi	14	--	46	28	14	--
3 Harda	20	--	81	48	24	-- 4
4 Hoshangabad	17	--	42	25	13	+ 4
5 Kesla	17	2	55	33	17	--
6 Khirkiya	21	--	77	46	23	-- 2
7 Pipariya	17	--	53	32	16	+ 1
8 Sohagpur	13	--	66	40	20	-- 7
9 Seoni-Malwa	20	--	95	57	29	-- 9
10 Timarni	13	--	65	39	19	-- 6
<b>Total</b>	<b>172</b>	<b>2</b>	<b>635</b>	<b>381</b>	<b>191</b>	<b>+ 9</b> <b>-- 28</b>

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>INDORE</b>							
1 Depalpur	34	—	179	143	71	—	37
2 Indore	33	—	163	130	65	—	32
3 Mhow	31	—	119	96	48	—	17
4 Sawer	30	—	139	111	56	—	26
Total	128	—	600	480	240	—	112
<b>KHANDWA</b>							
1 Baldi	16	—	35	28	14	+	2
2 Chhegaon M	26	—	72	58	29	—	3
3 Harsud	19	—	55	44	22	—	3
4 Khaknar	28	—	76	61	31	—	3
5 Khalwa	29	—	64	51	26	+	3
6 Khandwa	17	—	73	58	29	—	12
7 Pandwana	30	—	114	91	45	—	15
8 Punasa	32	—	72	58	29	+	3
9 Shahpur	25	—	100	80	40	—	15
Total	222	—	661	529	265	+	8
						—	51
<b>KHARGONE</b>							
1 Barwani	14	—	37	29	14	—	—
2 Barwah	33	—	111	89	45	—	12
3 Bhagwanpur	17	3	56	44	22	—	25
4 Bhikangaon	9	—	84	68	34	—	25
5 Gogaon	13	—	45	36	18	—	5
6 Kasarawad	19	—	89	72	36	—	17
7 Khargone	21	—	37	29	14	+	7
8 Maheshwar	24	—	70	56	48	—	4
9 Niwali	5	—	33	26	13	—	8
10 Pansemal	7	—	34	27	14	—	7
11 Pati	8	—	31	25	13	—	5
12 Rajpur	22	—	121	97	48	—	26
13 Thikari	20	—	65	52	26	—	6
14 Segaoon	13	—	55	44	22	—	9
15 Sendhwa	37	—	59	47	24	+	13
16 Zirniya	20	2	54	43	21	—	1
Total	282	5	981	784	392	+	20
						—	130
<b>RAISEN</b>							
1 Barli	41	—	86	60	30	+	11
2 Begumganj	13	—	75	52	26	—	13
3 Gairatganj	16	—	84	59	30	—	14
4 Obedullaganj	23	—	91	64	32	—	9
5 Sanchi	25	—	85	59	29	—	4
6 Silwani	13	—	63	44	22	—	9
7 Udaipura	24	—	78	55	28	—	4
Total	155	—	561	393	197	+	11
						—	53
<b>CHHATISGARH ZONE</b>							
<b>BALAGHAT</b>							
1 Baihar	16	—	42	30	15	+	1
2 Balaghat	32	—	72	50	25	+	7
3 Birsa	24	—	55	38	19	+	5
4 Katangi	30	—	72	50	25	+	5
5 Kirnapur	36	—	75	52	26	+	10
6 Khairlanji	35	—	75	53	26	+	9
7 Lalbarra	27	—	82	58	29	—	2
8 Lanji	37	—	60	42	21	+	16
9 Paraswada	18	—	46	32	16	+	2
10 Waraseoni	25	—	82	57	29	—	4
Total	280	—	661	462	231	+	55
						—	6

**ANNEXURE 43 (contd.)**

(1)	(2)	(3)	(4)	(5)	(6)
<b>BILASPUR</b>					
1 Akaltara	22	—	40	24	12
2 Baloda	26	—	55	33	16
3 Belha	50	—	93	56	28
4 Champa	25	—	44	27	14
5 Dabhara	30	—	49	30	15
6 Jaijaipur	30	—	67	40	20
7 Janjgir	33	—	93	56	28
8 Kargi Road	27	—	115	69	35
9 Kartala	27	—	15	9	4
10 Katghora	25	—	84	50	25
11 Korba	25	—	43	25	12
12 Lormi	37	—	110	66	33
13 Malkharoda	36	—	37	22	11
14 Marahi	24	—	40	24	12
15 Masturi	43	—	153	92	46
16 Mungeli	30	—	79	47	24
17 Pali	30	—	38	22	11
18 Pamgarh	28	—	66	39	20
19 Pandariya	33	—	69	42	21
20 Pathariya	30	—	54	33	16
21 Pendra Road	29	—	55	33	16
22 Pondi Uprora	26	—	20	12	6
23 Sakti	19	—	96	58	29
24 Takhatpur	40	—	87	52	26
<b>Total</b>	<b>715</b>	<b>—</b>	<b>1602</b>	<b>961</b>	<b>480</b>
<b>DURG</b>					
1 Balod	19	—	56	33	16
2 Bemetara	37	—	128	77	39
3 Berla	35	—	133	80	40
4 Dhamdha	32	—	153	92	46
5 Dondi	20	—	51	30	15
6 Dondi Lohara	40	—	87	52	26
7 Durg	19	—	111	67	33
8 Gunderdehi	43	—	133	80	40
9 Gurur	28	—	65	39	20
10 Nawagarh	35	—	93	56	28
11 Patan	35	—	147	88	44
12 Saja	32	—	111	67	34
<b>Total</b>	<b>375</b>	<b>—</b>	<b>1268</b>	<b>761</b>	<b>381</b>
<b>RAIGARH</b>					
1 Bagicha	23	2	58	35	18
2 Baramkela	28	—	35	21	10
3 Dharamjaigarh	34	—	48	29	15
4 Duldula	11	—	42	25	13
5 Ghargoda	14	—	29	17	8
6 Jashpur	15	—	24	15	8
7 Kansabel	15	—	22	13	6
8 Kharsia	23	—	23	14	7
9 Kunkuri	20	—	28	17	9
10 Lailunga	20	—	17	10	5
11 Manora	12	—	23	14	7
12 Pathalgaon	34	—	49	29	15
13 Pussore	27	—	45	27	13
14 Raigarh	23	—	74	45	22
15 Thamnar	21	8	33	20	10
16 Tapkara	16	—	27	16	8
17 Sarangarh	39	—	47	28	14
<b>Total</b>	<b>375</b>	<b>10</b>	<b>624</b>	<b>375</b>	<b>188</b>
<b>RAIPUR</b>					
1 Abhanpur	19	—	113	80	40

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
2 Arang	31	—	141	99	50	—	19
3 Bagbhara	34	—	270	189	95	—	61
4 Basna	24	—	69	48	24	—	—
5 B. Bazar	19	—	63	44	22	—	3
6 Bhatapara	23	—	63	44	22	+	1
7 Balaigarh	28	—	126	85	42	—	14
8 Chhura	23	—	37	26	13	+	10
9 Deobhog	26	—	61	42	21	+	5
10 Dhamtari	27	—	112	78	39	—	12
11 Dharsiwa	34	—	120	84	42	—	8
12 Gariyaband	18	—	27	20	10	+	8
13 Fingeshwar	19	—	55	38	19	—	—
14 Kasdol	23	—	41	29	14	+	9
15 Kurud	26	—	125	88	44	—	18
16 Magarlod	25	—	69	49	24	+	1
17 Mahasamundra	33	—	76	53	27	+	6
18 Nagri	13	—	30	22	11	+	2
19 Pallari	26	—	104	73	37	—	11
20 Pithora	36	—	83	58	29	+	7
21 Saraipalli	30	—	54	38	19	+	11
22 Simga	20	—	46	32	16	+	4
23 Tilda	36	—	95	66	33	+	3
<b>Total</b>	<b>593</b>	—	<b>1980</b>	<b>1385</b>	<b>693</b>	+	<b>67</b> <b>—167</b>
<b>RAJNANDGAON</b>							
1 Bodla	22	—	65	39	20	+	2
2 Chowki	23	—	107	64	32	—	9
3 Chhui Khadan	27	—	89	54	27	—	—
4 Chhuria	33	—	103	62	31	+	2
5 Dongergaon	37	—	25	15	7	+	30
6 Dongergarh	21	—	90	54	27	—	6
7 Kawardha	25	—	26	15	7	+	18
8 Khairagarh	17	—	84	51	26	—	9
9 Manpur	19	—	37	22	11	+	8
10 Mohlla	22	—	91	54	27	—	5
11 Rajnandgaon	11	—	86	51	25	—	14
12 Sahaspur	20	—	84	51	26	—	6
<b>Total</b>	<b>277</b>	—	<b>887</b>	<b>532</b>	<b>266</b>	+	<b>60</b> <b>—49</b>
<b>GWALIOR ZONE</b>							
<b>BHIND</b>							
1 Attar	36	—	98	79	40	—	4
2 Bhind	32	—	96	77	38	—	6
3 Gohad	39	—	118	95	48	—	9
4 Lahar	24	—	70	55	27	—	3
5 Mehgaon	47	—	132	105	53	—	6
6 Roan	21	—	61	49	24	—	3
<b>Total</b>	<b>199</b>	—	<b>575</b>	<b>460</b>	<b>230</b>	—	<b>31</b>
<b>DATIA</b>							
1 Datia	31	—	97	58	29	+	2
2 Seondha	29	—	103	62	31	—	2
<b>Total</b>	<b>60</b>	—	<b>200</b>	<b>120</b>	<b>60</b>	+	<b>2</b> <b>—2</b>
<b>GUNA</b>							
1 Aron	17	—	67	40	20	—	3
2 Ashoknagar	22	—	132	80	40	—	18
3 Bamori	18	—	72	43	21	—	3
4 Chachoda	32	—	112	67	34	—	2
5 Chanderi	18	—	104	63	31	—	13
6 Guna	19	—	81	49	25	—	6

**ANNEXURE 43 (contd.)**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
7 Issagarh	21	—	92	55	28	— 7
8 Mungaoli	19	—	53	32	16	+ 3
9 Raghogarh	18	—	91	54	27	— 9
<b>Total</b>	<b>184</b>	—	<b>804</b>	<b>483</b>	<b>242</b>	<b>+ 3</b>
<b>GWALIOR</b>						<b>— 61</b>
1 Bhandar	25	—	102	81	40	— 15
2 Bhitarwar	23	—	74	59	30	— 7
3 Dabra	24	—	153	123	61	— 37
4 Ghatigaon	16	—	40	32	16	—
5 Morar	20	—	88	71	36	— 16
<b>Total</b>	<b>108</b>	—	<b>457</b>	<b>366</b>	<b>183</b>	<b>— 75</b>
<b>MANDSAUR</b>						
1 Bhanpura	12	—	74	52	26	— 14
2 Garoth	25	—	136	96	48	— 23
3 Jawad	29	—	105	74	37	— 8
4 Malhargarh	17	—	114	80	40	— 23
5 Manasa	24	—	124	87	44	— 20
6 Mandsaur	26	—	185	130	65	— 39
7 Neemuch	27	—	116	79	39	— 12
8 Sitamau	23	—	160	112	56	— 33
<b>Total</b>	<b>183</b>	—	<b>1014</b>	<b>710</b>	<b>355</b>	<b>— 172</b>
<b>MORENA</b>						
1 Ambah	25	—	93	65	33	— 8
2 Bijaypur	32	—	37	26	13	+ 19
3 Joura	21	—	58	41	20	+ 1
4 Kailarash	17	—	40	28	14	+ 3
5 Karhal	15	—	31	22	11	+ 4
6 Morena	38	—	172	121	61	— 23
7 Pahargarh	20	—	21	14	7	+ 13
8 Porsa	21	—	82	57	28	— 7
9 Sabalgarh	19	—	33	23	12	+ 7
10 Sheopur	30	—	199	139	69	— 39
<b>Total</b>	<b>238</b>	—	<b>766</b>	<b>536</b>	<b>268</b>	<b>+ 47</b>
<b>RAJGARH</b>						<b>— 77</b>
1 Biaora	35	—	116	70	35	—
2 Narsingharh	34	—	150	90	45	— 11
3 Rajgarh	20	—	96	58	29	— 9
4 Sarangpur	21	—	106	64	32	— 11
5 Zirapur	45	—	170	102	51	— 6
6 Khilchipur }						
<b>Total</b>	<b>155</b>	—	<b>638</b>	<b>384</b>	<b>192</b>	<b>— 37</b>
<b>RATLAM</b>						
1 Alote	24	—	87	61	31	— 7
2 Bajna	12	—	34	24	12	—
3 Jaora	20	—	111	78	39	— 19
4 Piploda	13	—	89	62	31	— 18
5 Ratlam	22	—	159	112	56	— 34
6 Sailana	14	—	35	24	12	+ 2
<b>Total</b>	<b>105</b>	—	<b>515</b>	<b>361</b>	<b>181</b>	<b>+ 2</b>
<b>SHAJAPUR</b>						<b>— 78</b>
1 Agar	16	—	73	51	26	— 10
2 Barod	14	—	50	35	17	— 3
3 Kalapipal	19	—	89	62	31	— 12
4 M. Baroda	26	—	92	65	33	— 7
5 Shajapur	24	—	131	92	46	— 22
6 Shujalpur	20	—	74	52	26	— 6
7 Susner	27	—	164	115	57	— 30
<b>Total</b>	<b>146</b>	—	<b>673</b>	<b>472</b>	<b>236</b>	<b>— 90</b>

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>SHIVPURI</b>							
1 Badarwas	18	—	92	55	27	—	9
2 Karera	20	—	85	51	26	—	6
3 Khaniyadhana	26	—	82	49	25	+	1
4 Kolaras	16	—	65	39	19	—	3
5 Narwar	22	—	66	40	20	+	2
6 Pichhore	20	—	59	35	18	+	2
7 Pochari	22	—	80	48	24	—	2
8 Sh. puri	20	—	68	41	20	—	—
<b>Total</b>	<b>164</b>	—	<b>597</b>	<b>358</b>	<b>179</b>	+	<b>5</b> <b>20</b>
<b>UJJAIN</b>							
1 Badnagar	41	—	153	122	61	—	20
2 Ghattia	22	—	81	65	33	—	11
3 Kachroud	41	—	166	133	66	—	25
4 Mahidpur	24	—	132	105	53	—	29
5 Tarana	32	—	119	95	48	—	16
6 Ujjain	23	—	81	65	32	—	9
<b>Total</b>	<b>183</b>	—	<b>732</b>	<b>585</b>	<b>293</b>	—	<b>110</b>
<b>VIDISHA</b>							
1 Basoda	42	—	166	116	58	—	16
2 Gyaspur	16	—	85	59	30	—	14
3 Kurwai	24	—	94	66	33	—	9
4 Lateri	17	—	98	69	34	—	17
5 Nateran	22	—	75	52	26	—	4
6 Sironj	31	—	122	86	43	—	12
7 Vidisha	19	—	56	39	20	—	1
<b>Total</b>	<b>171</b>	—	<b>696</b>	<b>487</b>	<b>244</b>	—	<b>73</b>
<b>JABALPUR ZONE</b>							
<b>CHHINDWARA</b>							
1 Amarwara	18	—	88	61	31	—	13
2 Bichua	11	—	41	28	14	—	3
3 Chhindwara	11	—	65	46	23	—	12
4 Chourai	15	—	104	72	36	—	21
5 Harrai	14	—	51	36	18	—	4
6 Jamai	23	—	50	35	17	+	6
7 Mohkheda	12	—	84	59	30	—	18
8 Pandhurna	16	—	91	64	32	—	16
9 Parasia	20	—	60	42	21	—	1
10 Sausar	17	—	61	43	22	—	5
11 Tamia	15	—	53	37	18	—	3
<b>Total</b>	<b>172</b>	—	<b>748</b>	<b>523</b>	<b>262</b>	+	<b>6</b> <b>96</b>
<b>DAMOH</b>							
1 Batiagarh	17	—	42	34	17	—	—
2 Damoh	27	—	87	70	35	—	8
3 Hatta	17	—	60	48	24	—	7
4 Jabera	14	—	48	39	19	—	5
5 Patera	12	—	62	49	25	—	13
6 Patharia	17	—	76	60	30	—	13
7 Tendukheda	21	—	49	39	20	+	1
<b>Total</b>	<b>125</b>	—	<b>424</b>	<b>339</b>	<b>170</b>	+	<b>1</b> <b>46</b>
<b>JABALPUR</b>							
1 Badwara	28	—	64	39	20	+	8
2 Bahoriband	29	—	65	39	19	+	10
3 Bargi	27	—	54	32	16	+	11
4 Dhimarkheda	29	—	33	20	10	+	19
5 Katni	19	—	42	25	13	+	6
6 Kundam	21	—	33	20	10	+	11
7 Majholi	31	—	56	34	17	+	14

**ANNEXURE 43 (contd.)**

(1)	(2)	(3)	(4)	(5)	(6)	(7)
8 Panagar	24		114	68	34	— 10
9 Patan	21	—	78	47	24	— 3
10 Rithi	22	—	55	33	16	+ 6
11 Shahpur	21	—	71	42	21	—
12 Sehora	28	—	51	30	15	+ 13
13 Vijayaraghogarh	34	—	63	38	19	+ 15
<b>Total</b>	<b>334</b>	—	<b>779</b>	<b>467</b>	<b>234</b>	<b>+ 113</b>
<b>NARSINGHPUR</b>						— 13
1 Babai Chicholi	13	—	57	45	23	— 10
3 Chawarpatha	23	—	81	65	32	— 9
3 Gotegaon	25	—	84	67	34	— 9
4 Kareli	18	—	58	47	23	— 5
5 Narsinghpur	18	—	79	63	32	— 14
6 Sainkheda	13	—	50	40	20	— 7
<b>Total</b>	<b>110</b>	—	<b>409</b>	<b>327</b>	<b>164</b>	— 54
<b>SAGAR</b>						
1 Banda	22	—	61	36	18	+ 4
2 Bina	18	—	65	39	20	— 2
3 Deori	21	1	60	36	18	+ 3
4 Jaisinghnagar	19	—	49	30	15	+ 4
5 Kesli	14	—	50	30	15	— 1
6 Khurai	16	—	95	57	28	— 12
7 Malthone	19	—	56	34	17	+ 2
8 Rahatgarh	20	1	75	45	23	— 3
9 Rehli	32	—	64	38	19	+ 13
10 Sagar	35	1	83	50	25	+ 10
11 Shahgarh	16	—	89	53	26	— 10
<b>Total</b>	<b>232</b>	<b>3</b>	<b>747</b>	<b>448</b>	<b>224</b>	<b>+ 36</b>
						— 28
<b>SEONI</b>						
1 Barghat	20	—	78	47	24	— 4
2 Chhapara	14	—	61	37	18	— 4
3 Dhanora	11	—	49	29	15	— 4
4 Ghansore	18	—	62	37	18	—
5 Keolari	23	—	74	46	23	—
6 Kurai	15	—	41	24	12	+ 3
7 Lakhanadone	24	—	87	52	26	— 2
8 Seoni	28	—	126	76	38	— 10
<b>Total</b>	<b>153</b>	—	<b>580</b>	<b>348</b>	<b>174</b>	<b>+ 3</b>
						— 24
<b>VINDHYA ZONE</b>						
<b>CHHATARPUR</b>						
1 Bada Ma Lehara	22	—	75	45	22	—
2 Baxwaha	13	—	41	24	12	+ 1
3 Bijawar	20	—	49	29	15	+ 5
4 Chhatarpur	25	—	89	53	27	— 2
5 Gaurihar	21	—	85	51	25	— 4
6 Laundi	20	—	68	41	21	— 1
7 Nowgang	19	—	87	53	26	— 7
8 Raj Nagar	17	—	88	53	27	— 10
<b>Total</b>	<b>157</b>	—	<b>582</b>	<b>350</b>	<b>175</b>	<b>+ 6</b>
						— 24
<b>PANNA</b>						
1 Ajaigarh	17	—	52	31	15	+ 2
2 Gunnore	21	—	70	42	21	—
3 Panna	19	—	70	42	21	— 2
4 Pawai	22	—	76	45	23	— 1
5 Shah Nagar	22	—	59	36	18	+ 4
<b>Total</b>	<b>101</b>	—	<b>327</b>	<b>196</b>	<b>98</b>	<b>+ 6</b>
						— 3



	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>REWA</b>							
1 Gangeo	33	—	46	28	14	+	19
2 Hanumana	23	—	119	71	36	—	13
3 Jawa	23	—	52	31	15	+	8
4 Mauganj	19	—	64	38	19	—	—
5 Naigarhi	20	—	39	23	12	+	8
6 Raipur	26	—	40	24	12	+	14
7 Rewa	22	—	43	26	13	+	9
8 Sirmour	34	—	56	34	17	+	17
9 Teonthar	27	—	56	34	17	+	10
Total	227	—	515	309	155	+	85
						—	13
<b>SATNA</b>							
1 Amarpatan	23	—	60	42	21	+	2
2 Maihar	27	—	54	38	19	+	8
3 Majhgaon	29	—	59	41	21	+	8
4 Nagod	23	—	73	52	26	—	3
5 Ramnagar	19	—	50	35	17	+	2
6 Rampur	29	—	55	38	19	+	10
7 Satnah	27	—	55	38	19	+	8
8 Uchhera	20	—	58	41	20	—	—
Total	197	—	464	325	162	+	38
						—	3
<b>SIDHI</b>							
1 Chitarangi	30	3	63	38	19	+	11
2 Deosar	30	2	172	103	51	—	21
3 Kusmi	8	2	9	6	3	+	5
4 Majhauri	20	6	20	12	6	+	14
5 Rampur	35	1	46	27	14	+	21
6 Sidhi	34	4	53	32	16	+	18
7 Sihawal	31	1	39	24	12	+	19
8 Waidhan	40	4	68	41	20	+	20
Total	228	23	470	283	141	+	108
						—	21
<b>TIKAMGARH</b>							
1 Baldeogarh	30	—	70	49	25	+	5
2 Jatara	23	—	78	55	27	—	4
3 Niwari	20	—	64	45	22	—	2
4 Palera	23	—	60	42	21	+	2
5 Prithvipur	15	—	72	50	25	—	10
6 Tikamgarh	24	—	109	76	38	—	14
Total	135	—	453	317	158	+	7
						—	30
<b>TRIBAL ZONE</b>							
<b>BASTAR</b>							
1 Antagarh	9	—	17	10	5	+	4
2 Bade Rajpur	15	—	19	11	6	+	9
3 Bakaband	26	—	25	15	8	+	18
4 Bastanar	13	—	25	15	7	+	6
5 Bastar	28	—	27	16	8	+	20
6 Bhairamgarh	8	—	15	9	5	+	3
7 Bhanupratappur	11	—	21	12	6	+	5
8 Bhopalpatnam	7	—	13	8	4	+	3
9 Bijapur	11	—	17	10	5	+	6
10 Charama	11	—	29	17	9	+	2
11 Chhindigarh	8	—	25	15	8	—	—
12 Dantewada	5	—	28	17	8	—	3
13 Darbha	7	—	7	4	2	+	5
14 Durga Kondal	9	—	25	15	7	+	2
15 Geedam	7	—	25	15	8	—	1
16 Jagdalpur	20	—	18	11	5	+	15
17 Kanker	13	—	27	16	8	+	5
18 Kate Kalyan	5	1	19	12	6	—	1

**ANNEXURE 43 (contd.)**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
19 Keskai	11	—	15	9	4	+	7
20 Koilebeda	8	—	17	10	5	+	3
21 Kondagaon	18	—	29	18	9	+	9
22 Konta	10	—	19	12	6	+	4
23 Kuwa Kunda	6	1	27	16	8	—	2
24 Lohandiguda	16	—	21	12	6	+	10
25 Makadi	9	—	2	1	1	+	8
26 Narayanpur	10	—	25	15	8	+	2
27 Orchha	3	3	5	3	1	+	2
28 Pharasgaon	11	—	11	7	3	+	8
29 Sarona	18	—	29	18	9	+	9
30 Sukma	6	1	24	14	7	—	1
31 Tokapal	18	—	18	11	5	+	13
32 Usoor	7	—	19	12	6	+	1
Total	364	6	643	386	193	+	179
						—	8
DHAR							
1 Badnavar	29	—	138	97	48	—	19
2 Bagh	16	—	34	24	12	+	4
3 Dahi	12	—	37	26	13	—	1
4 Dhar	16	1	66	46	23	—	7
5 Dharamपुरi	18	1	70	49	24	—	6
6 Gandhwani	12	—	44	31	16	—	4
7 Kusmi	8	—	38	27	13	—	5
8 Manawar	21	—	55	38	19	+	2
9 Nalchha	23	—	54	38	19	+	4
10 Nisarpur	16	—	42	29	15	+	1
11 Sardarpur	30	1	140	98	49	—	19
12 Tilda	11	—	56	39	20	—	9
13 Umarban	17	—	56	89	19	—	2
Total	229	3	830	581	290	+	11
						—	72
JHABUA							
1 Alirajpur	16	—	45	27	14	+	2
2 Bhabra	14	—	44	27	13	+	1
3 Jhabua	16	—	34	20	10	+	6
4 Jobat	14	—	17	10	5	+	9
5 Kattiwara	14	—	25	15	7	+	7
6 Meghnagar	15	—	16	9	5	+	10
7 Rama	15	—	29	18	9	+	6
8 Ranapur	14	—	35	21	11	+	3
9 Petlawad	14	—	70	42	21	—	7
10 Sondwa	21	—	41	24	12	+	9
11 Tandla	18	—	47	29	14	+	4
12 Udaigarh	12	—	24	14	7	+	5
Total	183	—	427	256	128	+	62
						—	7
MANDLA							
1 Amarpur	7	—	11	7	3	+	4
2 Bajag	6	—	28	17	8	—	2
3 Bichhiya	13	—	29	17	9	+	4
4 Bijadandi	8	—	21	13	6	+	2
5 Dindori	13	—	48	29	15	—	2
6 Ghugari	4	—	17	10	5	—	1
7 Karanjiya	6	—	12	7	4	+	2
8 Mandla	13	—	41	25	12	+	1
9 Mavai	11	—	23	14	7	+	4
10 Mahadwani	7	—	22	13	6	+	1
11 Mohgaon	7	—	19	12	6	+	1
12 Nainpur	12	—	34	20	10	+	2
13 Narayanganj	7	—	22	13	7	—	—
14 Niwas	6	—	24	14	7	—	1

(1)	(2)	(3)	(4)	(5)	(6)	(7)
15 Samnapur	4	—	32	19	10	— 6
16 Shahpur	12	—	50	30	15	— 3
<b>Total</b>	<b>136</b>	—	<b>433</b>	<b>260</b>	<b>130</b>	<b>+ 21</b> <b>— 15</b>
<b>SHAHDOL</b>						
1 Anuppur	19	—	115	69	35	— 16
2 Beohari	24	—	50	30	15	+ 9
3 Burhar	28	—	43	26	13	+ 15
4 Jaisinghnagar	25	—	46	27	14	+ 11
5 Jaithar	21	—	46	28	14	+ 7
6 Karkeli	31	—	60	36	18	+ 18
7 Kotma	10	—	44	26	13	— 3
8 Manpur	23	—	38	23	11	+ 12
9 Pali No. 1	14	—	24	15	7	+ 7
10 Pali No. 2	10	—	17	10	5	+ 5
11 Pushparajgad	30	—	80	48	24	+ 6
12 Sohagpur	23	—	37	22	11	+ 12
<b>Total</b>	<b>258</b>	—	<b>600</b>	<b>360</b>	<b>180</b>	<b>+ 97</b> <b>— 19</b>
<b>SURGUJA</b>						
1 Ambikapur	—	—	54	32	16	— 16
2 Baikunthpur	20	—	39	24	12	+ 8
3 Balrampur	12	—	29	17	9	+ 3
4 Batoli	14	—	13	8	4	+ 10
5 Bhaiyathan	22	1	65	39	19	+ 3
6 Janekpur	18	—	23	14	7	+ 11
7 Khadgawan	16	—	15	9	4	+ 12
8 Kusmi	21	1	33	20	10	+ 11
9 Lakhanpur	16	—	30	18	9	+ 7
10 Lundra	21	—	31	19	9	+ 12
11 Mainpat	10	—	12	7	4	+ 6
12 M. Garh	12	—	37	22	11	+ 1
13 Odgi	18	1	29	17	9	+ 9
14 Pratappur	23	—	32	19	10	+ 13
15 Premnagar	15	1	18	11	5	+ 10
16 Rajpur	17	1	42	25	13	+ 4
17 Ramanuj Nagar	14	—	14	9	4	+ 10
18 Ramchandrapur	15	—	26	16	8	+ 7
19 Shankergarh	11	—	31	18	9	+ 2
20 Sitapur	16	—	12	7	4	+ 12
21 Sonhat	15	2	24	14	7	+ 8
22 Surajpur	28	—	31	19	9	+ 19
23 Udaipur	18	—	36	22	11	+ 7
24 Wadrafanagar	21	—	29	17	9	+ 12
<b>Total</b>	<b>393</b>	<b>7</b>	<b>705</b>	<b>423</b>	<b>212</b>	<b>+ 197</b> <b>— 16</b>

**ANNEXURE 44**

**DISTRICT-WISE POSITION OF BLOCKS HAVING EXCESS SOCIETIES, BLOCKS WHICH CAN SUPPORT ADDITIONAL SOCIETIES, ETC.**

District	No. of blocks having excess societies	No. of excess societies	No. of blocks which can support existing no. of societies	No. of blocks which can support additional societies	No. of addi- tional societies
(1)	(2)	(3)	(4)	(5)	(6)
<b>BHOPAL-INDORE ZONE</b>					
1 Betul	2	6	3	5	29
2 Bhopal	—	—	1	6	62
3 Dewas	—	—	—	6	48
4 Hoshangabad	3	9	2	5	28
5 Indore	—	—	—	4	112
6 Khandwa	3	8	—	6	51
7 Khargone	2	20	1	13	130
8 Raisen	1	11	—	6	53
Sub-total	11	54	7	51	513
<b>CHHATISGARH ZONE</b>					
9 Balaghat	8	55	—	2	6
10 Bilaspur	20	256	1	3	21
11 Durg	6	40	—	6	46
12 Raigarh	16	189	—	1	2
13 Raipur	12	67	2	9	167
14 Rajnadgaon	5	60	1	6	49
Sub-total	67	667	4	27	291
<b>GWALIOR ZONE</b>					
15 Bhind	—	—	—	6	31
16 Datia	1	2	—	1	2
17 Guna	1	3	—	8	61
18 Gwalior	—	—	1	4	75
19 Mandsaur	—	—	—	8	172
20 Morena	6	47	—	4	77
21 Rajgarh	—	—	1	5	37
22 Ratlam	1	2	1	4	78
23 Shajapur	—	—	—	7	90
24 Shivpuri	3	5	1	4	20
25 Ujjain	—	—	—	6	110
26 Vidisha	—	—	—	7	73
Sub-total	12	59	4	64	826
<b>JABALPUR ZONE</b>					
27 Chhindwara	1	6	—	10	96
28 Damoh	1	1	1	5	46
29 Jabalpur	10	113	1	2	13
30 Narsingpur	—	—	—	6	54
31 Sagar	6	36	—	5	28
32 Seoni	1	3	2	5	24
Sub-total	19	159	4	33	261

	(1)	(2)	(3)	(4)	(5)	(6)
<b>VINDHYA ZONE</b>						
33 Chhatarpur		2	6	1	5	24
34 Panna		2	6	1	2	3
35 Rewa		7	85	1	1	13
36 Satna		6	38	1	1	3
37 Sidhi		7	108	—	1	21
38 Tikamgarh		2	7	—	4	30
Sub-total		26	250	4	14	94
<b>TRIBAL ZONE</b>						
39 Bastar		26	179	1	5	8
40 Dhar		4	11	—	9	72
41 Jhabua		11	62	—	1	7
42 Mandla		9	21	1	6	15
43 Shahdol		10	97	—	2	19
44 Surguja		23	197	—	1	16
Sub-total		83	567	2	24	137
<b>Total</b>		<b>218</b>	<b>1756</b>	<b>25</b>	<b>213</b>	<b>2122</b>

#### ANNEXURE 45

##### EXTRACT FROM THE SUMMARY OF RECOMMENDATIONS OF THE STUDY TEAM ON OVERDUES OF CO-OPERATIVE CREDIT INSTITUTIONS

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45 All defaulters with cultivated holdings in villages affected by natural calamities in one or more years during the three-year period 1970-71 to 1972-3 should be eligible for relief under the rehabilitation programme. The category of non-wilful defaulters should, however, exclude all those :

(a) who had deceived the society by showing false land holdings or crops for securing more credit than they would be otherwise eligible for ;

(b) who had obtained loans for sugarcane and banana cultivation, or chard or plantation crops in conjunction with other crops, provided the income from the former was 75 per cent of their total agricultural income ; and

(c) who were big farmers i.e., whose gross agricultural income was above Rs 5,000 per annum.

46 The nature and extent of relief that may be extended to the non-wilful defaulters (excluding the big farmers) is indicated below :

**(i) Default under one loan**

The loan under default may be converted into a three-year rehabilitation loan.

**(ii) Default under two loans**

A six-year rehabilitation loan may be granted which will accommodate the aggregate burden in respect of two loans within the borrower's repaying capacity.

**(iii) Default under three loans**

Fifty per cent of the short-term (conversion) loan (the earliest loan in point of time) may be written off by making use of the Agricultural Credit Relief Fund and the aggregate of the balance of this loan and the remaining two loans may be re-scheduled as a seven-year loan.

**(iv) Default under four loans**

The first short-term (conversion) loan and 50 per cent of the second short-term (conversion) loan may be written off by utilizing assistance from the Relief Fund. The balance of overdue loans may be re-scheduled as a seven-year loan.

47 Such of the defaulters who are eligible for inclusion under the rehabilitation programme but have enjoyed the benefit of normal year or years during the three years preceding 1973-4 should be required to repay a part of the principal amount and then only the balance of overdue loans could be converted as under :

(i) If the year 1973-4 is a normal year, the defaulter should pay at least 25 per cent of the principal amount under default or the balance of repaying capacity available (after providing for interest) whichever is less, provided one or two of the preceding three years (1970-71 to 1972-3) were normal years.

(ii) If the year 1973-4, however, is a year of calamity, the defaulter may not be asked to repay any part of the overdue loan.

**ANNEXURE 46**  
**DISTRICT-WISE POSITION OF VILLAGES AFFECTED BY NATURAL CALAMITY DURING THE YEARS 1968-9 TO 1974-5**

District	Total No. of villages as per 1971 census	Number of villages where annewari declared was 6 annas or below in the year						
		1968-9	1969-70	1970-71	1971-2	1972-3	1973-4	1974-5
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>BHOPAL-INDORE ZONE</b>								
1 Betul	1397	—	—	—	—	1107	—	130
2 Bhopal	1672	—	—	—	—	31	—	—
3 Dewas	1147	—	—	—	—	8	—	—
4 Hoshangabad	1553	—	157	—	—	—	—	13
5 Indore	662	—	—	—	—	—	21	—
6 Khandwa	1205	—	—	—	—	137	11	—
7 Khargone	2088	—	—	—	—	298	—	—
8 Raisen	1535	—	84	—	—	—	—	—
Sub-total	11259	—	241	—	—	1581	32	143
<b>CHHATISGARH ZONE</b>								
9 Balaghat	1391	—	—	—	—	530	69	593
10 Bilaspur	3610	504	559	—	—	213	490	1148
11 Durg	4272	135	225	30	316	1616	921	2836
12 Raigarh	2246	—	—	—	48	240	53	269
13 Raipur	4025	467	1043	—	476	798	829	2485
Sub-total	15544	1106	1827	30	840	3397	2362	7331
<b>GWALIOR ZONE</b>								
14 Bhind	949	—	69	—	—	—	—	—
15 Datia	453	79	111	—	—	—	—	—
16 Guna	2270	—	36	—	—	—	—	—
17 Gwalior	842	—	46	—	—	—	—	35
18 Mandsaur	1824	—	—	—	—	—	338	—
19 Morena	1421	—	—	—	64	—	—	—
20 Rajgarh	1750	—	44	—	—	—	—	—
21 Ratlam	1072	—	—	—	—	96	—	—
22 Shajapur	1121	—	—	—	—	—	—	—
23 Shivpuri	1479	314	287	—	—	—	—	64

## ANNEXURE 46 (contd.)

(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
24	Ujjain	1117	—	—	—	—	—	—	—
25	Vidisha	1618	—	180	22	—	—	—	—
	Sub-total	15916	393	773	22	64	96	338	99
JABALPUR ZONE									
26	Chhindwara	1989	—	105	—	—	668	—	347
27	Damoh	1398	—	123	—	—	11	—	239
28	Jabalpur	2446	169	—	—	—	280	265	324
29	Narsinghpur	1076	—	—	—	—	—	36	12
30	Sagar	2081	—	249	—	—	9	—	—
31	Seoni	1665	—	254	—	—	1485	—	771
	Sub-total	10655	169	731	—	—	2453	301	1693
VINDHYA ZONE									
32	Chhatarpur	1208	144	—	—	—	35	180	284
33	Panna	1093	—	—	—	66	66	—	417
34	Rewa	2789	—	—	—	—	94	2529	2597
35	Satna	2114	695	—	—	—	112	—	1067
36	Sidhi	1909	—	—	—	—	—	812	530
37	Tikamgarh	1002	123	—	—	—	—	86	—
	Sub-total	10115	962	—	—	66	307	3607	4895
TRIBAL ZONE									
38	Bastar	3676	—	—	—	—	708	707	99
39	Dhar	1571	—	—	—	—	947	—	534
40	Jhabua	1365	1081	—	—	—	519	567	240
41	Mandla	2180	—	210	—	—	1706	—	339
42	Shahdol	2143	1550	796	—	—	360	—	1048
43	Surguja	2425	305	—	—	—	511	94	538
	Sub-total	13360	2936	1006	—	—	4751	1368	2798
Total		76849	5566	4578	52	970	12585	8008	16959



# ANNEXURE 47

## ESTIMATE OF OVERDUES UNDER NON-WILFUL DEFAULT AS ON JUNE 1975

Rupees Lakhs

District	Percentage of number of villages affected by natural calamity to total number of villages			Overdues at primary level as on 30 June 1975			Non-wilful default (2a X 3a) + (2b X 3b) + (2c X 3c)
	1972-3	1973-4	1974-5	2-3 years	1-2 years	Less than one year	
(1)	(2a)	(2b)	(2c)	(3a)	(3b)	(3c)	(4)
<b>BHOPAL-INDORE ZONE</b>							
1 Betul	79.2	—	9.3	8.52	12.40	18.00	8.42
2 Bhopal	1.9	—	—	29.90	39.53	32.07	0.57
3 Dewas	0.7	—	—	13.96	21.37	36.15	0.10
4 Hoshangabad	—	—	0.8	13.97	18.36	17.81	0.14
5 Indore	—	3.2	—	27.34	36.93	62.89	1.18
6 Khandwa	11.4	0.9	—	13.35	18.27	57.43	1.69
7 Khargone	14.3	—	—	35.09	30.11	55.91	5.02
8 Raisen	—	—	—	21.22	19.04	19.26	—
							<b>17.12</b>
<b>CHHATISGARH ZONE</b>							
9 Balaghat	38.1	5.0	42.6	32.80	38.39	32.82	28.40
10 Bilaspur	5.9	13.6	31.8	57.76	82.05	116.25	51.53
11 Durg	37.8	21.5	66.4	58.74	58.43	51.96	69.27
12 Raigarh	10.7	2.4	12.0	17.48	14.97	13.73	3.88
13 Raipur	19.8	20.6	61.7	100.68	115.18	98.45	104.41
							<b>257.49</b>
<b>GWALIOR ZONE</b>							
14 Bhind	—	—	—	25.10	37.40	35.20	—
15 Datia	—	—	—	4.26	3.16	8.68	—
16 Guna	—	—	—	20.97	16.74	23.32	—
17 Gwalior	—	—	4.2	22.39	34.74	43.41	1.82
18 Mandsaur	—	18.5	—	43.10	68.34	42.43	12.64
19 Morena	—	—	—	26.12	37.20	51.87	—
20 Rajgarh	—	—	—	10.28	10.09	8.58	—
21 Ratlam	9.0	—	—	12.79	17.80	41.04	1.15
22 Shajapur	—	—	—	25.04	31.98	34.38	—

## ANNEXURE 47 (contd.)

(1)	(2a)	(2b)	(2c)	(3a)	(3b)	(3c)	(4)
23 Shivpuri	—	—	4.3	16.05	21.02	27.33	1.18
24 Ujjain	—	—	—	30.88	45.81	42.03	—
25 Vidisha	—	—	—	8.89	6.45	4.44	—
							16.79
<b>JABALPUR ZONE</b>							
26 Chhindwara	33.6	—	17.4	39.27	43.20	67.92	25.01
27 Damoh	0.8	—	17.1	11.43	20.38	39.45	3.58
28 Jabalpur	11.4	10.8	13.2	15.21	13.29	31.00	7.26
29 Narsinghpur	—	3.3	1.1	20.71	22.01	35.23	1.12
30 Sagar	0.4	—	—	31.05	20.88	26.99	0.12
31 Seoni	89.2	—	46.3	12.50	12.45	17.29	19.16
							56.25
<b>VINDHYA ZONE</b>							
32 Chhatarpur	2.9	14.9	19.7	11.36	10.77	37.46	9.31
33 Panna	6.0	—	38.2	5.11	4.03	0.74	3.15
34 Rewa	3.4	90.7	93.1	7.80	14.35	11.14	23.65
35 Satna	5.3	—	50.5	7.71	7.34	19.65	10.33
36 Sidhi	—	42.5	27.8	8.71	5.67	5.87	4.04
37 Tikamgarh	—	8.6	—	37.30	16.10	30.95	1.38
							51.86
<b>TRIBAL ZONE</b>							
38 Bastar	19.3	19.3	2.7	17.50	19.25	14.30	7.24
39 Dhar	60.3	—	34.0	25.90	32.16	43.24	30.32
40 Jhabua	38.0	41.5	17.6	3.61	5.94	6.49	4.98
41 Mandla	78.3	—	15.6	7.65	5.14	12.22	7.90
42 Shahdol	16.8	—	48.9	4.11	4.71	8.58	4.89
43 Surguja	21.1	3.9	22.2	9.26	10.10	7.65	4.05
							59.38
							458.89

**ANNEXURE 48**

**ANALYSIS OF CHRONIC DEFAULTS AS ON 30 JUNE 1975 IN SELECT SOCIETIES IN 5 DISTRICTS**

District	No. of societies selected	Rupees Lakhs										
		Loans overdue over 3 years				Overdue loans in respect of which			Overdue loans over 3 years for amounts not exceeding Rs 100 inclusive of interest receivable			
		Total	Principal	Interest receivable	Of col. (3c) penal interest receivable	loan documents are available but the borrowers have no tangible security	there are no loan documents but there are lists of individual members to whom fertilizers or seed was supplied by the revenue or block authorities	there is no evidence on record to indicate the persons who are the borrowers	Number of defaulters	Overdue principal	Overdue interest	Total overdues
(1)	(2)	(3a)	(3b)	(3c)	(3d)	(4a)	(4b)	(4c)	(5a)	(5b)	(5c)	(5d)
1 Bastar	103	26.91	17.12	9.79	0.25	1.63	0.61	7.34	2335	1.22	0.83	2.05
2 Rewa	101	18.18	9.41	8.77	1.31	0.53	0.06	2.04	668	0.35	0.31	0.66
3 Shahdol	101	15.71	8.22	7.49	1.52	2.04	0.90	1.97	1004	0.32	0.28	0.60
4 Sidhi	100	36.55	21.06	15.29	7.06	0.81	0.45	0.25	1472	0.79	0.68	1.47
5 Surguja	100	11.38	7.07	4.31	—	0.12	1.57	0.01	863	0.27	0.16	0.43
<b>Total</b>	<b>505</b>	<b>108.53</b>	<b>62.88</b>	<b>45.65</b>	<b>10.14</b>	<b>5.13</b>	<b>3.59</b>	<b>11.61</b>	<b>6342</b>	<b>2.95</b>	<b>2.26</b>	<b>5.21</b>

**ANNEXURE 49**  
**DEPARTMENTAL ACTION IN FILING OF DISPUTES/ARBITRATION CASES AND IN THE**  
**EXECUTION OF AWARDS OBTAINED (POSITION AS AT THE END OF 1974-5)**

Name of the Bank	Rupees Lakhs							
	Overdues for more than 1 year as on 30-6-74		Suit filed cases pending with the department as on 30-6-74		Cases filed during the year		Awards obtained during the year	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)
<b>BHOPAL-INDORE ZONE</b>								
1 Barwani	213	2.21	213	2.21	2311	35.60	1765	26.13
2 Betul	7047	36.83	57	0.36	2809	23.00	796	8.10
3 Bhopal	11452	73.45	789	6.52	2471	33.48	3054	37.31
4 Dewas	10350	54.36	951	14.33	1652	34.77	963	30.49
4 Harda	11478	66.84	872	11.74	3599	39.41	3110	37.64
6 Indore	3809	89.01	166	4.51	4047	119.83	4106	121.15
7 Nimar	6672	90.25	353	1.64	3890	40.72	3783	38.23
8 Raisen	...	50.59	79	2.06	553	12.01	524	12.58
Sub-total	40671	463.54	3480	43.37	21432	338.82	18101	311.63
<b>CHHATISGARH ZONE</b>								
9 Balaghat	8527	113.40	2288	22.61	2437	42.32	2442	25.81
10 Bilaspur	5762	204.61	752	11.65	4753	60.31	1459	19.92
11 Durg	21200	117.77	1513	13.24	3123	25.16	2232	26.30
12 Raigarh	23415	73.38	594	4.41	5243	27.42	1262	86.83
13 Raipur	75578	431.45	29412	240.25	2535	128.58	9461	96.84
14 Rajnandgaon	5512	69.79	349	3.20	5577	35.13	1156	2.72
Sub-total	139994	1010.40	34908	295.36	33668	318.92	18012	258.42
<b>GWALIOR ZONE</b>								
15 Bhind	97	37.70	2955	36.48	1678	22.82	2363	29.53
16 Datia	6269	28.33	256	0.71	1549	14.39	613	6.56
17 Guna	11510	98.97	2873	29.67	3232	37.92	3902	42.34
18 Gwalior	15456	72.91	—	—	1981	35.50	1981	35.50
19 Morena	16215	137.30	1971	22.90	1519	24.97	1428	17.02
20 Neemuch	10422	128.02	2162	41.84	7522	145.65	7469	158.96
21 Rajgarh	13284	64.89	187	2.33	3482	39.97	2560	33.31
22 Ratlam	13823	68.34	537	9.00	2760	34.80	1464	19.68

(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)
23 Shivpuri	15979	96·69	890	12·65	2779	30·71	1232	14·75
24 Shujalpur	11434	89·73	2765	34·53	1636	27·62	3846	52·61
25 Ujjain	12392	121·08	1470	22·27	17840	213·29	12222	159·87
26 Vidisha	5916	75·40	367	9·67	1679	36·83	1235	30·32
Sub-total	132797	979·36	16433	222·05	47657	664·47	36315	600·45
<b>JABALPUR ZONE</b>								
27 Chhindwara	18974	53·21	373	12·41	1621	48·94	748	25·87
28 Damoh	4064	48·89	—	—	2652	45·09	2248	39·87
29 Jabalpur	10259	57·24	240	18·93	1395	22·57	691	10·90
30 Narsinghpur	4825	54·93	897	17·86	912	12·05	863	13·15
31 Sagar	6253	134·10	36	1·54	1949	36·96	1254	29·48
32 Seoni	13553	68·82	241	2·52	1183	11·72	1186	12·25
Sub-total	57928	417·19	1787	53·26	9712	177·53	6990	131·52
<b>VINDHYA ZONE</b>								
33 Chhatarpur	132	56·67	316	2·66	2309	21·38	1798	16·60
34 Panna	5460	26·44	246	2·12	1133	11·23	1011	11·06
35 Satna	8535	42·55	261	4·96	2136	22·57	1799	20·59
36 Sidhi	10386	44·91	3768	24·70	2050	14·81	1715	16·13
37 Tikamgarh	8730	15·95	828	7·61	2087	22·92	964	21·13
38 Vindhya	6912	53·14	3225	28·68	1156	15·18	726	5·99
Sub-total	40155	239·66	8644	70·73	10851	108·09	8013	91·50
<b>TRIBAL ZONE</b>								
39 Bastar	27206	60·27	4260	23·53	767	30·05	1978	13·76
40 Dhar	16630	90·47	1282	10·46	6130	80·07	1811	25·48
41 Jhabua	17640	39·69	5358	11·83	977	4·04	2943	8·20
42 Mandla	9316	28·01	1266	9·26	6040	32·43	1854	10·02
43 Shahdol	15087	36·01	2816	13·61	1585	8·52	2191	15·62
44 Surguja	21358	59·39	686	7·82	324	4·21	473	3·93
Sub-total	107237	313·84	15668	76·51	9823	159·32	11250	77·01
<b>Total</b>	<b>518802</b>	<b>3423·99</b>	<b>80920</b>	<b>761·28</b>	<b>133143</b>	<b>1767·15</b>	<b>98691</b>	<b>1470·53</b>

*ANNEXURE 49 (contd.)*

Name of the Bank	Suit filed cases pending with the department as on 30-6-75 (3+4+5)		Awards pending execution with the department as on 30-6-74		Awards executed during the year		Awards pending execution with the department as on 30-6-75 (7+5—8)	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
(1)	(6a)	(6b)	(7a)	(7b)	(8a)	(8b)	(9a)	(9b)
<b>BHOPAL-INDORE ZONE</b>								
1 Barwani	759	11·68	4596	75·68	1401	21·73	4959	80·08
2 Betul	2070	15·26	1795	14·55	837	5·96	1754	16·69
3 Bhopal	206	2·69	310	5·51	2052	22·31	1312	20·51
4 Dewas	1366	15·80	917	24·12	954	33·75	890	23·26
5 Harda	1361	13·51	1950	12·37	2726	34·78	3036	38·22
6 Indore	107	3·19	1757	40·27	3085	112·35	2778	49·07
7 Nimar	460	4·13	6672	79·53	3427	36·01	7028	81·75
8 Raisen	98	1·49	375	5·95	164	3·78	1063	22·31
Sub-total	6627	67·75	18372	257·98	14646	270·61	22810	331·89
<b>CHHATISGARH ZONE</b>								
9 Balaghat	2283	39·12	3366	17·51	2503	27·57	1789	14·70
10 Bilaspur	4046	52·04	1446	16·29	490	6·13	2225	27·55
11 Durg	2404	12·11	2787	20·31	1414	14·41	3605	32·20
12 Raigarh	4575	23·14	2713	15·79	535	3·37	3440	21·10
13 Raipur	32546	271·99	9375	86·18	2630	27·94	16206	155·08
14 Rajnandgaon	4770	3·56	—	—	1443	13·77	3327	218·45
Sub-total	50624	301·98	19587	156·08	9025	93·19	30592	469·08
<b>GWALIOR ZONE</b>								
15 Bhind	2270	29·77	837	7·92	881	12·85	2319	24·59
16 Datia	1192	8·54	347	5·24	608	9·71	436	8·02
17 Guna	2203	24·85	1481	16·00	1358	17·75	1841	24·68
18 Gwalior	—	—	1770	31·04	631	9·90	1492	28·60
19 Morena	2062	30·85	1216	11·30	1772	37·06	2374	34·78
20 Neemuch	2225	28·58	3132	67·35	3634	82·36	6967	143·95
21 Rajgarh	1109	8·99	—	—	915	12·07	496	11·74
22 Ratlam	1833	24·12	1362	15·70	307	3·58	2220	33·40

	(1)	(6a)	(6b)	(7a)	(7b)	(8a)	(8b)	(9a)	(9b)
23 Shivpuri		2437	28·61	162	2·31	819	11·58	575	5·48
24 Shujalpur		755	9·53	282	7·00	1609	23·53	2519	36·04
25 Ujjain		7088	75·69	1698	32·66	6407	115·11	7513	77·42
26 Vidisha		811	16·18	1043	22·04	5916	75·40	367	9·67
Sub-total		23985	285·71	13330	218·56	24857	411·00	29119	441·37
<hr/>									
JABALPUR ZONE									
27 Chhindwara		367	14·67	443	13·06	574	21·95	617	16·98
28 Damoh		404	5·22	1985	16·27	1342	23·90	2891	32·24
29 Jabalpur		1392	19·14	2606	27·47	709	6·65	2588	31·72
30 Narsinghpur		746	8·12	341	3·29	713	3·45	491	6·99
31 Sagar		554	6·26	2326	27·24	764	13·12	2212	36·36
32 Seoni		238	1·99	8135	66·30	1108	11·12	8213	66·83
Sub-total		3701	55·40	15836	156·63	5210	80·19	17073	191·12
<hr/>									
VINDHYA ZONE									
33 Chhatarpur		827	7·44	827	7·44	1121	11·76	1504	12·28
34 Panna		368	2·29	851	7·03	361	3·85	1501	14·24
35 Satna		598	6·94	827	6·95	590	9·84	421	4·89
36 Sidhi		4103	23·38	3131	15·74	369	3·57	4477	28·30
37 Tikamgarh		951	9·40	694	9·75	1228	14·26	1430	16·64
38 Vindhya		3655	37·87	1115	13·79	373	3·36	1348	15·71
Sub-total		10502	87·32	7445	60·70	4042	46·64	10681	92·06
<hr/>									
TRIBAL ZONE									
39 Bastar		3049	16·29	3116	21·84	631	3·91	4463	31·69
40 Dhar		5651	65·05	2730	29·28	1174	20·18	3367	34·58
41 Jhabua		3392	7·67	1069	6·40	209	1·34	3803	13·26
42 Mandla		5452	31·67	1997	14·18	876	5·20	2975	19·00
43 Shahdol		2210	6·51	2553	15·21	2141	10·93	2603	19·90
44 Surguja		537	8·11	540	2·39	685	5·27	328	1·05
Sub-total		20291	135·30	12005	89·30	5716	46·83	17539	119·48
<hr/>									
Total		115730	933·46	86575	939·25	63496	948·46	127814	1645·00

**ANNEXURE 50**  
**BANK-WISE POSITION RELATING TO THE STRENGTH OF SUPERVISORS AND CHARGE**  
**OF SOCIETIES AS ON 30-6-1975**

Bank	Number of pacs as on 30-6-1975	Supervisors as on 30-6-1975	
		In position	Charge of societies per supervisor
(1)	(2)	(3a)	(3b)
<b>BHOPAL-INDORE ZONE</b>			
1 Barwani	282	52	5
2 Betul	142	15	9
3 Bhopal	194	15	13
4 Dewas	111	21	5
5 Harda	172	20	7
6 Indore	128	22	7
7 Nimar	222	35	7
8 Raisen	155	25	6
<b>CHHATISGARH ZONE</b>			
9 Balaghat	280	28	10
10 Bilaspur	715	72	10
11 Durg	375	63	12
12 Raigarh	375	33	11
13 Raipur	593	60	10
14 Rajnandgaon	277	..	..
<b>GWALIOR ZONE</b>			
15 Bhind	199	25	8
16 Datia	60	5	12
17 Guna	184	32	6
18 Gwalior	108	19	6
19 Morena	238	30	8
20 Neemuch	183	32	6
21 Rajgarh	155	22	7
22 Ratlam	105	18	6
23 Shivpuri	164	25	6
24 Shujalpur	146	17	9
25 Ujjain	183	44	4
26 Vidisha	171	28	6
<b>JABALPUR ZONE</b>			
27 Bishnudatta	334	22	16
28 Chhindwara	172	40	4
29 Damoh	125	16	7
30 Narsinghpur	110	17	7
31 Sagar	232	42	6
32 Seoni	153	31	5
<b>VINDHYA ZONE</b>			
33 Chhatarpur	157	18	9
34 Panna	101	11	10
35 Satna	197	16	14
36 Sidhi	228	20	11
37 Tikamgarh	135	30	5
38 Vindhya	227	26	9
<b>TRIBAL ZONE</b>			
39 Bastar	364	32	13
40 Dhar	229	28	8
41 Jhabua	183	13	14
42 Mandla	136	16	8
43 Shahdol	258	20	13
44 Surguja	393	28	15
<b>Total</b>	<b>9651</b>	<b>1173</b>	<b>370</b>



Bank	Credit support from co-operatives	Short-term loans to be issued by cfas in 1979-80 (90% of col. (2) )	Deposits required to sustain loan business in col. (3) (65% of col. (3) )	Level of deposits expected on the basis of area and population served	Total deposits as on 30-6-75	Annual growth rate of deposits over col. (6) required to reach the level in	
						col. (4)	col. (5)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>BHOPAL-INDORE ZONE</b>							
1 Barwani	764	688	447	216	132	36	13
2 Betul	250	225	146	122	44	35	29
3 Bhopal	451	406	264	319	315	—	(0.1)
4 Dewas	117	105	68	125	88	—	9
5 Harda	241	217	141	192	68	20	29
6 Indore	480	432	281	378	315	—	5
7 Nimar	529	476	309	216	99	33	21
8 Raisen	293	264	172	94	65	27	10
Sub-total	3125	2813	1828	1662	1126		
<b>CHHATISGARH ZONE</b>							
9 Balaghat	422	380	247	190	70	37	28
10 Bilaspur	721	649	422	442	257	13	15
11 Durg	513	462	300	534	165	16	34
12 Raigarh	335	302	196	168	44	45	40
13 Raipur	1205	1085	705	510	183	40	29
Sub-total	3196	2878	1870	1844	719		
<b>GWALIOR ZONE</b>							
14 Bhind	460	416	270	156	106	26	10
15 Datia	80	72	47	54	28	14	18
16 Guna	263	237	154	157	128	5	5
17 Gwalior	366	329	214	277	81	28	36
18 Morena	536	482	313	190	127	25	11
19 Neemuch	670	603	392	230	161	25	9
20 Rajgarh	164	148	96	130	49	18	28
21 Ratlam	301	271	176	158	73	25	21

**ANNEXURE 51 (contd.)**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
22 Shivpuri		218	196	127	131	75	14	15
23 Shujalpur		472	425	276	136	92	32	10
24 Ujjain		585	527	343	234	179	18	7
25 Vidisha		407	366	238	134	148	13	—
Sub-total		4522	4072	2646	1987	1247		
<hr/>								
JABALPUR ZONE								
26 Bishnudatta		287	258	169	488	83	19	56
27 Chhindwara		443	399	259	180	100	27	16
28 Damoh		339	305	198	121	105	17	4
29 Narsinghpur		307	276	179	104	98	16	2
30 Sagar		368	331	215	257	97	22	28
31 Seoni		188	169	110	102	44	26	23
Sub-total		1932	1738	1130	1252	527		
<hr/>								
VINDHYA ZONE								
32 Chhatarpur		210	189	123	141	71	15	19
33 Panna		116	104	68	75	19	37	41
34 Satna		285	257	167	175	29	55	57
35 Sidhi		163	147	96	108	32	32	36
36 Tikamgarh		257	231	150	101	27	54	39
37 Vindhya		209	188	122	180	63	18	30
Sub-total		1240	1116	726	780	241		
<hr/>								
TRIBAL ZONE								
38 Bastar		386	347	226	158	49	47	34
39 Dhar		521	469	305	118	149	20	—
40 Jhabua		236	212	138	61	62	22	—
41 Mandla		260	234	152	104	46	35	23
42 Shahdol		220	198	129	159	64	19	26
43 Surguja		383	345	224	171	39	55	45
Sub-total		2006	1805	1174	771	409		
<hr/>								
Total		16021	14422	9374	8296	4269		

**ANNEXURE 52**

**MARGINS RETAINED BY THE CENTRAL BANKS AND PRIMARY SOCIETIES**

Bank	Margin maintained on				Share linking at the level of	
	Short-term advances by		Medium-term advances by			
	ccb	pacs	ccb	pacs	ccb	pacs
(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)
<b>BHOPAL-INDORE ZONE</b>						
1 Barwani	2½	3	2½	3	10	20
2 Betul	3½	3	3½	3	10	20
3 Bhopal	3	3	3	3	10	10 to 20
4 Dewas	3½	3	2½	3	10	10
5 Harda	3	3	7	3	10	10 to 20
6 Indore	3	3	3½	3	10	20
7 Nimar	2	3	2	3	10	10 to 20
8 Raisen	3	3	3	3	10	20
<b>CHHATISGARH ZONE</b>						
9 Balaghat	3	3	3	3	10	20
10 Bilaspur	3	3½	2½	4	10	20
11 Durg	3½	3½	3½	3½	10	20
12 Raigarh	3	3	3	3	10	20
13 Raipur	3½	3½	3½	3½	..	..
<b>GWALIOR ZONE</b>						
14 Bhind	2	3	2	3	15	20
15 Datia	3	3	3½	3	10	20
16 Guna	3	3	3	3	10	20
17 Gwalior	2½	3	2½	3	10	20
18 Morena	2½	3	—	—	10	20
19 Neemuch	4	3	4½	3	10	15
20 Rajgarh	3	3	3	3	10	20
21 Ratlam	3	3	3	3	..	..
22 Shivpuri	2½	1 to 3	1 to 3	1 to 3	10	20
23 Shujalpur	2½	3	2½	3	10	20
24 Ujjain	3	3	3	3	10	10 to 20
25 Vidisha	3	3	3	3	10	10 to 20
<b>JABALPUR ZONE</b>						
26 Bishnudatta	3	3	3	3	10	10
27 Chhindwara	2½	3	2½	3	10	20
28 Damoh	3	3	3	3	10	20
29 Narsinghpur	4½	2½	5½	3	10	20
30 Sagar	2½	3	2½	3	10	20
31 Seoni	3	3	3	..	10	20
<b>VINDHYA ZONE</b>						
32 Chhatarpur	3	3½	3	3½	10	20
33 Panna	3½	3	3½	3	10	20
34 Satna	3	3	3½	3	10	10
35 Sidhi	3½	3	3½	3	10	20
36 Tikamgarh	3	3	3	3	10	20
37 Vindhya	2½ to 2½	3	3	3	10	10 to 20
<b>TRIBAL ZONE</b>						
38 Bastar	3	3	3	3	10	20
39 Dhar	3½	3	4 to 6	3	10	20
40 Jhabua	3½	3	3½	3	10	20
41 Mandla	3	3	3	3	10	10
42 Shahdol	3½	3	3½	3	10	10
43 Surguja	3	2½	3	4½	10	20

# ANNEXURE 53

## BANK-WISE POSITION INDICATING ADVANCES TO SMALL FARMERS DURING APRIL TO JULY 1975

		Rupees Lakhs		
Bank	Total short-term finance from 1-4-75 to 31-7-75	Out of col. (2) to small farmers	Percentage of col. (3) to col. (2)	Parameter (in acres) existing as on 31-7-75
(1)	(2)	(3)	(4)	(5)
<b>BHOPAL-INDORE ZONE</b>				
1 Barwani	181.96	28.60	15.1	7.5
2 Betul	46.79	5.81	12.4	5.0
3 Bhopal	119.33	11.41	9.6	5.0
4 Dewas	137.94	24.44	17.7	7.5
5 Harda	37.57	1.53	4.1	5.0
7 Indore	138.51	7.10	5.1	7.5
8 Nimar	181.52	18.13	10.5	7.5
9 Raisen	81.89	7.84	9.5	7.5
<b>CHHATISGARH ZONE</b>				
10 Balaghat	99.68	17.47	17.5	5.0
11 Bilaspur	142.63	15.05	10.5	5.0
12 Durg	123.39	25.84	20.9	5.0
13 Raigarh	29.22	1.16	3.9	5.0
14 Raipur	106.55	11.77	10.0	5.0
<b>GWALIOR ZONE</b>				
15 Bhind	125.59	14.03	11.0	3.0
16 Datia	11.44	1.68	14.8	5.0
17 Guna	112.77	12.94	11.5	5.0
18 Gwalior	86.26	12.36	14.3	5.0
19 Morena	63.05	12.51	19.9	3.0
20 Neemuch	175.97	27.50	15.6	5.0
21 Rajgarh	46.34	5.18	11.2	3.0
22 Ratlam	101.62	16.17	15.9	5.0
23 Shivpuri	39.10	5.09	13.0	5.0
24 Shujalpur	105.18	21.42	20.4	7.5
25 Ujjain	182.29	20.77	11.9	5.0
26 Vidisha	225.01	8.03	3.6	5.0
<b>JABALPUR ZONE</b>				
27 Bishnudatta	58.40	3.19	5.7	3.0
28 Chhindwara	184.60	19.81	10.7	5.0
29 Damoh	75.34	7.66	10.2	5.0
30 Narsinghpur	109.57	3.71	3.4	5.0
31 Sagar	56.76	7.85	13.8	5.0
32 Seoni	54.66	7.08	12.9	5.0
<b>VINDHYA ZONE</b>				
33 Chhatarpur	56.44	8.75	15.5	5.0
34 Panna	34.19	2.64	7.7	5.0
35 Satna	56.95	1.27	2.2	3.0
36 Sidhi	3.19	0.22	6.9	5.0
37 Tikamgarh	—	—	—	3.0
38 Vindhya	9.87	0.52	5.2	7.5
<b>TRIBAL ZONE</b>				
39 Bastar	0.88	0.43	49.0	5.0
40 Dhar	115.49	12.69	10.9	7.5
41 Jhabua	47.66	7.21	15.1	7.5
42 Mandla	41.45	4.50	10.8	5.0
43 Shahdol	3.78	2.36	65.0	5.0
44 Surguja	0.59	0.11	20.0	5.0

# ANNEXURE 54

BANK-WISE PARAMETERS FIXED FOR THE YEAR 1976-7 FOR FINANCING OF SMALL AND ECONOMICALLY WEAK FARMERS

Bank	Parameters for the year 1976-7	
	Acreage	Minimum percentage of involvement
(1)	(2)	(3)
<b>BHOPAL-INDORE ZONE</b>		
1 Barwani	7.5	20
2 Betul	5	20
3 Bhopal	5	20
4 Dewas	7.5	20
5 Harda	5	15
6 Indore	7.5	15
7 Nimar	7.5	20
8 Raisen	7.5	15
<b>CHHATISGARH ZONE</b>		
9 Balaghat	5	20
10 Bilaspur	5	20
11 Durg	5	20
12 Raigarh	7.5	15
13 Raipur	5	15
<b>GWALIOR ZONE</b>		
14 Bhind	3	15
15 Datia	5	20
16 Guna	5	20
17 Gwalior	5	20
18 Morena	3	20
19 Neemuch	5	20
20 Rajgarh	3	15
21 Ratlam	7.5	20
22 Shivpuri	5	20
23 Shujalpur	5	15
24 Ujjain	5	15
25 Vidisha	7.5	15
<b>JABALPUR ZONE</b>		
26 Bishnudatta	5	20
27 Chhindwara	5	15
28 Damoh	5	20
29 Narsinghpur	5	20
30 Sagar	5	20
31 Seoni	5	20
<b>VINDHYA ZONE</b>		
32 Chhatarpur	5	20
33 Panna	5	15
34 Satna	5	15
35 Sidhi	5	20
36 Tikamgarh	3	20
37 Vindhya	7.5	20
<b>TRIBAL ZONE</b>		
38 Bastar	5	20
39 Dhar	7.5	20
40 Jhabua	7.5	20
41 Mandla	5	15
42 Shahdol	5	20
48 Surguja	5	20

## REFERENCES

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## ABBREVIATIONS

ACB	Agricultural Credit Board of the RBI
ACD	Agricultural Credit Department of the RBI
ACSS	Adivasi Co-operative Service Society
ARCS	Assistant Registrar of Co-operative Societies
ARDC	Agricultural Refinance and Development Corporation
BSS	Bruhatkar Sahakari Samiti
BZ	Bhopal-Indore zone
ccb	Central co-operative bank
CZ	Chhatisgarh zone
DBOD	Department of Banking Operations and Development of the RBI
DCCS	District Cadre Co-operative Society
flcs	Forest labour contract society
fss	Farmers service society
GOI	Government of India
GOMP	Government of Madhya Pradesh
GZ	Gwalior zone
HVP	High-yielding Varieties Programme
IAAP	Intensive Agricultural Area Programme
IADP	Intensive Agricultural District Programme
JZ	Jabalpur zone

<b>LSS</b>	<b>Large-sized service society</b>
<b>LTO Fund</b>	<b>RBI's National Agricultural Credit (Long-Term Operations) Fund</b>
<b>MD</b>	<b>Managing Director</b>
<b>MP</b>	<b>Madhya Pradesh</b>
<b>mpcs</b>	<b>Multi-purpose co-operative society</b>
<b>MPSCB</b>	<b>Madhya Pradesh Rajya Sahakari Bank</b>
<b>MPSLDB</b>	<b>Madhya Pradesh Rajya Sahakari Bhoomi Vikas Bank</b>
<b>nodc</b>	<b>Non overdue cover</b>
<b>pacs</b>	<b>Primary agricultural credit society/s</b>
<b>pldb</b>	<b>Primary land development bank</b>
<b>RBI</b>	<b>Reserve Bank of India</b>
<b>RCS</b>	<b>Registrar of Co-operative Societies</b>
<b>rrb</b>	<b>Regional rural bank</b>
<b>SCCS</b>	<b>State Cadre Co-operative Society</b>
<b>SSS</b>	<b>Sewa Sahakari Sanstha</b>
<b>sldb</b>	<b>State land development bank</b>
<b>TDA</b>	<b>Tribal Development Agency</b>
<b>TZ</b>	<b>Tribal zone</b>
<b>VSS</b>	<b>Village service society</b>
<b>VZ</b>	<b>Vindhya zone</b>

#### **NOTATIONS**

<b>—</b>	<b>Nil or negligible</b>
<b>..</b>	<b>Not available</b>
<b>NA</b>	<b>Not applicable</b>

#### **GLOSSARY**

<b>Batai</b>	<b>Share cropping</b>
<b>Farji loans</b>	<b>Benami or fictitious loans</b>
<b>Hat</b>	<b>Weekly market place</b>
<b>Kochiyas</b>	<b>Private traders doing business on approach roads to hat</b>
<b>Kudo Kutki</b>	<b>A low value food crop</b>