

**REPORT OF THE STUDY TEAM
ON
AGRICULTURAL CREDIT INSTITUTIONS
IN
RAJASTHAN**



**RESERVE BANK OF INDIA
AGRICULTURAL CREDIT DEPARTMENT
BOMBAY**

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INTRODUCTION

THE Conference of the State Ministers of Co-operation held in January 1973, recommended that the Government of India might appoint Study Teams to study the problems of co-operative credit institutions in the states where such institutions had failed to make much headway in lending support to the programmes of agricultural development in their areas. The Government of India requested the Reserve Bank of India to undertake the responsibility in some states of which Rajasthan was one. The suggestion was accepted and accordingly, the Governor of the Reserve Bank appointed in February 1974, a Study Team on Agricultural Credit Institutions in Rajasthan under the Chairmanship of Dr C. D. Datey, Executive Director, Reserve Bank of India with the following as members:

Shri G. S. Shaktawat¹
Chairman
Rajasthan State Co-operative Bank

Shri Shobha Ram
M.L.A.
Rajasthan

Shri R. C. Sood²
Development Commissioner and
Agricultural Production Secretary
Government of Rajasthan

Shri V. I. Rajagopal
Special Secretary
Co-operative & Agriculture Departments
Government of Rajasthan

Shri Arun Kumar
Registrar
Co-operative Societies
Rajasthan

Shri D. Aurora
Director (DPAP)
Ministry of Agriculture and Irrigation
Department of Rural Development
Government of India

¹ Shri Shaktawat later became also the Minister of State, for Home and Industries, Government of Rajasthan.

² Shri Sood has since been designated as the Agricultural Production Commissioner.

Shri R. Srinivasan¹
Deputy Secretary
Ministry of Agriculture and Irrigation
Department of Rural Development
Government of India

Shri P. N. Khanna
Additional Chief Officer
Department of Banking Operations and Development
Reserve Bank of India

Shri P. N. T. Chary
Joint Chief Officer
Agricultural Credit Department
Reserve Bank of India (Member-Secretary)

2 Subsequently i.e., in July 1974, Shri B. K. Zutshi assumed charge as the Registrar, Co-operative Societies, Rajasthan and was, therefore, nominated as a member of the Study Team in place of Shri Arun Kumar. Shri P. N. T. Chary, proceeded on leave in December 1974 and Shri R. R. Pradhan, Joint Chief Officer, Agricultural Credit Department appointed as the Member-Secretary. Shri G. A. Bhimnathwala, Managing Director, Rajasthan State Co-operative Bank and Sarvashri K. Subba Reddy and B. L. Jain, Joint Chief Officer and Assistant Chief Officer, Agricultural Credit Department, New Delhi and Jaipur respectively and Shri B. D. Sharma, Deputy Chief Officer, Department of Banking Operations and Development, Reserve Bank of India, Jaipur attended the meetings and discussions of the Study Team as invitees. Besides, Shri Anil Bordia, Special Secretary, Special Schemes Department, Government of Rajasthan, Dr B. D. Sharma, Director (Tribal Development) and Shri P. V. Rao, Deputy Secretary from the Ministry of Home Affairs, Government of India attended some of the discussions and meetings of the Study Team on special invitation.

TERMS OF REFERENCE

- 3 The terms of reference of the Study Team were as follows:
- (i) To examine the financial and organizational position of the state and central co-operative banks in Rajasthan 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 stop-gap 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 by-passing the primary agricul-

¹ Shri R. Srinivasan has since been appointed Director (Credit)

tural credit societies, and (c) the state co-operative bank or the commercial banks financing individuals directly through their branches and also to identify district-wise, the areas where one or more of these alternatives may be adopted;

- (iii) To examine further and in some detail 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 would 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;
- (iv) 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 re-opened and to suggest measures necessary for recovery of the overdues from wilful defaulters;
- (v) To examine the lending policies of the state and central co-operative banks in regard to the provision for 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;
- (vi) To examine with reference to such data as may be collected, the organization at the primary level of the three-tier co-operative credit structure and the arrangements for supervision and to suggest the lines on which re-organization may be done taking into account credit and other range of services that may be provided by them;
- (vii) To identify areas which are continually affected by natural calamities and suggest, if necessary, special arrangements for financing agriculturists in such areas;
- (viii) 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;
- (ix) 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
- (x) To make any other recommendations which are incidental to or related to the above terms of reference.

4 At its first meeting held on 30th March 1974, the Team approved two sets of proformas devised by the Member-Secretary for eliciting the relevant information district-wise from the banks and offices of the concerned Government Departments.

Special studies

5 As the above proformas were designed to give only a broad picture of the overall position, it was decided to study the working of some primary agricultural credit societies (pacs) with a view to ascertaining their coverage of agricultural population, lending policies, performance in meeting credit needs, recovery of dues and extending relief by way of conversions in a year of

natural calamity. Accordingly four pacs from each of the twenty-six districts in the state were selected. These 104 societies served 538 villages and had a membership of 29025 of which 6371 were defaulters. Besides, another on-the-spot study was taken up of 19 societies (including 17 from the above 104) to ascertain the reasons for poor coverage and borrowing membership. Both the above studies were entrusted to the officers of the Co-operative Department, the Rajasthan State Co-operative Bank (RSCB), some central co-operative banks (ccbs) and the Jaipur regional Office of the Reserve Bank's Agricultural Credit Department (ACD).

6 The Team was required to examine in greater detail the problems of 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. A detailed study was undertaken in October 1974 by the officers of the Special Studies Division of the ACD to determine the problems of the tribal areas and institutions functioning in such areas with a view to evolving a solution. During the course of the study, the officers visited four ccbs, viz., Udaipur, Dungarpur, Banswara and Chittorgarh, and six pacs functioning in the tribal areas, two each from the districts of Banswara, Dungarpur and Udaipur. They also discussed the problems of the tribal population with the managers of primary land development banks (pldb) at Udaipur, Dungarpur and Banswara operating in the tribal area and also with the Deputy Registrar of the Udaipur Division, the Deputy Director of Tribal Welfare Department of the state government and the Managing Director (MD) of the RSCB.

7 The Team was required to identify the areas prone to frequent droughts and study the problems connected with the provision of credit to the farmers in these areas. The prospects for agriculture in these areas cannot possibly be improved until the problem of water for the crops is solved and until this is done the emphasis may have to be on the development of sub-sectors of agriculture like animal husbandry and poultry. Accordingly, the Special Studies Division was requested to study in some detail sheep breeding and goat rearing activities in the state so that the Team could consider the most appropriate institutional credit structure for financing these activities as also for organized marketing of wool and mutton. The study was undertaken in December 1974 in the districts of Ajmer, Bhilwara and Jodhpur. The officers also visited six pacs, two each from the above three districts and had discussions with the Secretary, Special Schemes Department and other officials of the Sheep and Wool Directorate and Co-operative Department of the state government, ccbs and certain non-officials.

Meetings and visits of the Team

8 The Team held in all 5 meetings. The first two meetings were held at Jaipur on 30 March 1974 and 7 November 1974 while the third was held at Alwar on 25 January 1975. At the fourth meeting held at Jaipur on 14 and 15 March 1975 the Team considered the preliminary 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 prepared and placed for consideration at the fifth meeting held on 28, 29 and 30 April 1975 at Mount Abu. The report was finalized at this meeting and signed by the members on 30 April 1975.

9 With a view to ascertaining the views of concerned officials and non-officials on the terms of reference, the Team held three separate discussions, the first at Jodhpur on 5 November 1974, the second at Banswara on 6 and 7 December 1974 and the third at Alwar on 24 January 1975 with the representatives of cbs from the arid and semi-arid zones, the tribal and non-tribal areas and from the normal zone respectively and the officials of the concerned departments of the state government posted in the districts. The Team had also the privilege of meeting the representatives of commercial banks at Jaipur on 7 November 1974 and discussing with them their role in the financing of agriculture in the state. The Team also held discussions at Jaisalmer on 6 November 1974 with the officials and non-officials from the district regarding the problems of areas continually affected by drought.

10 The report is divided into eleven chapters as under :

- Chapter I Agricultural situation in the state
- Chapter II Rajasthan State Co-operative Bank
- Chapter III Central co-operative banks
- Chapter IV Primary agricultural credit co-operative societies.
- Chapter V Agricultural finance by commercial banks
- Chapter VI Credit potential and future lines of development
- Chapter VII Problems of and institutional arrangements for tribals
- Chapter VIII Problems of and institutional arrangements for drought-prone areas
- Chapter IX Block-wise plan of action for re-organization of primary co-operative credit structure
- Chapter X Overdues in co-operative credit institutions
- Chapter XI Administrative and operational arrangements
Summary of recommendations

ACKNOWLEDGEMENTS

11 We are grateful to the state and central co-operative banks and the state government and their officers especially of the Co-operative Department, for having extended their active co-operation and for furnishing data sought for from them and for undertaking on-the-spot studies required by us. We are also grateful to the officers of the Sheep and Wool Directorate and Tribal Welfare Department of the state government for furnishing the information and data sought for from them. We would like to specially thank Shri K. V. Sankaran, Special Secretary, Department of Community Development and Panchayati Raj, Government of Rajasthan, for offering valuable suggestions during the course of the fourth meeting of the Study Team when the preliminary draft report was considered.

12 We appreciate the hard work put in by the officers and staff of the regional office of the ACD at Jaipur and more particularly of Shri B. L. Jain, Assistant Chief Officer in the collection of required data, undertaking on-the-spot studies and preparation of preliminary district-wise notes. We also thank Shri B. D. Sharma, Deputy Chief Officer of the Reserve Bank's Department of Banking Operations and Development at Jaipur for furnishing very valuable information and data relating to the operations of the commercial banks in the state. The Special Studies Division of the ACD functioned as the secretariat for our Team. We would like to express our thanks to the officers and staff of this Division, in particular to Sarvashri B. K. Godbole, Assistant Chief Officer, A. G. Sule, Rural Credit Officer and H. N. Bhoje, Staff Officer for the untiring zeal with which they processed the voluminous data, prepared a number of analytical notes on the subjects falling within our terms of reference and finally the drafts of the Report. We were sorry that our first Member-Secretary Shri P. N. T. Chary, Joint Chief Officer, ACD could not be with us since December 1974 owing to his illness and as a result the Team was deprived of his rich experience in the field. The rest of us would like to place on record our sincere appreciation for the able manner in which his successor Shri R. R. Pradhan, Joint Chief Officer, directed the secretariat in completing the work of the Team in a short period of time.

CHAPTER 1

AGRICULTURAL SITUATION IN THE STATE

1.01 THE Rajasthan State was formed in 1949 by integrating twenty-two erstwhile Princely States. It is the second largest state in the Indian Union covering an area of 338 lakh hectares. However, as per 1971 census, it is one of the thinly populated states with a population of about 258 lakhs and density of 75 per sq. km. as against 178 per sq. km. for the country as a whole. The state has basically a rural and agricultural economy. The total rural population of the state is 212 lakhs forming 82 per cent of the total population. About 73 per cent of the working population is gainfully employed in agriculture. A statement at Annexure 1 indicates the district-wise position of rural and urban population as also the population of the scheduled tribes.

1.02 For administrative convenience, the state has been divided into 26 districts and 232 'panchayat samities' (development blocks). There are 157 cities/towns and 32241 inhabited villages in the state. The entire rural population is covered by the community development blocks and 7361 village panchayats.

Geo-physical and climatic conditions

1.03 The entire state is subject to extreme climatic conditions. The highest maximum temperature is around 45°C while the lowest minimum temperature ranges between 1°C and 5°C. In normal conditions, the state receives an average rainfall of 59 cms annually, mostly from south-west monsoons during the period June to September. The average annual rainfall ranges between 16 cms for Jaisalmer district in western part and 100 cms for Jhalawar district in south-eastern part of the state. The districts in the western half of the state receive low rainfall, i.e., below 50 cms annually, and are susceptible to drought on account of failure of rains, the incidence of drought being the highest in the western-most districts of Barmer and Jaisalmer bordering Pakistan. Besides, the districts in the western part of the state have mostly sandy soils. In the northern half of eastern Rajasthan the soils are grey brown, red and yellow, while in the southern half they are red, black or mixed red and black.

Principal zones

1.04 On the basis of physiography, climatic conditions and soils, the twenty-six districts in the state can be broadly divided into two regions, one comprising the districts of Barmer, Bika-

ner, Churu, Jaisalmer, Jalore, Jhunjhunu, Jodhpur, Nagaur and Sikar and the other covering the remaining seventeen districts, viz., Ajmer, Alwar, Bharatpur, Bhilwara, Bundi, Ganganagar, Jaipur, Jhalawar, Kota, Pali, Sawai Madhopur, Tonk, Banswara, Chittorgarh, Dungarpur, Sirohi and Udaipur. The nine districts in the former region being not endowed with the nature's gifts like good soil, adequate rainfall and irrigation facilities, do not offer even the normal prospects for the development of agriculture. Of these nine districts, four districts, viz., Barmer, Bikaner, Churu and Jaisalmer have desert soil and receive an average rainfall well below 30 cms annually even in normal years. These four districts which are dry and have exceptionally high irrigational needs as failure of rains is almost twice in every three years, can be deemed to comprise a separate zone which may be called the 'arid zone' (AZ). The remaining five districts offer slightly better prospects from the view point of agricultural development inasmuch as they receive average rainfall of 30 cms to 45 cms annually and the incidence of drought in these districts is comparatively lower *vis-a-vis* the position obtaining in the four districts of the arid zone. For the purpose of our analysis, therefore, these five districts, viz., Jalore, Jhunjhunu, Jodhpur, Nagaur and Sikar may be grouped into a separate zone called the 'semi-arid zone' (SAZ).

1.05 The seventeen districts in the latter region enjoy at least the moderate physiographic and climatic conditions to ensure the development of agriculture and can therefore, be deemed to fall in what may be termed the 'normal zone' in the state. Of these seventeen districts, the districts of Banswara and Dungarpur and the southern pockets in the districts of Chittorgarh and Udaipur have a heavy concentration of tribal population. Besides, the Sirohi district has hilly terrain and a sizeable tribal population. These five districts, i.e., Banswara, Chittorgarh, Dungarpur, Sirohi, and Udaipur, therefore, can be deemed to form the 'tribal area' (TA) within the normal zone.

1.06 Thus, from the view point of geo-physical and climatic conditions with which the prospects for the development of agriculture are closely linked, we have for the purpose of this study divided the state into three zones, viz., the normal zone (17 districts), the arid zone (4 districts) and the semi-arid zone (5 districts). Further, taking into account the concentration of the tribals and the need to adopt a special approach to deal with their problems the seventeen districts in the normal zone have been sub-divided into two groups, viz., the non-tribal area—NTA (12 districts) and the tribal area (5 districts). To facilitate ready reference, a statement indicating the classification of the twenty-six districts into three principal zones with sub-classification of the districts in the normal zone into the non-tribal and tribal areas has been given as Annexure 2.

Land use

1.07 About one-third of the total area in the state is a desert. In 1972-3, of the total area of the state at 338 lakh hectares, about 122 lakh hectares (36 per cent) comprised uncultivable or fallow land, 13 lakh hectares (4 per cent) were covered by forests and 57 lakh hectares (17 per cent) were not available for cultivation. Thus, the net area sown measured 146 lakh hectares forming 43 per cent of the total geographical area of the state. As against the net area sown at 146 lakh hectares, the total cropped area in 1972-3 was 161 lakh hectares.

Pattern of land holdings

1.08 The pattern of the size of holdings for the state as a whole in 1970-71 was as under:

Size of holdings (in hectares)	Percentage to total cultivating households
Less than 1	25.2
1- 3	30.8
3- 5	14.6
5-10	15.4
10-20	8.9
Above 20	5.1
	100.0

The district-wise position in regard to the (i) average size of holding, (ii) percentage of the holdings to the total, and (iii) the percentage of the area under the holdings to the total for the state, is given in Annexure 3. The district-wise position of the number of holdings according to size was not readily available. The position in this regard in 1973-4 in respect of 18592 indebted members of 101 out of 104 pacs covered by the on-the-spot study taken up at our instance is given below:

Holdings (in acres)	Normal Zone				AZ		SAZ		Total	
	NTA		TA							
	No.	%	No.	%	No.	%	No.	%	No.	%
10 and above	4274	40	436	11	1243	94	1768	69	7721	42
5-10	3563	33	1258	32	42	3	502	20	5365	29
3- 5	1420	13	1214	30	13	1	191	7	2838	15
Below 3	959	9	1003	25	2	—	74	3	2038	11
Tenants, etc.	489	5	85	2	30	2	26	1	630	3
Total	10705	100	3996	100	1330	100	2561	100	18592	100

It will be seen from the above table that while for the state as a whole 29 per cent of the cultivator-borrowers have holdings below 5 acres, another 29 per cent between 5 and 10 acres and 42 per cent above 10 acres, the position obtaining in the three principal zones as also the tribal area of the normal zone differs widely. For instance, in the tribal area 57 per cent of cultivator-borrowers have holdings below 5 acres, 32 per cent between 5 and 10 acres and only 11 per cent above 10 acres. In the non-tribal area, 40 per cent of the cultivator-borrowers have holdings above 10 acres, 33 per cent between 5 and 10 acres and 27 per cent below 5 acres. On the other hand, in the semi-arid and arid zones, 69 per cent and 94 per cent of the cultivator-borrowers respectively have holdings above 10 acres and only 11 per cent and 3 per cent respectively below 5 acres. Thus, the above analysis is indicative of the fact that the average size of holdings is small in the tribal area, medium in the non-tribal area but large in the semi-arid zone and the largest in the arid zone.

Cropping pattern

1.09 On account of scanty rainfall and poor irrigation facilities, the cropping pattern in the state is dominated by low-value food-grain crops as may be seen from the following table:

Crops	Lakh Hectares							
	1952-3		1955-6		1965-6		1972-3	
	Area	%	Area	%	Area	%	Area	%
Foodgrains	71.42	65	99.84	79	112.07	75	121.58	76
Oilseeds	5.44	5	8.03	6	11.37	8	13.46	8
Cotton	1.45	1	2.45	2	2.78	2	3.43	2
Other crops	31.08	29	15.16	13	23.50	15	22.50	14
Total	109.39	100	125.48	100	149.72	100	160.97	100

In terms of value of the agricultural output almost a similar trend is observed. As per the estimates made by the Directorate of Economics and Statistics of the state government, foodgrains accounted for about 78 per cent of the total gross value of agricultural output in 1969-70. Non-foodgrains which, by and large, consisted of oilseeds contributed only 12 per cent, the balance of 10 per cent being accounted for by the by-products like straw and fodder.

1.10 A statement at Annexure 4 indicates the district-wise position of the area and production of principal crops in 1972-3. The relevant district-wise data were not available for 1973-4. The position for the state as a whole in 1972-3 and 1973-4 of

the area under different crops and the production thereof is given in the following table:

Crop	Area (lakh hectares)		Production (lakh tonnes)	
	1972-3	1973-4	1972-3	1973-4
(1)	(2)	(3)	(4)	(5)
<i>Foodgrains</i>				
Bajra	53.34	57.13	8.64	21.81
Jowar	9.76	11.22	3.04	3.86
Maize	8.01	8.37	6.61	3.43
Wheat	13.96	16.72	17.49	17.89
Barley	4.33	5.89	4.89	5.92
Rice	1.36	1.32	0.80	1.18
Gram	12.04	15.13	8.03	7.19
Tur	0.36	0.31	0.13	0.14
<i>Other cereals and pulses</i>	19.42	21.04	1.90	5.71
Sub-total	122.58	137.13	51.53	67.13
<i>Non-foodgrains</i>				
Sesamum	4.54	4.76	0.27	0.59
Rape and mustard	2.93	3.78	2.15	1.12
Linseed	0.55	0.87	0.14	0.26
Groundnut	2.59	2.42	1.25	1.41
Sugarcane	0.34	0.40	13.50	19.40
Chillies	0.32	—	0.13	—
Cotton	3.43	3.02	2.87 (lakh bales)	2.84 (lakh bales)
Tobacco	0.06	—	0.04	—
Others	0.14	—	0.10	—
Sub-total	14.90	15.25	17.58*	22.78*
Total	137.48	152.38	69.11*	89.91*

*Excludes cotton

1.11 Rajasthan produces 6 per cent of the foodgrains output of the country and occupies the ninth place among the states in this respect. In terms of the area and the production of bajra, Rajasthan occupies the first place among all the states. It produces one-fourth of the country's output of bajra. However, the average yield of bajra per hectare at 284 kgs in the state during 1968-9 to 1970-71 was considerably lower than the all-India average at 457 kgs. The districts of Barmer (AZ), Jalore, Jodhpur and Nagaur (SAZ) and Jaipur (NTA) account for nearly three-fifths of the total output of bajra in the state. Bajra is the principal crop of the districts from the arid and semi-arid zones.

1.12 Next to Uttar Pradesh, Rajasthan is the biggest rape and mustard growing state. It accounts for 8 per cent of the national production. The Alwar, Bharatpur and Ganganagar districts from the normal zone account for about 85 per cent of the production of rape and mustard in the state.

1.13 Rajasthan is the largest gram and barley producing state after Uttar Pradesh. It produces one-sixth and one-fourth of the national output of gram and barley respectively. Both these crops are essentially grown in the districts from the normal zone. While the districts of Alwar, Bharatpur, Ganganagar, Jaipur and Sawai Madhopur produce 70 per cent of gram, 60 per cent of the barley production in the state is accounted for by the Alwar, Bhilwara, Jaipur, Udaipur and Tonk districts. The average yield of gram per hectare for Rajasthan at 661 kgs is considerably lower than the relevant average for Haryana and Punjab which exceeds 800 kgs in each case.

1.14 Wheat is another important crop grown in the state. Rajasthan is the fifth largest wheat producing state, accounting for 7 per cent of the output of wheat in the country. In terms of money value, the crop accounts for 25 per cent of the gross value of agricultural output in the state. The districts of Alwar, Bharatpur, Ganganagar and Kota from the non-tribal area and Chittorgarh and Udaipur from the tribal area are the principal wheat producing districts. The average production of wheat per hectare in the state at 1132 kgs is below the all-India average at 1228 kgs.

1.15 Rajasthan ranks fourth in maize production and produces one-tenth of maize of the country. The crop is mainly grown in the tribal area. The districts of Banswara, Bhilwara, Chittorgarh and Udaipur account for two-thirds of maize production in the state. Though hybrid varieties of maize are gaining popularity the average yield per hectare in the state at 836 kgs is considerably below the all-India average at 1079 kgs.

1.16 Among non-foodgrain crops, the area under sesamum is the largest in the state. Rajasthan ranks third in sesamum pro-

duction and produces one-tenth of the country's sesamum. The crop is mainly grown in the semi-arid districts of Jalore, Jodhpur and Nagaur as also the district of Pali from the normal zone. Pali district alone accounts for one-fourth of the state's production. The average yield of sesamum per hectare for the state at 108 kgs is, however, very poor *vis-a-vis* the all-India average at 200 kgs.

1.17 Although, there has not been any significant change in the cropping pattern in Rajasthan during the last two decades or so inasmuch as the proportion of the area under foodgrains to total area under cultivation has been more or less the same as will be seen from the table contained in paragraph 1.09 above, the trend seems to be in the direction of high-value crops like wheat, groundnut and cotton which has a bearing on credit requirements, as will be seen from the table given below:

Crop	Area		Percentage of variation between 1960-61 and 1972-3
	1960-61	1972-3	
Lakh Hectares			
<i>Foodgrains</i>			
Bajra	45.58	52.34	+ 15
Gram	13.78	12.04	- 13
Wheat	10.67	13.96	+ 31
Maize	6.50	8.01	+ 23
Barley	4.74	4.33	- 9
<i>Non-foodgrains</i>			
Sesamum	4.21	4.54	+ 8
Rape and mustard	2.04	2.93	+ 44
Groundnut	1.03	2.59	+151
Cotton	2.01	3.43	+ 71

But there has not been any substantial increase in the crop productivity as the average yield for the state in respect of almost all the major crops grown is below the national average. Scanty and erratic rainfall coupled with inadequate irrigation facilities cause wide fluctuations in agricultural output as can be seen from Annexure 5. The production of foodgrains in the state in 1970-71, when the crop conditions were normal, on account of excellent monsoon was over 88 lakh tonnes, i.e., well above the Fourth Plan target of 81 lakh tonnes. But the same

had declined to 63 lakh tonnes in 1971-2 and further to 52 lakh tonnes in 1972-3. However, the position improved in 1973-4, when the foodgrains production increased to 67.13 lakh tonnes.

Irrigation facilities

1.18 The irrigation facilities have been poor in Rajasthan. In 1972-3 as against the total cropped area at 161 lakh hectares and the net area sown at 146 lakh hectares, the net area irrigated was 22.70 lakh hectares and the gross irrigated area was 26.82 lakh hectares. The percentage of the gross area irrigated to the total cropped area was 16.7 in 1972-3. Thus, the area irrigated more than once was 4.13 lakh hectares. The sources of irrigation were wells and tube wells (58 per cent), canals (36 per cent) and tanks, etc. (6 per cent). Bulk of the gross irrigated area had been utilized for the cultivation of food crops in 1972-3 as can be seen from the following table:

Crop	Irrigated area (gross) in lakh hectares	Percentage to total
Food crops	20.64	77
Sugarcane	0.33	1
Cotton	2.41	9
Other crops	3.44	13
Total	26.82	100

The gross irrigated area in 1973-4 was 29.28 lakh hectares as against an estimated net irrigated area of 25.25 lakh hectares. The gross irrigated area is likely to increase to 31.50 lakh hectares in 1974-5.

1.19 The irrigated areas are not evenly distributed among the various districts in the state. A statement at Annexure 6 indicates the district-wise position of the net irrigated area and the sources of irrigation. It will be seen therefrom that 90 per cent of the area irrigated by canals is in the districts of Ganganagar (67 per cent), Kota (14 per cent) and Bundi (9 per cent). Barring the Bikaner district wherein an area of about 6000 hectares is irrigated by canals, none of the districts from the arid and semi-arid zones and the tribal area receive the benefit of canal irrigation. In the Bharatpur and Sawai Madhopur districts from the non-tribal area, an area of about 33000 hectares in each district receives the benefit of canal irrigation. Thus, facilities of irrigation by canals are mainly available to the Ganganagar, Kota, Bundi, Bharatpur and Sawai Modhopur districts.

1.20 Sixty-eight per cent of the area irrigated in the state by wells and tube wells is in twelve districts from the non-tribal area. Seven districts, viz., Alwar, Bharatpur, Bhilwara, Jaipur, and Pali from the non-tribal area and Chittorgarh and Udaipur from the tribal area, account for about 60 per cent of the area irrigated by wells and tube wells in the state. While the Jaipur district has the maximum area of 2.36 lakh hectares irrigated by wells and tube wells, irrigation by this source is almost non-existent in Bikaner, Churu and Jaisalmer districts from the arid zone.

Irrigation Development

1.21 The Irrigation Commission (Government of India) 1972 had estimated the ultimate irrigation potential of the state at 50 lakh hectares. A statement at Annexure 7 gives the area under canal irrigation in 1972-3 and the expected increase in such area by the end of the financial year 1978-9. It will be seen therefrom that the area irrigated by canals at 8.19 lakh hectares in 1972-3 is expected to increase by 3.59 lakh hectares to 11.78 lakh hectares in 1978-9, i.e., by the end of the Fifth Five Year Plan. Bulk of the increase at 2.53 lakh hectares will be on account of completion of phase II of the Rajasthan Canal Project (RCP). The benefit will accrue to not only Ganganagar district but also to the arid district of Bikaner. On completion, the Project will irrigate a total area of 11.63 lakh hectares and the benefit thereof will be derived by the north-eastern part of Jaisalmer district from the arid zone in addition to the districts of Ganganagar and Bikaner. We also understand that the state government have appointed a Committee to explore the possibility of providing lift irrigation by utilization of canal water in Churu, Nagaur and Jodhpur districts from the arid and semi-arid zones during the phase II of the RCP. This may necessitate a review of the credit potential in the above districts as on account of the establishment of lift irrigation schemes the benefit of irrigation may in addition accrue to these three districts, although the total availability of water may remain the same. The six medium-size schemes mentioned at items 6 (b) to (g) of Annexure 7 which are expected to be completed during the Fifth Plan period will bring in under canal irrigation additional area of 0.74 lakh hectares from the districts of Bharatpur, Bhilwara, Jhalawar, Kota and Pali from the non-tribal area and Udaipur from the tribal area. Besides, the Mahi Project which is likely to be completed in another 8-10 years will cover/extend canal irrigation to large areas in Banswara district. Thus the proposed irrigation schemes will not only help further development in certain prosperous districts, but also provide opportunities for the development of agriculture in some arid and semi-arid districts by the end of the Fifth Plan itself and later in the tribal district of Banswara.

1.22 Although the groundwater resources of Rajasthan particularly in the arid and semi-arid zones are reportedly limited, the state government plan to tap groundwater potential from areas like Lathi Basin (Jaisalmer-Barmer area) which has substantial reserves of groundwater. A statement at Annexure 8 indicates the programme of sinking new wells/tube wells, renovation of old wells and installation of pumpsets proposed to be undertaken during the Fifth Plan period. It will be seen therefrom that the districts from the semi-arid zone and the tribal area will have a greater share in the proposed programme of sinking tube wells, renovation of old wells and installation of pumpsets. With these proposed developments, the area irrigated by wells and tube wells in the state at 13.14 lakh hectares in 1972-3 should increase to at least about 15 lakh hectares in 1978-9.

High-yielding Varieties Programme

1.23 The high-yielding varieties programme has been undertaken on a comparatively modest scale in the state. The reasons therefor may be that farmers in the state are handicapped in adopting improved methods of cultivation on account of physical limitations like poor soils, scanty rainfall, poor irrigation facilities, etc. The targets fixed and achievements thereof in respect of the crops covered by the programme for the years 1972-3 and 1973-4 are given below:

Crop	Total area under the crop in 1972-3	Lakh Hectares			
		1972-3		1973-4	
		Target	Achievement	Target	Achievement
(1)	(2)	(3a)	(3b)	(4a)	(4b)
<i>Kharif</i>					
Bajra	52.34	3.48	2.37	3.52	3.26
Jowar	9.76	0.16	0.04	0.10	0.09
Maize	8.01	0.29	0.20	0.32	0.25
Paddy	1.36	0.34	0.20	0.34	—
<i>Rabi</i>					
Wheat	13.96	5.81	5.27	7.27	6.69
Total	85.43	10.08	8.08	11.55	10.29

Thus, in 1972-3 the area actually covered by high-yielding varieties of crops was 8.08 lakh hectares forming 9 per cent of the total cropped area in the state under bajra, jowar, maize, paddy and wheat. The short-fall in the achievements of the targets fixed for 1972-3 was on account of widespread drought

conditions. Similarly, the actual achievement in respect of wheat crop in 1973-4 fell short of the target by about 8 per cent as the *rabi* crops were reportedly damaged by heavy rains and cold wave. Thus, the high-yielding varieties programme is confined mainly to bajra crop in the *khariif* season and mexican wheat in the *rabi* season. While the programme in respect of bajra crop is, apart from the non-tribal area, also being taken up in the districts from the arid and semi-arid zones, the programme in respect of mexican wheat is mainly confined to the districts of Alwar, Bharatpur, Bundi, Ganganagar, Jaipur, Kota and Sawai Madhopur from the normal zone. The high-yielding varieties programme in respect of paddy is mainly confined to the Kota and Bundi districts. The programme in respect of hybrid jowar and maize is confined to the tribal districts.

1.24 The consumption of fertilizers in Rajasthan has gone up from 0.67 kg per hectare in 1964-5 to 4.41 kgs in 1971-2. The actual consumption of chemical fertilizers in the state in 1971-2, 1972-3 and 1973-4 was as under:

Year	Consumption of fertilizers in metric tonnes (in thousands)			
	Nitrogenous	Phosphatic	Potassic	Total
1971-2	46	9	3	58
1972-3	48	7	3	58
1973-4	—	—	—	72

The consumption of fertilizers in 1972-3 did not show any variation as compared to the position in the previous year. It showed considerable improvement in 1973-4. The primary co-operative marketing societies which were estimated to be handling about 40 per cent of the sale of fertilizers, sold fertilizers worth Rs 4.97 crores in 1973-4. About 57 per cent of these sales were in the districts of Kota (Rs 1.05 crores), Ganganagar (Rs 0.94 crore) and Bundi (Rs 0.86 crore). The short-term agricultural advances of the RSCB for *rabi* 1973-4 were of the order of Rs 5.18 crores as against which the kind loans advanced by the cbs amounted to Rs 1.53 crores. Bulk of these advances were made by Kota (Rs 50.90 lakhs) and Bundi (Rs 32.53 lakhs) banks. The Registrar of Co-operative Societies (RCS) had fixed a lending target of Rs 14 crores for *rabi* 1974-5 with instructions that 50 per cent of the loaning should be in kind. As against this target, the actual achievement is reportedly of the order of about Rs 11 crores, of which about Rs 6.50 crores have been disbursed in the

form of kind component. Obviously, the consumption of fertilizers in *kharif* and *rabi* seasons together in the state during 1974-5 should be higher than in 1973-4.

Agricultural and allied development schemes

1.25 Major agricultural and allied development projects taken up/being taken up in Rajasthan are:

- (i) Rajasthan Canal Command Area Development Project (RCCADP)
- (ii) Chambal Command Area Development Project (CCADP)
- (iii) Drought Prone Areas Project (DPAP)
- (iv) Dairy Development Project (DDP)
- (v) Rajasthan Sheep Development Project (RSDP)

The two command area development projects in Rajasthan are the first such projects in the country to be undertaken with assistance from the World Bank.

1.26 With the completion of stage I of the RCP at the end of 1973, the main canal and its distributary system commanded an area of 5.40 lakh hectares, but the land effectively irrigated was not more than 30 per cent of the command area. This was mainly due to factors such as the lack of assured year-round water supply, the poor state of preparation of the virgin desert lands and heavy loss of water through the unlined distributary canals and water-courses. Consequently, permanent settlement of the area by the former landless farmers is lagging seriously behind. With the completion of Pong dam on Beas river in 1974, perennial water supplies can be available to the Rajasthan Canal. The RCCADP proposes to cover 2 lakh hectares of irrigable land in two blocks within the command area of stage I of RCP. It aims at integrating the activities of all the development agencies in the area, completing all the necessary infrastructure, on-farm land development works and permanent settlement, and providing greatly enhanced agricultural supporting services. The proposed project includes:

- (i) the lining of 915 kms of distributary canals;
- (ii) the construction of 431 kms of roads and water supplies for 100 villages.

- (iii) pasture development and afforestation of 0.35 lakh hectares of high shifting sand dunes surrounding the irrigated area; and
- (iv) provision of 0.46 lakh nutrient tonnes of various fertilizers to build up and restore soil fertility.

The on-farm development works include lining of 5800 kms of water-courses, land shaping of 0.12 lakh hectares and reclamation of 0.17 lakh hectares of sodic soils. The project will also assist the farmers to complete further land shaping on 0.26 lakh hectares, reclamation of 0.17 lakh hectares of soil and improvement of on-farm field channels. The project implementation is expected to take six years. About 33000 families are to be settled in the area. The settlers will be drawn from landless agricultural labourers in adjacent agricultural areas and temporary tenants dwelling in the area. They will purchase their lands from the state government with an interest free loan of 15 years. The project is expected to provide the equivalent of 70000 additional jobs and the increase in the net value of production is estimated at Rs 25 crores per year in 10 years and Rs 35 crores per year at full development in 21 years.

1.27 The major works of the Chambal Irrigation Project were completed in 1960. These works included reservoirs and a canal system designed to serve an irrigable area of 2.29 lakh hectares in the Kota and Bundi districts of the state apart from a similar area in the adjoining state of Madhya Pradesh. Agricultural production in the above area of 2.29 lakh hectares had not met the earlier expectations due to lack of drainage and on-farm development, inadequate roads, unsatisfactory maintenance and ineffective supporting services. The CCADP is designed to correct these deficiencies and include drainage over 1.67 lakh hectares, lining of 14 kms of canals where seepage is excessive, increasing the capacity of 850 kms of canals and building or improving 160 control structures. The on-farm development over 0.50 lakh hectares includes provision of access to almost every farm by construction or improvement of 250 kms of roads, boundary realignment and land shaping, afforestation and erosion control on 0.01 lakh hectares, provision of 0.15 lakh nutrient tonnes of fertilizers to restore the soil fertility, strengthening agricultural extension, etc. The project implementation is expected to take six years. The production of foodgrains in the

area is expected to rise from 1.40 lakh tonnes to 3.50 lakh tonnes and the increase in the net value of production from the area is expected to be of the order of Rs 10 crores per year at full development in eight years' time.

1.28 The DPAP for Jodhpur and Nagaur districts to be implemented with assistance from International Development Agency (IDA), an affiliate of the World Bank, mainly consists of (i) minor irrigation works including dug wells, tube wells and tanks, (ii) dry farming development programme to extend improved technology and inputs, (iii) improved sheep and wool production by introduction of controlled grazing on improved pastures on village common lands, distribution of crossbred rams and expansion of animal health services, and (iv) dairy development through the establishment of producer co-operatives and milk collection systems, mobile veterinary units, artificial insemination units, etc. The total project cost is Rs 10.23 crores in respect of Jodhpur district and Rs 6.19 crores in respect of Nagaur district. The credit institutions are expected to meet 30 per cent of the project cost to finance on-farm development. The state and central governments are expected to provide 36 per cent of the cost towards establishment and financial assistance to small holders and the balance 34 per cent of the project cost will be the contribution from the IDA. Bulk of the proceeds of the IDA credit will be channelled through the Government of India (GOI) as budgetary grant to the state government. Activities for which institutional credit is required will be eligible for refinance from the Agricultural Refinance Corporation (ARC). Besides, the Government of Rajasthan (GOR) have formulated similar projects for eight other districts. The details in this regard are contained in Chapter VIII.

1.29 Rajasthan produces nearly 24 lakh metric tonnes of milk which is more than one-tenth of the total milk produced in the country. DDP has been undertaken by the state government under which dairy plants have been established or proposed to be established in various parts of the state. Out of the eleven dairy schemes in the districts of Ajmer, Alwar, Bharatpur, Bhilwara, Jaipur, Kota (NTA), Udaipur (TA), Barmer, Bikaner, Jaisalmer (AZ), and Jodhpur (SAZ), schemes in Kota and Udaipur districts will be purely milk supply schemes and those in Jaisalmer (Pokhran) and Barmer entirely milk products factories. The remaining schemes will have composite plants after their

expansion programme is complete. It is proposed to manufacture whole or skim milk powder, table butter, butter oil, *ghee* and cheese.

1.30 The expenditure to be incurred on dairy projects is summarized below:

Item	Rs Crores		
	Fourth Plan	Expenditure	
		Total	Core
Establishment of 8 co-operative dairies	5.77	1.91	0.60
Expansion and consolidation	—	5.24	5.24
Establishment of 3 new co-operative dairies	—	4.30	1.80
Sub-total	5.77	11.45	7.64
Training staff	0.01	0.10	0.10
Assistance to co-operatives	0.20	0.30	0.30
Milk Production Programme (IDC)	1.00	1.08	—
Evaluation Section	0.025	0.075	—
Central organization	0.025	0.50	0.50
Total	7.03	13.50	8.54

Out of the total expenditure of Rs 13.50 crores needed for dairy development in the Fifth Five Year Plan, Rs 5.00 crores will be available as institutional finance, central and agency grants, etc. The cost of Jaisalmer (Pokhran) and Barmer balancing plants is to be met from the DPAP. The remaining cost of spill over expenditure on the dairy schemes (Rs 0.60 crore), consolidation and expansion of the Fourth Plan dairy schemes (Rs 5.24 crores), full cost of Jaipur dairy project (Rs 1.80 crores) and assistance to co-operatives, central dairy organization and training of staff (Rs 0.90 crore) totalling Rs 8.54 crores has been included as core expenditure in the Fifth Plan.

1.31 In addition to the above programmes of dairy development, the GOR, in conjunction with the Animal Husbandry Division of Central Ministry of Agriculture, has formulated the Rajasthan Sheep Development Project. The Project has been

drawn with the objective of financing the development of sheep for producing higher and better qualities of wool and mutton through a Sheep Development Board to be constituted in the state. It aims at achieving this objective by organizing, in an integrated manner, both the production and the marketing of wool and mutton through the provision of required inputs and corresponding services in two select compact areas of the state. An area in the north-east part of Rajasthan (comprising Churu, Jhunjhunu and Sikar districts and northern parts of Nagaur and Jaipur districts) which has a sheep population of one million, mostly of the Chokla breed, will be taken up for intensive development. This medium-fine wool breed can be cross-bred with the Rambouillet breed to produce 2 to 2.5 million kgs of fine quality wool per year suitable for apparel. Another nearby area in the south-east of Rajasthan (comprising Bhilwara, Chittorgarh and Udaipur districts) will be taken up for enhancing mutton production. This has a sheep population of one million of the Sonadi and Malpura breed which can be cross-bred with Corriedale sheep to produce 4.5 million kgs of mutton and 2 million kgs of wool of the superior carpet quality.

1.32 Each of the two areas will have 0.75 million animals of breedable age and will, therefore, be divided into five blocks each of 0.15 million breeding ewes. Each of these ten intensive sheep development blocks will be served by organized services for rapid cross-breeding, pasture development and marketing besides adequate health cover. Cross-breeding will be taken up with the rams of exotic breeds (Rambouillet and Corriedale) through artificial insemination (AI) methods.

1.33 The pasture development programme will consist of: (i) improvement of pastures in government/public lands which will be leased to sheep breeders (one hundred pastures of 200 hectares each would be developed); (ii) provision of credit and extension services to sheep farmers for developing individual pastures; and (iii) the production of seeds of perennial grasses and legumes suitable to the areas. The animal health cover activities will include (i) establishment of a Central Disease Investigation Laboratory with mobile squads for diagnosis, prophylaxis and disease control; and (ii) distribution of vaccines, medicines, anthelmintics and dipping agents, etc.

1.34 The existing wool and mutton marketing facilities will be expanded and re-organized. The Board will take up the establishment of slaughter-houses and organize bulk sale of mutton in the metropolitan cities of Bombay and Delhi.

1.35 The estimated cost of the project is Rs 9.30 crores. The conversion of native breeds of sheep to cross-breds would take

a cycle of eight years. Therefore, a repeat project of three years will be required. Taking the life of the project as twenty years, the incremental income to the farmers is expected to be Rs 55.50 crores due to the project.

1.36 The Project is reportedly at the negotiation stage with the World Bank authorities.

1.37 Thus, while the two command area development projects are designed to maximize agricultural production from the concerned areas by ensuring full utilization of the irrigation potential already created, the DPAP as also RSDP aim at stabilizing and upgrading the economy of farmers from the arid and semi-arid districts in particular. The DDP aims at maximizing production of milk and ensuring fair returns to the farmer producers. All these major schemes and a number of other schemes proposed to be undertaken by the state government on their own and/or with the assistance of the ARC, etc., will have to be taken note of from the view point of credit requirements of the farmers in the state in the years to come.

CONCLUDING REMARKS

1.38 To sum up, agriculture in Rajasthan especially in the western part is a struggle against inhospitable nature on account of unfavourable natural factors like poor soils, scanty and erratic rainfall, poor irrigation facilities and such other inadequacies. In view of these adverse circumstances, irrigational and agricultural development programmes have been initiated for extension of canal irrigation, maximum conservation of water resources, adoption of suitable dry farming techniques and other modern methods of cultivation, development of mixed farming and arresting the advance of the desert. These efforts for maximizing agricultural production in turn call for adequate credit support from agricultural credit institutions operating in the state. It is in this context we have assessed the performance so far in this regard of the three tiers of the co-operative credit structure, viz., the RSCB, the ccbs and the pacs, as also the commercial banks in the next four chapters. Our recommendations regarding suitable institutional arrangements to ensure uninterrupted flow of credit for giving adequate support to the various programmes of development of agriculture and allied activities in the state are contained in the subsequent chapters.

CHAPTER II

RAJASTHAN STATE CO-OPERATIVE BANK

2.01 Co-OPERATIVE agricultural credit in Rajasthan is of comparatively recent origin. It made a real beginning only in 1953 with the registration of the RSCB on 14 October 1953. The bank commenced functioning from 17 October 1953. It was included in the second schedule to the Reserve Bank of India Act, 1934 on 2 July 1966. The ccbs, apex co-operative institutions, Rajasthan Rajya Sahakari Bhoomi Vikas Bank (RRSBVB) and the state government comprise the membership of the bank. Each of the 26 districts excepting Jaisalmer is served by a ccb. In Jaisalmer the branch of the RSCB has been functioning, since 14 February 1962, as the central financing agency (cfa) for the district.

Management

2.02 The management of the bank vests in a board of directors, the composition of which is as under:

- (i) Registrar of Co-operative Societies—Ex-officio,
- (ii) ten directors representing affiliated ccbs provided that at least one director shall be elected from each former revenue divisions and in case the number of ccbs in a former revenue division is five or more at least two directors shall be elected from such former revenue division,
- (iii) two directors being experts in banking and finance nominated by the GOR,
- (iv) one director representing affiliated apex societies, and
- (v) one director representing the RRSBVB.

2.03 The executive committee consists of seven members of which four are the President, Vice-President, RCS and a director representing RRSBVB. The remaining three members are elected by the board from amongst the remaining directors. Two of them are required to be the directors representing ccbs. The executive committee constitutes, from time to time, *ad hoc* sub-committees to examine and attend to specific issues.

2.04 The day-to-day administration of the bank is vested in the MD, which post was created in May 1973. The present MD is a senior officer on deputation from the Reserve Bank of India (RBI). He is assisted by a General Manager (GM), who is a

senior officer of the Co-operative Department of the state government, and a complement of 16 other officers as under:

Deputy Managers	3
Loans/Administrative/Accounts Joint-Loans Officers	4
Inspecting Officers	5
Statistical Officer/Accountant	2
Branch Managers	2

2.05 The progress made by RSCB during the period 1968-9 to 1973-4 is reviewed in the following paragraphs.

Financial position

2.06 A statement showing the growth of owned funds, deposits, advances, borrowings, overdues, etc., of the bank from 1968-9 is given below:

Item	Rs Lakhs					
	1968-9	1969-70	1970-71	1971-2	1972-3	1973-4
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1 Share capital (of which from the state government)	182.48 (40.00)	197.05 (40.00)	203.17 (40.00)	206.31 (40.00)	206.45 (40.00)	250.61 (50.00)
2 Reserves and other funds	145.99	176.51	199.08	216.51	242.87	260.93
(i) Statutory reserve	27.12	30.83	34.38	34.60	42.58	42.59
(ii) Agricultural Credit Stabilization Fund	99.25	124.44	143.05	160.46	179.91	201.22
(iii) Bad and doubtful debts reserve	10.54	11.61	11.90	11.90	10.16	6.90
(iv) Building Fund	4.40	4.44	4.44	4.44	4.44	4.44
(v) Investment Depreciation Fund	2.75	3.00	3.00	3.00	3.40	3.40
(vi) Common Good Fund	1.09	1.20	1.21	1.16	1.23	1.23
(vii) Staff Gratuity Fund	0.80	0.99	1.10	0.95	1.15	1.15
3 Owned funds	328.47	373.56	402.25	422.82	449.32	511.54
4 Deposits (of which from central banks/ societies)	204.15 (168.95)	262.66 (195.00)	339.59 (264.94)	396.29 (335.86)	472.96 (401.85)	585.44 (497.23)
5 Borrowings (of which from Reserve Bank)	1071.68 (1071.66)	1209.53 (1181.90)	1056.54 (1056.52)	668.56 (662.34)	1106.25 (1085.09)	1427.25 (1395.95)
6 Loans issued (of which agricultural)	2049.93 (1622.15)	1718.60 (1570.53)	1690.58 (1682.60)	930.46 (924.60)	1863.31 (1797.98)	2840.02 (2742.28)
7 Loans outstanding (of which agricultural)	1550.54 (1456.40)	1654.47 (1631.43)	1643.68 (1600.06)	1355.52 (1289.51)	1692.87 (1653.56)	2300.77 (2168.16)
8 Overdues	35.50	139.49	97.24	307.52	139.31	33.26
9 Percentage of overdues to demand	5.4	10.6	7.3	21.6	11.8	2.4
10 Profit	16.27	19.06	18.66	13.12	12.23	26.35
11 Rate of dividend (%)	3	4	4	4	3	3

Owned funds

2.07 The paid-up share capital of the bank increased during the period by Rs 68.13 lakhs from Rs 182.48 lakhs as on 30.6.69 to Rs 250.61 lakhs on 30.6.74. Bulk of the increase was in the years 1969-70 and 1973-4 when the share capital increased by Rs 14.57 lakhs and Rs 44.16 lakhs respectively. The share capital contribution from the state government increased by Rs 10.00 lakhs in the year 1973-4 raising it to Rs 50.00 lakhs as on 30.6.74.

2.08 The reserves of the bank increased by Rs 114.94 lakhs from Rs 145.99 lakhs as on 30.6.69 to Rs 260.93 lakhs as on 30.6.74. The increase in the reserves was accounted for mainly by an increase of Rs 101.97 lakhs in the Agricultural Credit Stabilization Fund which increased from Rs 99.25 lakhs as on 30.6.69 to Rs 201.22 lakhs as on 30.6.74. Bulk of the increase in this Fund was mainly by way of grants-in-aid, subsidy, etc., received from the state government. Stabilization arrangements have special significance to Rajasthan as large parts of the state are susceptible to drought conditions. The ccbs have to ensure a minimum involvement of 15 per cent in the conversion loans supplemented by assistance from stabilization fund of the state co-operative bank so as to be eligible to draw on the National Agricultural Credit (Stabilization) Fund maintained by the RBI whenever such a need arises. In this context, the Study Team on Overdues of Co-operative Credit Institutions 1974 (Overdues Study Team) appointed by the RBI had estimated that the RSCB would have to take steps to build up its stabilization fund to the level of Rs 314 lakhs by 1978-9.

2.09 Except for a nominal increase in the statutory reserves, there was nil or negligible increase in the other reserves. The bad and doubtful debts reserve had actually declined from Rs 11.90 lakhs as on 30.6.72 to Rs 6.90 lakhs as on 30.6.74. A sum of Rs 2.50 lakhs from out of the bad and doubtful debts reserve had been utilized in 1972-3 by the bank as its share of the contribution towards the rehabilitation of weak ccbs under the scheme sponsored by the GOI.

Deposits

2.10 The bank's deposit increased by Rs 381.29 lakhs from Rs 204.15 lakhs as on 30.6.69 to Rs 585.44 lakhs as on 30.6.74. The deposits registered a substantial increase (Rs 112.48 lakhs) during the year 1973-4. Even then the deposits of the bank were low inasmuch as the percentage of deposits to working capital stood at 23 at the end of June 1974 as against the all-

India average for state co-operative banks at 46 per cent as at the end of June 1973. The composition of deposits was as under:

		Rs Lakhs					
Type of deposit		30.6.69	30.6.70	30.6.71	30.6.72	30.6.73	30.6.74
1	Current	24.49	34.63	90.22	93.56	153.62	155.55
2	Fixed	158.45	153.91	234.50	245.76	277.72	413.69
3	Others	21.21	74.12	14.87	56.97	41.62	16.20
4	Total	204.15	262.66	339.59	396.29	472.96	585.44
5	Percentage of 1 to 4	12	13	27	24	32	27
6	Percentage of 2 to 4	78	59	69	62	59	71

It will be seen from the above table that fixed deposits formed 59 to 78 per cent of the total deposits while the current deposits formed 12 to 32 per cent of the total. Bulk of the deposits are from central banks and societies as may be seen from item 4 of the table given in paragraph 2.06 above. As at the end of June 1974, the bank's deposits from sources other than co-operatives stood at Rs 88.21 lakhs only and formed 15 per cent of the total deposits which is not very creditable for a bank which has been in existence for over two decades.

2.11 The bank has two branches of which one is in Jaipur City (C Scheme) and the other at Jaisalmer. The performance of these two branches in regard to mobilization of deposits is given in the table below:

		Rs Lakhs				
Branch		30.6.70	30.6.71	30.6.72	30.6.73	30.6.74
'C' Scheme Jaipur		14.95	22.97	30.10	36.16	36.02
Jaisalmer		5.12	4.66	6.41	6.54	7.56

The deposits of both the branches have been on the increase except in the year 1973-4 in respect of 'C' scheme Jaipur branch and in 1970-71 in the case of Jaisalmer branch.

2.12 The percentage of deposits to the total loans and advances ranged from 14 to 29 as will be seen from the table given below:

		Rs Lakhs					
Item		30.6.69	30.6.70	30.6.71	30.6.72	30.6.73	30.6.74
1	Outstanding loans	1500.54	1654.47	1643.68	1355.52	1692.87	2300.77
2	Deposits	204.15	262.66	339.59	396.29	472.96	585.44
3	Percentage of 2 to 1	14	16	21	29	28	25

The bank's deposits are no doubt increasing progressively but the level at present cannot be considered adequate to sustain a higher lending programme which is essential in the context of the various programmes of development of agriculture and allied activities envisaged in the Fifth Plan. The bank should aim at 20 per cent annual growth rate in the deposits so that they may reach the level of about Rs 15 crores in 1978-9, i.e., the last year of the Fifth Plan. Since the bank has branches at its headquarters and in Jaisalmer and as recommended by us will function as a cfa in two more districts, it has to look primarily to the ccbs as feeders for its deposits. Consequently, the RSCB will have to involve itself actively in the deposit mobilization by the ccbs. We strongly recommend that the bank should pay special attention to this aspect and supervise the action on the part of the ccbs in the direction of mobilizing deposits in their areas.

Borrowings

2.13 The borrowings of the bank had shown an uneven trend. While the outstanding borrowings increased from Rs 1071.68 lakhs on 30.6.69 to Rs 1209.53 lakhs as on 30.6.70, they declined to Rs 1056.54 lakhs as on 30.6.71 and further to Rs 668.56 lakhs as on 30.6.72. However, the borrowings of the bank shot up to Rs 1106.25 lakhs as on 30.6.73 and further to Rs 1427.25 lakhs as on 30.6.74. Barring a sum of Rs 31.28 lakhs borrowed from the National Co-operative Development Corporation (NCDC) to finance certain small and medium size processing units under the Central Sector Scheme, the other borrowings of the bank as on 30.6.74 were from the RBI. The percentage of the bank's borrowings to loans and advances ranged from 49 to 73 during the years 1968-9 to 1973-4 as may be seen from the table below:

Item	Rs Lakhs					
	30.6.69	30.6.70	30.6.71	30.6.72	30.6.73	30.6.74
1 Loans and advances	1500.54	1654.47	1643.68	1355.52	1692.87	2300.77
2 Borrowings	1071.68	1181.92	1056.54	668.56	1106.25	1427.25
3 Percentage of 2 to 1	71	73	64	49	65	62

The above table reveals the somewhat excessive dependence of the bank on external borrowings for its lending programmes which makes its position vulnerable in the years of scarcity. The bank should aim at keeping its borrowings to less than 60 per cent of the total loans and advances. This will be possible only

if the growth of the deposits annually is as much as we have envisaged above.

2.14 As observed earlier, the bank's borrowings were almost entirely from the RBI under different types of accommodation sanctioned on behalf of the affiliated ccbs. The position in regard to sanction of limits (short and medium-term) by the RBI and utilization thereof by the RSCB on behalf of the ccbs during the period 1968-9 to 1973-4 is given in Annexure 9. The position in regard to the number of ccbs in the different zones is given in brief in the table on page 30. Pali bank from the non-tribal area had not been sanctioned any limit by the RBI for two years, i.e., 1971-2 and 1972-3. In the tribal area, Banswara bank did not enjoy any credit limit from the RBI for four years from 1969-70 to 1972-3, while the other two banks, viz., Dungarpur and Sirohi (TA) for two years 1971-2 and 1972-3. In the arid zone, Bikaner bank had not been sanctioned a credit limit in the past five years ending 1972-3, while the Barmer bank had not been sanctioned a limit for two years, i.e., 1971-2 and 1972-3. The Churu bank was not sanctioned a credit limit by the RBI in 1972-3. As for the banks in the semi-arid zone, the Jhunjhunu bank had not been sanctioned a credit limit for all the six years from 1968-9 to 1973-4. Besides, the Jalore and Jodhpur (SAZ) banks were not sanctioned credit limits for two years, the former for 1971-2 and 1972-3 and the latter for 1968-9 and 1973-4. The Nagaur (SAZ) bank was not sanctioned a credit limit by the RBI for the year 1973-4.

2.15 The utilization of the short-term credit limits sanctioned on behalf of different ccbs from the non-tribal area was generally above 60 per cent of the limits sanctioned in all the years. In the case of banks from the tribal area, in some years the utilization was generally below 50 per cent. For instance, the Udaipur bank for three years from 1970-71 to 1972-3, the Sirohi bank in 1970-71, the Dungarpur bank in 1969-70 and 1970-71 and the Banswara bank in 1968-9, had utilized the credit limits to the extent of 50 per cent or less. As for banks from the arid and semi-arid zones to which the limits were sanctioned, the utilization was generally above 75 per cent except in the case of the Nagaur bank which had not drawn on the limit sanctioned for 1972-3.

	Number of banks																											
	1968-9				1969-70				1970-71				1971-2				1972-3				1973-4							
	NTA	TA	AZ	SAZ	NTA	TA	AZ	SAZ	NTA	TA	AZ	SAZ	NTA	TA	AZ	SAZ	NTA	TA	AZ	SAZ	NTA	TA	AZ	SAZ				
I Short-term (agricultural)																												
(i) No. of central banks on whose behalf limits were sanctioned	12	5	2	3	12	4	2	4	12	4	2	4	11	2	1	3	11	2	-	3	12	5	3	2				
(ii) Utilization of limits (number of banks)																												
(a) Upto 50 percent	-	1	-	-	-	1	-	-	-	3	-	1	-	1	-	-	1	1	-	1	-	-	1	-				
(b) 51 to 75 percent	2	1	-	-	1	1	1	-	2	-	1	-	2	1	-	-	2	1	-	1	2	2	-	-				
(c) Above 75 percent	10	3	2	3	11	2	1	4	10	1	1	3	9	-	1	3	8	-	-	1	10	3	2	2				
II Medium term (agricultural)																												
(i) No. of central banks on whose behalf limits were sanctioned	8	4	2	3	9	4	1	-	6	2	-	2	7	1	-	3	7	2	-	-	7	3	1	-				
(ii) Utilization of limits (number of banks)																												
(a) Upto 50 percent	1	1	1	-	3	1	1	-	4	1	-	1	6	-	-	3	2	-	-	-	1	1	-	-				
(b) 51 to 75 percent	2	1	-	-	3	-	-	-	-	-	-	1	1	1	-	-	1	-	-	-	1	-	-	-				
(c) Above 75 percent	5	2	1	3	3	3	-	-	2	1	-	-	-	-	-	-	4	2	-	-	5	2	1	-				

2.16 As regards the amounts of limits sanctioned by the RBI on behalf of the ccbs, the zone-wise position is briefly tabulated below:

Zone	Rs Lakhs					
	Limits sanctioned by the RBI on behalf of ccbs					
	1968-9	1969-70	1970-71	1971-2	1972-3	1973-4
<i>Short-term (agri)</i>						
Normal						
(a) NTA	669.00	935.00	1050.00	1080.00	1070.00	1565.00
(b) TA	125.00	130.00	127.00	115.00	110.00	190.00
Arid	38.00	38.00	35.00	10.00	—	58.00
Semi-arid	57.50	77.50	77.50	55.00	90.00	55.00
Sub-total	889.50	1180.50	1289.50	1260.00	1270.00	1868.00
<i>Medium-term (agri)</i>						
Normal						
(a) NTA	46.50	56.00	33.00	47.50	50.50	65.50
(b) TA	15.00	14.00	12.00	5.00	17.00	17.00
Arid	7.00	4.00	—	—	—	2.00
Semi-arid	9.00	4.00	6.00	11.00	—	—
Sub-total	77.50	78.00	51.00	63.50	67.50	84.50
Total	967.00	1258.00	1340.50	1323.50	1337.50	1952.50

The short-term credit limits sanctioned for seasonal agricultural operations (sao) increased from Rs 889.50 lakhs in 1968-9 to Rs 1868.00 lakhs in 1973-4, i.e., by Rs 978.50 lakhs. However, bulk of the increase at Rs 896.00 lakhs was accounted for by the twelve banks from the non-tribal area. Consequently, the share of the banks from the arid and semi-arid zones and the tribal area in such limits sanctioned by the Reserve Bank declined from 25 per cent in 1968-9 to 17 per cent in 1973-4. Thus, the rate of credit expansion in respect of banks from the non-tribal area was relatively better.

2.17 The quantum of limits sanctioned by the RBI on behalf of ccbs for medium-term agricultural purposes was small even in the case of banks from the non-tribal area.

Advances

2.18 The bank's advances were mainly for agricultural purposes as may be seen from item 6 of the table in paragraph 2.06 above. The total loans issued by the bank had shown a declining trend up to 1971-2. The loans issued had then declined from Rs 2049.93 lakhs in 1968-9 to Rs 930.46 lakhs in 1971-2. This deterioration was, however, stopped when the

loans issued by the bank increased to Rs 1863.31 lakhs in 1972-3 and further to Rs 2840.02 lakhs in 1973-4. Although there was a declining trend for some time in the total loans issued, the proportion of agricultural loans to total loans issued remained almost unchanged. Of the total loans issued at Rs 2840.02 lakhs in 1973-4, those amounting to Rs 2362.80 lakhs were issued to affiliated central banks for sao. The zone-wise break-up thereof was as under:

Zone	No. of ccbs	Rs Lakhs
		Amount
Normal		
(a) NTA	12	1726.38
(b) TA	5	278.02
Arid	3	123.00
Semi-arid	5	235.40
Total	25	2362.80

Seventy-three per cent of such loans issued were accounted for by the 12 banks from the non-tribal area as against the share of these banks in the limits sanctioned by the RBI at 84 per cent. Thus, the RSCB had involved its internal resources in a comparatively larger proportion in loans to banks from the less developed areas. But still, three-fourths of its business was accounted for by the 12 banks from the non-tribal area. In fact, 44 per cent of its total loans for short-term agricultural purposes in 1973-4 were issued to five banks functioning in the prosperous areas, viz., Alwar, Bharatpur, Ganganagar, Jaipur and Kota. The break-up of the bank's loans outstanding into short-term (sao), medium-term (agricultural), medium-term (conversion) and other loans was as under:

Type of loan	Rs Lakhs					
	Loans outstanding as on					
	30.6.69	30.6.70	30.6.71	30.6.72	30.6.73	30.6.74
Short-term (sao) ...	818.13	1046.72	1206.08	992.36	1106.53	1588.43
Medium-term (agri.) ...	152.34	132.50	119.01	119.40	145.22	150.14
Medium-term (conversion) ...	289.67	350.53	274.97	177.73	378.63	428.09
Others ...	240.40	124.72	43.62	66.03	62.49	134.11
Total	1500.54	1654.47	1643.68	1355.52	1692.87	2300.77

2.19 The bank's own involvement in the advances out of its own resources ranged between Rs 428.00 lakhs and Rs 874.00 lakhs as under :

Rs Lakhs					
1968-9	1969-70	1970-71	1971-2	1972-3	1973-4
428.86	444.94	587.14	686.96	586.62	873.52

There was a substantial increase in the bank's own involvement in its advances in the year 1973-4. As regards distribution of the bank's involvement in advances to ccbs from different zones, indication can be had from the bank's own involvement in short-term agricultural loans (which formed bulk of the bank's loans portfolio) issued to ccbs during the years 1972-3 and 1973-4. A statement in this behalf is given at Annexure 10. The position could be summarized as under:

Zone	No. of ccbs	Rs Lakhs			
		Involvement		Average involvement per bank in the respective zone/area	
		1972-3	1973-4	1972-3	1973-4
Normal					
(a) NTA	12	163.66	302.41	13.64	25.20
(b) TA	5	59.38	69.30	11.88	13.86
Arid	3	36.73	54.43	12.24	18.14
Semi-arid	5	63.00	140.01	12.60	28.00
Total	25	322.77	566.15	12.91	22.65

N.B.—The above involvement does not include bank's advances in Jaisalmer district.

The above table reveals that in the year 1972-3 the bank's involvement in the banks from all zones/areas was almost uniform, i.e., around Rs 12.00 lakhs per bank. There was, however, a substantial increase in its involvement in the banks from the arid and semi-arid zones and the non-tribal area in the year 1973-4. The involvement in the banks from the tribal area during the year was slightly higher than in the year 1972-3.

Deficits in the non-overdue cover and defaults by ccbs

2.20 A statement showing the ccbs which were not in a position to provide adequate non-overdue cover (nadc) for their short-term borrowings from the RBI and were in default to the RSCB in respect of short-term dues during the period 1968-9 to 1973-4 is given at Annexure 11. The position in this behalf is summarized on page 34.

Zone	No. of ccbs in the zone	No. of ccbs which had deficits in nodc for RBI short-term borrowings during the years						No. of ccbs defaulting in repayment of short-term dues to the RSCB					
		1968-9	1969-70	1970-71	1971-2	1972-3	1973-4	1968-9	1969-70	1970-71	1971-2	1972-3	1973-4
(1)	(2)	(3a)	(3b)	(3c)	(3d)	(3e)	(3f)	(4a)	(4b)	(4c)	(4d)	(4e)	(4f)
Normal													
(a) NTA	12	8 (12)	2 (12)	5 (12)	12 (11)	7 (11)	9 (12)	4	7	8	7	8	1
(b) TA	5	4 (5)	4 (4)	4 (4)	4 (2)	1 (2)	2 (5)	2	4	5	3	3	1
Arid	3	2 (2)	2 (2)	2 (2)	2 (1)	1 (—)	2 (3)	2	2	3	3	2	—
Semi-arid	5	1 (3)	3 (4)	3 (4)	2 (3)	1 (3)	— (2)	2	5	5	5	4	1
Total	25	15	11	14	20	10	13	10	18	21	18	17	3

N.B.—Figures in brackets indicate the number of banks to whom the short-term credit limits were sanctioned in the respective years.

2.21 The banks which had deficits in nodc in respect of short-term borrowings from the RBI, for five or six years during the period 1968-9 to 1973-4 were three from the non-tribal area, viz., Ajmer, Bhilwara and Sawai Madhopur, two from the tribal area, viz., Chittorgarh and Dungarpur, and one from the arid zone, viz., Churu. As against this position, the banks which had deficits only for one or two years during the above period were Bharatpur and Jhalawar from the non-tribal area and Jalore and Jodhpur from the semi-arid zone. Other banks had deficits for three or four years or had not made any borrowings from the RBI.

2.22 Almost all banks from the arid and semi-arid zones and the tribal area had been defaulting in repayment of their dues to the RSCB. As for banks from the non-tribal area excepting the Kota and Ajmer banks, others had been defaulting for two years to five years in repayment of their dues to the RSCB. The Kota and Ajmer banks had defaulted only in one year, i.e., in the year 1972-3 and 1970-71 respectively.

Overdues

2.23 The bank's position in regard to overdues was as under:

Year	Overdues		Percentage of overdues to demand	Owned funds
	Total	Of which over 3 years		
1968-9	35.50	4.52	5.4	328.47
1969-70	139.49	6.66	10.6	373.56
1970-71	97.24	6.45	7.3	402.25
1971-2	307.52	3.57	21.6	422.82
1972-3	139.31	3.98	11.8	449.32
1973-4	33.26	3.23	2.5	511.54

The overdues position which had deteriorated in 1971-2 improved from the following year, i.e., 1972-3 and showed a substantial improvement in 1973-4, when the amount of overdues touched the lowest figure of Rs 33.26 lakhs during the past six years. The percentage of overdues to demand was only 2.5 at the end of June 1974.

Cash reserve and liquid assets

2.24 The bank had marginally defaulted in the maintenance of liquid assets on some days in October 1972 and June 1973, the deficits ranging between Rs 0.29 lakh and Rs 0.49 lakh.

These deficits could have been avoided as the bank had large balances with commercial banks on these days and the same are not reckoned for the purpose of maintenance of liquid assets.

Supervision

2.25 The bank has its own staff for inspection of its branches as also indebted institutions. As on 30.6.73 it had five inspectors and a Development Officer to attend to the inspection work. With a view to strengthening supervision over the central banks and other indebted institutions, the bank may have to open its regional offices in the different parts of the state. We recommend that the bank may establish these regional offices in a phased manner. Priority may be given for opening such offices at Jodhpur and Udaipur with a view to supervising and guiding the operations of the institutions in the comparatively less developed areas. The other two regional offices may be opened at Bikaner and Kota to control and guide the credit institutions operating in the areas of the two command area development projects in the state.

Role as an apex institution

2.26 As observed earlier, the bank has a branch at Jaisalmer which functions as a cfa for Jaisalmer district. The position in regard to mobilization of deposits, loans outstanding and overdues during the years 1969-70 to 1973-4 was as under:

Item	Rs Lakhs				
	1969-70	1970-71	1971-2	1972-3	1973-4
Deposits	5.12	4.66	6.41	6.54	7.56
Loans outstanding	5.05	4.97	5.00	4.15	2.70
Overdues	4.04	4.18	4.52	3.97	2.70

The above table reveals that the advances by the branch have stagnated. In fact, no loans had been issued by the branch during the three-year period 1971-2 to 1973-4. However, concerted efforts for recovery of dues were made in 1973-4 and as a result the overdues of the branch declined from Rs 3.97 lakhs as on 30.6.73 to Rs 2.70 lakhs as on 30.6.74. There was also a slight improvement in the deposits with the branch.

Role as an apex institution

2.27 The above analysis indicates that about one-half of the business of the bank was concentrated in seven districts, viz., Alwar, Bharatpur, Bundi, Ganganagar, Jaipur, Jhalawar and Kota. The share of the less developed areas, i.e., the arid and

semi-arid zones and the tribal area in the business of the bank was about one-fourth. No doubt the development of business of an apex institution is conditioned by the financial strength of the lower two tiers, viz., the ccbs and the pacs. Besides, unfavourable natural factors like poor soils and water resources as also repeated famines inhibit the growth of agricultural development in the state. But the RSCB as an apex institution should accept the situation as a challenge and shoulder greater financial and administrative responsibilities in improving the operational efficiency and internal resources of the institutions in these areas. We have examined these issues at a greater length in subsequent chapters and our specific recommendations in this regard are contained in these chapters.

CHAPTER III

CENTRAL CO-OPERATIVE BANKS

3.01 THE Committee on Co-operation in India 1915 (Maclagan Committee) had favoured the organization of ccbs in the districts in the country in preference to branches of state co-operative banks as the directors of the central banks with their local knowledge and close contacts would, according to the Committee, be in a better position than the agents of the state co-operative bank's branch to assess the credit-worthiness of the affiliated societies and their needs as also to appreciate their problems, recover the dues from the societies because of their local influence and contacts and finally mobilize sizeable deposits from the urban centres again on account of their local standing and influence. The policy of having a ccb in each district instead of branches was generally endorsed later by other committees and commissions which went into this question subsequently. In Rajasthan, 10 ccbs and 2 banking unions were organized by the end of 1955-6. This number increased in the following years to 25 by the end of 1967-8. Since then, each of the twenty-six districts in the state with the exception of Jaisalmer is served by a ccb. We give in this chapter an account of the financial position and working of these institutions.

Financial position

3.02 A consolidated statement showing the trends in the growth of owned funds, deposits, lendings and the position of overdues, etc., of the twenty-five central banks in the state for the years 1968-9 to 1973-4 is given in Annexure 12. During this period, the owned funds of these banks increased by Rs 4.06 crores to Rs 8.78 crores as on 30.6.74 of which the state government's contribution to share capital was Rs 2.24 crores. The total deposits of all the central banks had progressively increased during the five-year period to Rs 15.54 crores. The trend in the outstanding borrowings was similar, with the exception of a fall during 1971-2. They stood at Rs 22.66 crores as on 30.6.74 as against Rs 12.96 crores as on 30.6.68. The trends in the growth of the loans issued as also the total loans outstanding corresponded to the growth of borrowings. The total loans issued by the twenty-five banks in 1973-4 amounted to Rs 33.15 crores including Rs 29.75 crores issued for agricultural purposes. The total loans outstanding as on 30.6.74 stood at Rs 36.67 crores.

3.03 The overall recovery performance of the twenty-five banks had deteriorated up to 1971-2. The percentage of overdues to demand increased from 30 at the end of June 1969 to 57 at the end of June 1972. The recovery position had, however, improved during the years 1972-3 and 1973-4. Consequently, the percentage of overdues to demand declined to 42 as on 30.6.73 and further to 38 as on 30.6.74. Four banks had incurred losses in 1971-2 as also in 1972-3 as against one during the previous three years. The number of such banks increased to five in 1973-4.

3.04 There were, however, large variations in the financial position of individual banks. The bank-wise comparative financial position for the years 1970-71 to 1973-4 is contained in Annexure 13. There were 12 central banks functioning in the non-tribal area, 5 in the tribal area, 3 in the arid zone and 5 in the semi-arid zone. Some area/zone-wise averages about certain major aspects of their business in 1973-4 are given in the following table to indicate the comparative performance of the banks *inter se* areas/zones:

Item	Rs Lakhs			
	Average per bank in respect of ccbs functioning in			
	NTA	TA	AZ	SAZ
Owned funds	50.47	22.08	15.51	20.79
Deposits	93.35	45.56	22.55	27.66
Outstanding borrowings	136.70	54.47	37.79	48.01
Working capital	298.89	129.45	80.29	102.16
Total loans outstanding	222.71	94.11	55.58	71.34
Short-term agricultural loans outstanding	165.07	61.15	42.13	50.56

Each of the above six averages in respect of the banks in non-tribal area was more than double the relevant averages in respect of banks in other three regions. Thus, the position of the twelve banks in the non-tribal area was relatively better than the thirteen ccbs operating in the tribal area and the arid and semi-arid zones. However, the size of business handled by most of the ccbs had improved during the period.

Comparative performance

3.05 Despite the sustained improvement in the operations of most of the twenty-five central banks in Rajasthan during the six-year period 1968-9 to 1973-4, their overall financial position at the end of June 1974 was relatively poor when compared to the all-India position as on 30.6.73 and more particularly the position as on the latter date of the ccbs in a co-operatively

developed state like Maharashtra. Comparative averages about some aspects of the business of the ccbs in Rajasthan as on 30.6.74 and in the state of Maharashtra and for all-India as on 30.6.73 are given in the following table:

Item	Rs Lakhs		
	Rajasthan	Maharashtra	All-India
Owened funds	35.11	165.42	73.91
Deposits	62.36	680.80	187.98
Outstanding borrowings	88.65	245.37	127.36
Working capital	199.42	1091.59	389.25
Total loans outstanding	146.66	781.80	298.93
Short-term agricultural loans outstanding (sao and marketing)	106.62	295.45	170.04

Although the averages for the banks in Rajasthan relate to the position obtained one year later than in the other cases the above table indicates that the average owned funds of the banks in Rajasthan are less than one-half of the all-India position and about one-fifth of the average for Maharashtra. In respect of deposits, the position is even worse inasmuch as the relevant average for the banks in Rajasthan is about one-third of the all-India position and less than one-tenth of the average for Maharashtra. Consequently, the average loan business handled by the banks in Rajasthan is about one-half of the all-India position and less than one-fifth of the position obtained in respect of the banks in Maharashtra. Significantly, even for this meagre business the banks in Rajasthan have relied more on external borrowings inasmuch as their borrowings formed almost 60 per cent of their outstanding loans on 30.6.74 as against 42 per cent and 31 per cent as on 30.6.73 in respect of the banks all over India and Maharashtra respectively.

FIELD OF ENQUIRY

3.06 Our terms of reference require us to examine in some detail 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 would be advantageous to eliminate the ccb. The most important consideration in this behalf is that of viability and allied with it is the question of efficiency of a central bank. Banks which are not likely to attain viability within a reasonable period and are also inefficient may probably not continue to function as independent entities and may have to make room for other institutional agencies. We have, therefore, in the following paragraphs evaluated the performance of the twenty-five ccbs in Rajasthan firstly from the angle of viability and later from that of efficiency.

Viability

3.07 The All-India Rural Credit Survey Committee 1954 (Survey Committee) considered a ccb as viable if it had share capital and reserves of Rs 3.00 lakhs and working capital of Rs 20 lakhs to Rs 25 lakhs. At a latter date, the erstwhile Standing Advisory Committee on Rural and Co-operative Credit of the RBI (SAC) suggested that a viable bank should have a minimum loan business of Rs 1 crore and working capital of about Rs 1.20 crores. The Working Group on Co-operation for the Fifth Five Year Plan (Fifth Plan Working Group) considers a bank with an existing loan business of Rs 75 lakhs and prospect of reaching Rs 1 crore within the next 2 to 3 years as potentially viable.

3.08 On the basis of above norms of viability/potential viability, all the twelve banks from the non-tribal area, the Chittorgarh and Udaipur banks from the tribal area, the Barmer bank from the arid zone and the Jodhpur and Sikar banks from the semi-arid zone, i.e., in all 17 banks out of the total of 25 in the state could be deemed as viable/potentially viable units on the basis of their achievements in 1973-4. The Banswara, Dungarpur and Sirohi banks from the tribal area, the Bikaner and Churu banks from the arid zone and the Jalore, Jhunjhunu and Nagaur banks from semi-arid zone, i.e., in all eight banks out of twenty-five are not even potentially viable as per standards of the Working Group. The bank-wise position in this behalf is indicated in Annexure 14.

3.09 It was more than a decade ago that the minimum of Rs 100 lakhs of loan business was indicated by the SAC for a bank to be treated as viable. Since then 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. Taking these aspects into account we feel that a central bank in Rajasthan may be deemed to be viable if its loans outstanding exceed Rs 150 lakhs and potentially viable if the loans exceed Rs 100 lakhs. On the basis of the norms suggested for Rajasthan 8 banks from the non-tribal area, viz., Ajmer, Alwar, Bharatpur, Bhilwara, Ganganagar, Jaipur, Jhalawar and Kota and one bank from the tribal area, viz., Udaipur, i.e., in all 9 banks could be considered as viable already. In addition 4 banks in the non-tribal area, viz., Bundi, Pali, Sawai Madhopur and Tonk, the Chittorgarh bank from the tribal area and Jodhpur from the semi-arid zone, i.e., in all six banks could be considered as potentially viable. Thus in all 15 banks out of 25 can be considered viable or potentially viable with reference to their achievements in 1973-4.

Efficiency—Subjective criteria

3.10 In regard to the possibility of substituting the ccb's by branches of state co-operative banks, the Maclagan Committee observed as under:

A central bank gives an opening whereby the middle classes can interest themselves in the movement, and even though local committees were organised to supervise the branches, it is probable that local enthusiasts would work with a keener sense of responsibility and zeal for their own independent bank than for a branch of the provincial bank. Our conclusion, therefore, is that although there is no reason why branches should not be established in preference to central banks in places where Unions have been developed, local conditions should always be well weighed before this step is taken, and we imagine that in most cases it will for some time to come be the cheaper and more efficient course to adhere to the system of independent central banks. (page 72)

The Survey Committee is in agreement with the view expressed by the SAC that "other things being equal—in regard to finance, local support, administrative efficiency, etc., the establishment of a central bank should be preferred to that of a branch of the state co-operative bank" (page 444).

3.11 Referring to some doubts expressed as to the need for the three-tier structure and to the suggestions made from time to time for eliminating one or the other of the intermediary units, the Informal Group on Institutional Arrangements for Agricultural Credit 1964 also appointed by the RBI, observed:

As for the central co-operative banks, these are federal organizations of primary co-operative societies and function as bankers and advisory and supervisory agencies at the district level. Many of these banks have operated as important means of raising sizeable resources from the urban depositors. The assessment of the creditworthiness and needs of the societies, the determination of the terms and conditions governing the loans provided to them and other technical aspects of agricultural credit are all such as to call for a close relationship between the lender and the rural borrower. This kind of personal contact, experience and local knowledge can be best found only in a body like the board of directors of the central co-operative banks, who are able to appreciate better than any paid staff, the real problems arising from local conditions. Experience in more than one State has shown that, from the point of view of fulfilling these various functions and providing leadership to the movement at the district level, the branches of an apex co-operative bank can only be poor substitutes for the district central co-operative banks and, in most cases, the former have been replaced by the latter. (page 54)

The cost of retailing credit in the conditions of the large number of villages over which small producers are spread is inescapable and must be covered by the margin included in the rate charged on lending though every effort has to be made to keep it to the minimum. In fact local organizations built up into a federal structure provide the most economical way of keeping down the servicing cost of small loans. It is by improved operational efficiency, on the one hand, and increasing turnover, on the other, that these costs and margins may be expected to be brought down to reasonable levels, over the years, even where they may be considered to be excessive today. As the dispensation of agricultural credit is a fairly complicated and risk laden business, provision has to be made for cushions and reserves at different levels. In this connexion, it may also be mentioned that the three-tier pattern of the co-operative credit structure has been adopted and worked successfully in a country like Japan where also agriculture is characterised by small holdings. (page 55)

3.12 More recently, the Study Team on the Two-tier Co-operative Credit Structure in Kerala 1973 (Kerala Study Team) appointed by the Reserve Bank examined the role of the intermediate level credit institutions in that State. The Team is of the view that besides the consideration of viability, a ccb can justify its claim to continued existence if it satisfies the three criteria, viz., (i) adequate mobilization of resources, (ii) responsiveness to local needs, and (iii) better recovery performance. In this context observations of the Kerala Study Team quoted below are significant:

There are, in our view, three major considerations in favour of the central banks which being district level organizations and consisting largely of elected representatives of affiliated societies, could lend support in a variety of ways to the growth of the co-operative credit movement and to the development of agriculture. These are:

- (i) Firstly, non-official directors by virtue of their local standing and influence could help the central bank in deposit mobilization.
- (ii) Secondly, the non-officials would also be in a position, by virtue of their local knowledge and interest, to appreciate and assess according to priority, the demand for production credit in their areas and also take the steps necessary to meet the demand effectively.
- (iii) Thirdly, for the same reasons, they would be in a better position not only to ensure the end-use of credit but also exert pressure and see to the recovery of loans on the due dates.

Briefly it is thought that a central co-operative bank organized as an independent democratic unit for a district and functioning close to the primaries which are its constituents and with intimate mutual ties both as regards membership and working will have an edge over a state co-operative bank operating through bureaucratically controlled district branches in matters particularly of resource mobilization, responsiveness to local needs and recovery of loans. (page 42)

Efficiency-Objective criteria

3.13 The three broad criteria mentioned by the Kerala Study Team for justifying the continued existence of ccbs may be translated into some objective criteria for assessing the relative performance of the banks in Rajasthan. We have made an attempt in this behalf by rating the banks with reference to the following:

- 1 Size of owned funds
- 2 Size of deposits
- 3 Size of working capital
- 4 Size of total loans outstanding
- 5 Size of loans advanced for short-term agricultural purposes
- 6 Recovery performance
- 7 Frequency of defaults to the state co-operative bank
- 8 Size of profits
- 9 Rate of dividend paid, if any
- 10 Performance in meeting credit inadequacies

The assessment on the basis of most of the above standards could be confined to the position obtained during or at the end of 1972-3, as the case may be, on account of non-availability of the requisite data in respect of all the banks for 1973-4. While the performance in the matter of recoveries has been judged on the basis of the three-year period ending 1973-4, the ability to meet the commitments to the state co-operative bank has been evaluated on the basis of performance during the 5 years ending 1972-3. The marks allotted are higher as the performance of the banks is better. We do not claim to have determined the relative rating on the basis of any scientific standards. All the indicators have been assumed to be equally important, although some of them are more important than others justifying different weights to the different indicators. We, however, feel that the rating may be a rough index of the relative performance of the different banks in the state. The position in this behalf has been given in Annexure 15. The rating received by each bank in respect of each of the above aspects of its business is indicated in Annexures 16 to 25. The bank-wise position of aggregate rating is given in Annexure 26. The same is summarized in the table below :

Aggregate rating (out of 1000)	Banks			
	NTA	TA	AZ	SAZ
200 or below	—	Banswara Dungarpur Sirohi	Barmer Bikaner Churu	Jalore Jhunjhunu Nagaur Sikar
201 to 350	Bhilwara Bundi Jaipur Jhalawar Pali Sawai- Madhopur Tonk	—	—	Jodhpur
351 to 500	Ajmer	Chittorgarh Udaipur	—	—
501 and above	Alwar Bharatpur Ganganagar Kota	—	—	—

Ten central banks with 20 per cent or less marks could be rated as inefficient. They include all the eight central banks which had not attained even the minimum level of business of a potentially viable bank (Annexure 14). The two additional banks which find place in the list of inefficient banks are Barmer

and Sikar. Four banks, viz., Alwar, Bharatpur, Ganganagar and Kota have come out very well in the rating. The efficiency of Ajmer, Chittorgarh and Udaipur banks could be considered fairly satisfactory. The efficiency of the remaining eight banks would have to be toned up considerably if they have to justify their continued existence.

Justification for continued existence

3.14 Strictly speaking banks which are not even potentially viable or those whose rating is 20 per cent or less can be considered as the banks which have failed to satisfy the criteria suggested by the Maclagan Committee to justify their continuance. They cannot also hope either to improve their loan business or their efficiency before the end of the Fifth Five Year Plan, i.e., before 1978-9. If the loan business is to reach Rs 150 lakhs in say, 5 years, the existing level would have to be at least Rs 75 lakhs if a growth of 15 per cent per annum is assumed. It will not be correct to say that the growth rate could easily be achieved if the banks are very liberally assisted by the higher financing agencies. The loan business cannot be sustained only on borrowings. It has to be supported by requisite amounts of owned funds and deposits. Assuming that 60 per cent of the loans come out of borrowings—which incidentally is the ratio obtaining in the banks in Rajasthan—Rs 90 lakhs could be raised through borrowings and the balance of Rs 60 lakhs would have to be found from deposits and owned funds. Roughly 70 per cent of the internal resources become available for loans. On this basis these would have to be at least Rs 85 lakhs. The division between owned funds and deposits may be Rs 25 lakhs and Rs 60 lakhs respectively. From Annexure 14 it will be seen that the owned funds and deposits of all the ten banks, whose rating is below 20 per cent, are about 50 per cent or even less than the above figures. In some cases they are one-third or even less indicating how difficult it will be for these banks to attain the minimum business required to become viable units.

3.15 While strictly speaking the ten central banks which are rated inefficient, eight of which are not even potentially viable as per the norms adopted by the Fifth Plan Working Group, could be marked as those which may have no justification to continue, one may make some allowance for the existing low level of achievement and the adverse natural conditions prevailing in some parts of Rajasthan and consider sympathetically even the cases of banks which have a chance of attaining the level of business of at least Rs 100 lakhs by the end of the Fifth Plan so that they can be expected to reach a level of business of Rs 150 lakhs within the subsequent three years

and Rs 200 lakhs by the end of the Sixth Plan period. At the same time, one has also to consider whether there is adequate credit potential in the district to enable the bank to reach the above level of business of Rs 150 lakhs. Assuming that the banks in question will have to mainly depend on short-term agricultural loan business for attaining viability as the other types of business may be, in their cases, negligible, the cases of the ten central banks in the state for continued existence may be examined on the basis of the following:

- (i) whether there is potential in the district for the bank to reach a level of business of Rs 150 lakhs assuming that not more than 50 per cent of the estimated short-term credit requirements in the district could be met by the concerned bank.
- (ii) whether the deposits with the bank will reach the level of Rs 60 lakhs at the end of 1978-9 (assuming an annual growth rate of 25 per cent) necessary to sustain a credit business of Rs 150 lakhs.
- (iii) whether the deposits will reach at least Rs 40 lakhs at the end of 1978-9 for sustaining a credit business of Rs 100 lakhs.

While the position in regard to the fulfilment of criterion (i) above is indicated in Annexure 27, the same in respect of criteria (ii) and (iii) is given in Annexure 28. From the view point of fulfilment of the three criteria, the ten central banks in question may be classified into four broad categories:

Category I—Banks which do not satisfy criterion (i), viz., Dungarpur and Sirohi.

Category II—Banks which satisfy criteria (i) and (ii), viz., Banswara, Barmer, Bikaner and Sikar.

Category III—Banks which satisfy criteria (i) and (iii) but not (ii), viz., Jalore and Nagaur.

Category IV—Banks which satisfy criterion (i) alone, viz., Churu and Jhunjhunu.

3.16 In our opinion, the central banks falling in category I, viz., Dungarpur and Sirohi, are unlikely to attain the level of business of Rs 150 lakhs necessary to function as viable units, in view of the lack of adequate potential in the districts they serve and have, therefore, no justification to continue. We, therefore, recommend that these two banks may be amalgamated with the RSCB. However, in order to ensure that the RSCB is not laden with any unrealizable assets of the amalgamated units, it should take over on an 'outright' basis only the realizable assets and equivalent liabilities of the central banks. The unrealizable assets of the central banks should be taken over on 'collection' basis and corresponding liabilities repaid on pro-rata basis. Such amalgamations have been already made with success in the case of four ccbs in West Bengal, three of which

were amalgamated with the West Bengal State Co-operative Bank and the remaining one with the Burdwan Central Co-operative Bank, under the provisions of sections 18A and 18B of the Bengal Co-operative Societies Act as specially amended for the purpose. In the case of Rajasthan also, the amalgamations on the lines suggested above cannot be brought about unless Sections 16 and 17 of the Rajasthan Co-operative Societies Act, 1965 are suitably amended. We, therefore, recommend that the GOR may take action to amend the Act to facilitate the amalgamations on these lines. The state government may in this connexion consult the Reserve Bank before drawing up a scheme of amalgamation.

3.17 The districts served by the four banks in category II, viz., Banswara, Barmar, Bikaner and Sikar, offer adequate potential to enable these banks to take up their level of business firstly to Rs 150 lakhs in 1978-9 and later to Rs 200 lakhs and function as viable units. Besides, if these banks maintain an annual growth rate of 25 per cent in their deposits, they will have adequate internal resources to sustain the loan business of the above order. We suggest, therefore, that the managements of these banks should make concerted efforts towards mobilization of additional deposits so as to ensure an annual growth rate of 25 per cent as also for increasing the level of their loan business to Rs 150 lakhs in 1978-9 and later to Rs 200 lakhs. The state government may review the position of these banks in 1978-9 to decide whether any or all of them had justified their existence. The cases of banks which fail to reach the desired level of business in 1978-9 may be considered for amalgamation with the RSCB.

3.18 This would leave out four banks in categories III and IV, viz., Jalore, Nagaur, Churu and Jhunjhunu. We have indicated in paragraph 3.15 above that in view of the adverse natural conditions in some districts of Rajasthan, an allowance could be made for the existing low level of achievement on the part of some central banks provided each of them had a chance of attaining the level of business of at least Rs 100 lakhs by 1978-9. All the four banks in question are functioning in the arid and semi-arid zones. The districts served by them have adequate potential to enable them to reach a level of business of Rs 100 lakhs in 1978-9 and, with continued efforts thereafter, even of Rs 200 lakhs. Assuming an annual growth rate of 25 per cent in deposits, the two banks in category III, viz., Jalore and Nagaur, could be expected to mobilize deposits of Rs 40 lakhs by 1978-9 necessary to sustain a loan business of Rs 100 lakhs in that year. As regards the two banks in category IV, viz., Churu and

Jhunjhunu, while the shortfall in the requisite level of deposits in 1978-9 will be marginal (i.e., by Rs 0.60 lakh only) in the case of Churu bank, it will be sizeable (of about Rs 15 lakhs) in the case of Jhunjhunu bank even if it maintained an annual growth rate of 25 per cent in its deposits. We understand that the concerned authorities in the state government and of the state co-operative bank are formulating jointly a programme for deposit mobilization by the central banks in the state with a view to enabling these institutions to handle a higher level of business during the year 1975-6, with special attention to such banks as had meagre business. In view of this position, it may not be difficult for the two central banks in category III, viz., Jalore and Nagaur to ensure an annual growth rate of 25 per cent in their deposits. For the same reason, we would not differentiate between the banks in category III and the two banks in category IV, viz., Churu and Jhunjhunu and also allow the banks in the latter category a continued existence on the presumption that special efforts will be made in their cases to ensure that each bank achieves a level of deposits of Rs 40 lakhs by 1978-9. We, therefore, recommend that the managements of the Churu central bank from the arid zone and the Jalore, Jhunjhunu and Nagaur banks from the semi-arid zone should make concerted efforts for mobilization of additional deposits so as to ensure that the total deposits of each bank reach the level of at least Rs 40 lakhs by 1978-9. Simultaneously, steps may be taken to progressively increase the level of loan business of each of the four banks to Rs 100 lakhs in 1978-9. While arrangements for providing the needed guidance to these banks may be made on the lines suggested in the next paragraph, the GOR may, as suggested in paragraph 3.17 above, review the position of these banks in 1978-9 with a view to initiating action for amalgamation with the RSCB of such banks as fail to achieve the expected level of business.

3.19 At the same time, we are of the opinion that the matter of achieving improved performance in the coming years cannot be left entirely to the managements of the above four banks. Special attention will have to be bestowed on these banks and necessary guidance provided to them from time to time. One of these banks, viz., Nagaur is already under an administrator, but the level of its loan business, instead of registering improvement, has declined from Rs 79.62 lakhs at the end of June 1973 to Rs 59.30 lakhs as on 30.6.74. 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 MD, 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 the state partnership arrangements already empower the state government to nominate three directors on the board of every central bank. We, therefore, recommend that the GOR 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. Consequently, the GOR may like to withdraw the administrator and arrange for vesting the management of the Nagaur central bank in an elected board of directors. 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 and the bank may also agree to meet their cost.

3.20 The financial position of the RSCB itself needs to be strengthened and, therefore, it may be contended that the position in Dungarpur and Sirohi districts would not change materially after the amalgamation of the two central banks with it. This is not wholly true. Perhaps, the RSCB would be able to present a better image of itself as a bank and may succeed in tapping deposits even in the tribal areas where the two banks are located. As is seen from the performance of the commercial banks in these districts, there is enough scope for deposit mobilization. Secondly, the financial position of the apex bank will always be better than that of the two banks individually, as the former will have avenues of income from the business in the remaining 24 districts to which the two central banks have at present no direct access. The participation in the management of the other four ccbs by the apex bank will, in our view, also bring about the desired improvement in the level of their efficiency. The proposed amalgamation and management participation should, in our view, be in the larger interest of the co-operative movement in the state. In this context we would like to mention that the RBI had suggested in 1972 that all the ccbs in the state might be amalgamated with the RSCB. We have now made a detailed examination of the position in this respect and feel that the objective would be achieved by restricting the scope of amalgamations to the two banks listed above immediately and, if necessary, later to other eight banks rated inefficient and by introducing participation in the management of four other central banks by the RSCB in the manner suggested in paragraph 3.19 above. Another consideration which has weighed in our mind is the existing capacity of the RSCB itself to take up the responsibility over extensive areas. The two districts in

our view are within the capacity of the apex bank to manage as the work involved at least initially would be of a promotional nature. Similarly, it should not be difficult for the apex bank to post competent personnel in the four central banks in whose management it is to participate. That does not mean that the apex bank will require no special preparation to accept the responsibility. It will have to recruit some additional staff and train the existing ones suitably so that they will all be equipped to shoulder the additional responsibility. We hope that the RSCB will apply its mind to these issues once decisions to amalgamate the two banks with it and to participate in the managements of the four banks are taken.

Financial assistance

3.21 We have recommended that Churu, Jalore, Jhunjhunu and Nagaur banks may not be amalgamated on the ground that they have the potential of attaining a loan business of Rs 100 lakhs by 1978-9. This will be short by Rs 50 lakhs in relation to the minimum business of Rs 150 lakhs considered necessary by us for attaining viability. With a view to compensating them for the loss of income from the loans of Rs 50 lakhs, we recommend that government may contribute Rs 15 lakhs each to the share capital of these banks by borrowing from the Reserve Bank's Long-term Operations Fund (LTO Fund). This should give them a minimum income of Rs 1 lakh per annum assuming that at least Rs 10 lakhs out of it remain in their business. We recommend further that the contribution should be made in lump sum in one year and that for this purpose the RBI may also relax its normal conditions governing the grant of loans from its LTO Fund.

3.22 We have recommended that Dungarpur and Sirohi central banks should be amalgamated with the RSCB. The level of business of these banks is very low and it may not be easy for the apex bank to step it up appreciably unless it also receives financial assistance. We recommend that the RBI may consider sanctioning limits to the apex bank for financing societies in these districts against government guarantee. This itself will not be sufficient. We feel that the bank's share capital may be augmented at the rate of Rs 10 lakhs per bank. The government may accordingly make an additional contribution of Rs 20 lakhs to the share capital of the apex bank by borrowing from the LTO Fund. In this connexion we may mention that assistance on these lines had been given to the state and central banks in West Bengal on the recommendations of the Study Team on West Bengal. This assistance coupled with the special efforts which the RSCB is expected to make should enable it to take the level of the loans in

these relatively backward districts to at least Rs 100 lakhs if not more by 1978-9. The other four districts are also expected to reach the above level by that year. Thus with the implementation of the measures recommended by us it should be possible to step up the loans in these six districts from the level of Rs 282 lakhs in 1973-4 to at least Rs 600 lakhs in 1978-9. A two-fold increase in the loans should not be considered very small considering the difficulties the credit agencies will have to face in view of somewhat adverse natural conditions and economic backwardness of the region. Besides, the commercial banks may also be called in to take up greater responsibilities in these districts than in the others. The co-operative and commercial banks should together be able to meet the credit needs of the people in this area to a much greater extent than at present, if our recommendations are implemented with vigour and drive by those who will be in charge of implementing the production and credit programmes.

3.23 A very deliberate and conscious action according to a programme will be necessary not only in the four district central banks which have been identified as weak and inefficient (categories III and IV—paragraph 3.15) but also in the case of the Banswara, Barmer, Bikaner and Sikar banks whose rating is also 200 or below as also in the case of eight banks with rating between 201 and 350. The eight banks in the latter category include Bundi, Pali, Sawai Madhopur, Tonk and Jodhpur banks which had a loan business of less than Rs 150 lakhs each. The scope of business in all these cases as evidenced by the large credit gaps, is considerable. There is no reason why they should not be able to take the level of the loans to over Rs 250 lakhs by 1978-9. If they fail to reach even Rs 200 lakhs in that year, we suggest that their performance should again be reviewed so as to determine whether it would be advisable to merge any one of them with the RSCB.

Concluding Observations

3.24 Our recommendation thus would remove two central banks covering one district each from the scene. With those and Jaisalmer which is already with it, the RSCB would cover three of the 26 districts. Our recommendation would also involve the apex bank directly in the management of four ccbs thus curtailing to some extent complete autonomy of the boards of directors of these banks. The non-official co-operative opinion, we hope, will, however, receive our recommendations in the spirit in which they have been made. The question of providing credit for agriculture should receive the highest priority. The end should be considered more important than the means and if to achieve that end an institution in one

tier in the co-operative credit structure has to make room for the institution at the higher level in the same structure or to accept positive guidance from the latter, there should be no objection from any side. In fact, such a step has been recommended earlier in similar circumstances by the All-India Rural Credit Review Committee 1969 as well as the Banking Commission 1972. Our recommendations are in keeping with the authoritative views of the above Committee and the Commission and, therefore, we hope that they will be accepted by all concerned without any reservation and implemented as quickly as possible.

CHAPTER IV

PRIMARY AGRICULTURAL CREDIT CO-OPERATIVE SOCIETIES

4.01 THE success of the co-operative credit structure in meeting agricultural production credit needs adequately depends very much on the efficiency and soundness of the institutions at the primary level which are closest to the cultivator. This is specially true in the present context of the urgency to increase agricultural production and particularly of foodgrains so that the nation becomes self-sufficient in them. It is now accepted that, credit is only one of the inputs for increasing agricultural production and that for achieving the desired measure of success it has to be integrated with supplies of fertilizers, better seeds, etc., and services for assisting the farmers to take to modern methods of cultivation. It is also recognized that this integrated arrangement can best be worked through primary co-operative credit societies having full-time paid managers and other complementary staff. If these organizations are to become viable, it is clear that their coverage has to be more extensive and broad-based than even the viable societies on the pattern recommended by the Committee on Co-operative Credit (Vaikunth Mehta Committee) in 1960. As far back as in 1954, the Survey Committee suggested that the future line of development at the primary level should be in the direction of large-sized multi-purpose societies with state partnership. In November 1958, however, there was a shift in policy when the National Development Council advocated the organization of primary societies with the village as the basic unit. Attention was, therefore, directed to the establishment of service co-operative societies. The question of organization of pacs was again examined by the Vaikunth Mehta Committee. The Committee suggested that the population covered by a primary society should not exceed 3000 and that no village covered should be at a distance of more than three miles from the headquarters. At the same time, the Committee felt that the primary unit should be capable of rendering the more important of the services expected of credit institutions both adequately and to as large a number of cultivators as possible without depending on government assistance except for a limited period. The subsequent policy in regard to the structure at the primary level followed these recommendations.

4.02 More recently, the Overdues Study Team 1974 examined the question of the structure at the primary level in the con-

text of the levels and trends of overdues of co-operative credit institutions. The Team observed that bigger societies with full-time paid secretaries were in a relatively better position not only to keep the level of overdues low but also absorb overdues at their level and thus maintain the line of credit open for their non-defaulter and new members from the higher financing agencies. It, therefore, reiterated the recommendations of the Fifth Plan Working Group that the pacs should be re-organized and every re-organized society should have a potential loan business of Rs 2 lakhs and a full-time paid secretary.

4.03 The RBI had all along supported the idea of organization of multi-purpose societies with a reasonably extensive jurisdiction. The GOI and the RBI have, ever since the recommendations of the Vaikunth Mehta Committee, strived to re-organize the pacs into viable units. In fact, assistance to primary societies by way of government contribution to share capital or subsidy for appointment of full-time paid secretary have been confined to viable and potentially viable societies only. In December 1974, the Agricultural Credit Board of the RBI (ACB) reviewed the progress towards the achievement of the objective of having only viable societies and felt that more firm measures would have to be taken to overcome the resistance from vested interests and ensure re-organization of the primary credit structure.

4.04 The latest development in this regard was the appointment of a Group headed by Shri T. A. Pai, Union Minister for Industries and Civil Supplies by the GOI (Pai Group). The Group was required to examine the question of the most appropriate institutional credit structure in the rural areas for meeting the credit and other requirements of farmers in general and small farmers in particular in the context of the entry of the commercial banks in the sphere of agricultural credit to meet the credit gaps and their programmes of branch expansion in the rural areas. The Group observed that what was needed was a viable, well-managed institution which would not only dispense credit to the farmers, but also make arrangements for supply of the desired inputs, necessary technical extension services, provide for marketing intelligence and services and collect deposits from the rural community. The Group was of the view that only a viable, professionally managed multi-purpose co-operative society would be in a position to cater the package of services needed by the farmer. Such an institution should provide all types of credit requirements of farmers including the long-term credit for agriculture. The Group recommended further that commercial banks may, before opening a rural branch below the *mandi* level, consider

the possibility of providing agricultural credit through pacs re-organized on the lines suggested by them. The recommendations of the Group have since been accepted by the GOI and it is expected that the future course of action will be in the direction given by the Group.

4.05 After mentioning briefly the above developments, we proceed to examine in this chapter the performance of the primary credit structure in Rajasthan. The chapter is divided into three sections. The performance of pacs for the state as a whole, with district-wise position wherever necessary, is discussed in Section I. The findings of the on-the-spot studies of select pacs taken up at our instance are given in Section II. The studies brought out the need for a further examination in depth about the factors responsible for poor coverage of population and lower borrowing membership. Seventeen of these societies and two other societies from Kota district were, therefore, visited to study this aspect and the findings thereof are also given in Section II. The suggestions for re-organization are contained in Section III.

SECTION I

PRIMARY AGRICULTURAL CREDIT SOCIETIES

4.06 A statement showing the number of societies, growth of membership, owned funds, deposits, lendings and the trend of overdues as also certain important averages for the state as a whole for the years 1968-9 to 1973-4 is given in Annexure 29. Another statement giving the district-wise position of the number, membership and financial position of the pacs is contained in Annexure 30.

Number of societies

4.07 It will be observed from Annexure 29 that the number of pacs progressively declined from 9691 at the end of June 1969 to 7699 at the end of June 1973 but increased by 42 to 7741 as on 30.6.74. However, the number of dormant societies which declined from 2542 at the end of June 1969 to 1924 at the end of June 1971 sharply increased to 3786 at the end of June 1972 but again declined to 2891 at the end of June 1973 and further to 2236 at the end of June 1974. As on 30.6.73 the percentage of the dormant societies to the total number of societies stood at 38 as against the all-India average of 12. The relevant percentage, however, declined to 29 as on 30.6.74. Next to Assam, Rajasthan had the largest proportion of dormant societies in the country. The position obtaining

in this regard in the various zones of the state differed widely as can be seen from the following table :

Zone	Total number of societies as on 30.6.74	Of column (2), number of dormant societies	Percentage of col. (3) to (2)
(1)	(2)	(3)	(4)
Normal			
(a) NTA	4267	799	19
(b) TA	1384	436	32
Arid	686	309	45
Semi-arid	1404	692	49
Total	7741	2236	29

Thus, the proportion of dormant societies to the total number was very high in the arid and semi-arid zones as also in the tribal area. Even in the non-tribal area about one-fifth of the total number of societies were inactive during 1973-4.

4.08 The district-wise position regarding the proportion of the number of dormant societies to the total number of societies is as under :

Proportion of number of dormant societies to total number of societies as on 30.6.74	Districts			
	NTA	TA	AZ	SAZ
(1)	(2)	(3)	(4)	(5)
Below 10 per cent	Ajmer Alwar Jhalawar Kota	—	—	—
10-30 per cent	Bharatpur Bhilwara Bundi Ganganagar Jaipur Tonk	Chittorgarh Dungarpur Udaipur	Barmer	Jodhpur Sikar
30-50 per cent	Pali Sawai- Madhopur	Banswara Sirohi	—	—
50-60 per cent	—	—	Bikaner Churu	Jalore Jhunjhunu
60-75 per cent	—	—	—	Nagaur
75-90 per cent	—	—	—	—
Above 90 per cent	—	—	Jaisalmer	—

Almost all the societies (95 out of 102) in Jaisalmer and about two-thirds of the societies in the semi-arid district of Nagaur

were dormant. The proportion of inactive societies exceeded 50 in four other districts, viz., Bikaner and Churu (AZ) and Jalore and Jhunjhunu (SAZ). The same was 35 and above in another four districts, viz., Pali and Sawai Madhopur (NTA), Banswara and Sirohi (TA). Significantly, even in the prosperous districts of Jaipur (26 per cent) and Ganganagar (24 per cent) the proportion of dormant societies was very high *vis-a-vis* the position obtaining in this regard in Ajmer (8 per cent), Alwar (6 per cent), Jhalawar (9 per cent) and Kota (5 per cent) districts. On the other hand, the arid district of Barmer (15 per cent) and semi-arid districts of Jodhpur (32 per cent) and Sikar (33 per cent) had lower proportion of dormant societies in comparison with the position obtaining in other arid and semi-arid districts. Thus, the extent of the dormant societies does not seem to be dependent on the prosperity or otherwise of the area.

Coverage

4.09 Of the 32241 inhabited villages, 30741 or 95 per cent were served by pacs at the end of June 1974. The societies covered 90 per cent of the rural population of 212 lakhs. But as on 30.6.73 the villages served by 4808 active societies numbered 20907 forming 66 per cent of the total number of inhabited villages in the state as against the all-India average of 86 per cent. As on that date, the active societies covered a rural population of 124 lakhs forming 58 per cent of the total. The position should have, however, improved since as the number of dormant societies in the state declined by over 600 during the year 1973-4.

4.10 As at the end of June 1974, the membership of the pacs was 15 lakhs and formed 41 per cent of the rural families in the state. The average membership per society worked out to 194 as on 30.6.74 as against the all-India average of 217 as on 30.6.73. Even the average membership per active society in the state at 204 as on 30.6.73 was lower than the all-India average for all societies, i.e., active as well as dormant. As on the latter date, the membership of the active societies at 9.79 lakhs constituted 27 per cent of the total rural families in the state.

Borrowing membership

4.11 The number of members who borrowed during the year increased from 5.13 lakhs in 1968-9 to 5.53 lakhs in 1970-1 but declined to 4.29 lakhs in 1971-2. The same again rose to 5.40 lakhs in 1972-3 and further to 7.22 lakhs in 1973-4. During the period 1968-9 to 1972-3, while the membership of

the societies increased by 1.73 lakhs, the borrowing membership increased by 0.27 lakh only. However, in 1973-4 as against the increase in membership of the societies by 1.47 lakhs, their borrowing membership increased by 1.82 lakhs. Thus, the proportion of borrowing members to the total membership, which declined from 43 per cent in 1968-9 to 40 per cent in 1972-3 increased to 48 per cent in 1973-4. In 1972-3 the same was more or less on par with the all-India average at 39 per cent. The proportion of members who borrowed loans during 1973-4 to the total rural households stood at 20 per cent indicating thereby that the effective coverage of pacs in Rajasthan was very low.

4.12 The district-wise position in regard to the proportion of borrowing members to the total membership was as under:

Percentage of the number of members who borrowed loans during 1973-4 to total membership	Districts			
	NTA	TA	AZ	SAZ
Above 60	Alwar Bharatpur Bundi Jhalawar Kota Tonk	—	—	—
50-60	Bhilwara	Chittorgarh Dungarpur	—	Sikar
40-50	Ajmer Ganganagar Sawai-Madhupur	Banswara Udaipur	—	—
30-40	Jaipur	Sirohi	Barmer Churu	Jalore Jhunjhunu
20-30	Pali	—	Bikaner	Jodhpur
10-20	—	—	—	—
Below 10	—	—	Jaisalmer	Nagaur

Barring Sikar district, the percentage of borrowing members to the total membership was below 40 in all the districts of the arid and semi-arid zones. In fact, hardly 3 per cent of the members borrowed during 1973-4 in Jaisalmer district and the relevant percentage was 9 in Nagaur district. In the Pali district from the non-tribal area, only 28 per cent of the members had borrowed loans during 1973-4. In six other districts, viz., Ajmer, Jaipur and Sawai Madhopur from the non-tribal area and Banswara, Sirohi and Udaipur from the tribal area, the proportion of borrowing members to the total was below the state average. Significantly, even in the prosperous district of Jaipur the relevant proportion was hardly 37 per cent.

Owned funds

4.13 The share capital of the pacs increased progressively by Rs 5.12 crores from Rs 5.05 crores at the end of 1968-9 to Rs 10.17 crores at the end of 1973-4. Of this increase, an increase of about Rs 1.36 crores represented contribution to share capital from the state government. At the end of June 1974, the average share capital per society worked out to Rs 13141 as against the all-India average of Rs 16010 as on 30.6.73. As on the former date, the average share capital per member worked out to Rs 68 and was lower than the all-India average of Rs 74 at the end of June 1973. The relevant averages in respect of the principal natural zones in Rajasthan compared with the position for the state as on 30.6.74 and all-India as on 30.6.73 were as under:

Zone	Average share capital ■ per society (Rs)			Average share capital per member (Rs)		
	For the zone	For the state	For all-India	For the zone	For the state	For all- India
Normal						
(a) NTA	17,218	} 13,141	16,010	80	} 68	74
(b) TA	9,207			52		
Arid	6,762			39		
Semi-arid	7,704			50		

Thus, the capital structure of the societies in the arid and semi-arid zones as also the tribal area was very weak.

4.14 The reserves and other funds of the societies in Rajasthan increased by about Rs 22 lakhs from Rs 30.50 lakhs at the end of June 1969 to Rs 52.86 lakhs at the end of June 1974.

Deposits

4.15 The deposits of the societies increased by Rs 82.91 lakhs from Rs 117.79 lakhs at the end of June 1969 to Rs 200.70 lakhs at the end of June 1974. Bulk of this increase at Rs 57.26 lakhs was during the years 1972-3 and 1973-4. As at the end of June 1974, the average deposits per society and per member were Rs 2,593 and Rs 13 as against the all-India average at Rs 5,451 and Rs 25 respectively as on 30.6.73. Zone-wise, the average deposits per society as on 30.6.74 was as under:

Zone	Average deposits per society Rs
Normal	
(a) NTA	3543
(b) TA	1944
Arid	1235
Semi-arid	1006

It will be seen from the above table that while even in the non-tribal area the average deposits per society were lower than the all-India average, the relevant averages compared very unfavourably with the all-India and the state positions in respect of the societies in the arid and semi-arid zones and the tribal area.

Borrowings and working capital

4.16 The borrowings of the societies increased progressively from Rs 18.41 crores at the end of June 1969 to Rs 33.30 crores at the end of June 1974, i.e., by about Rs 15 crores. As on 30.6.73, the same stood at Rs 27.40 crores and included the outstanding borrowings of the societies from the ccbs at Rs 26.01 crores. During the year 1973-4, their gross drawings from the ccbs aggregated Rs 25.96 crores and these were made by 4,093 societies as against the total number of active societies in the state at 5,505. In other words about one-fourth of the active societies in the state had not borrowed loans from the ccbs during the year 1973-4.

4.17 The working capital of the societies increased by Rs 28.91 crores from Rs 24.94 crores as on 30.6.69 to Rs 53.85 crores as on 30.6.74. As on latter date, the average working capital per society worked out to Rs 69,301 as against the all-India average of Rs 94,519 as on 30.6.73. The relevant averages for the different zones in the state as on 30.6.74 were as under:

Zone	Average working capital per society Rs
Normal	
(a) NTA	91753
(b) TA	50965
Arid	34671
Semi-arid	37533

Thus, the average working funds with the societies in the arid and semi-arid zones were very low. The relevant averages for the societies in the tribal and non-tribal areas indicated that an average society from these areas could just manage to handle a loan business of about Rs 50,000 and Rs 90,000 respectively.

Loan business

4.18 The performance of the pacs has to be measured primarily with reference to the extent to which they have succeeded in meeting the credit needs in their respective areas.

Viewed from this angle the performance of the pacs in Rajasthan in general and from the arid and semi-arid zones in particular has to be rated as poor. A number of pacs have been dormant and the effective coverage of many who are active is meagre. The borrowing membership may not have also received their full credit needs as the loans advanced remained steady for many years. The loans advanced by the societies in the state at Rs 14.56 crores in 1968-9 increased to Rs 16.33 crores in 1970-71, but sharply declined to Rs 9.74 crores in 1971-2. However, the same again increased to Rs 16.04 crores in 1972-3 and further to Rs 25.49 crores in 1973-4. Thus, the loans advanced in 1972-3 had marginally increased over the position obtaining in 1968-9 but in fact had slightly declined when compared to the level of such loans in 1970-71. The position had, however, improved in 1973-4. In 1972-3, as against 3,136 societies which had borrowed loans from the ccbs, 3,160 societies had issued loans to their members. In 1973-4, however, 4166 societies had issued loans to their members. The zone-wise details were as under:

Zone	No. of active societies as on 30.6.74	No. of societies advancing loans during 1973-4	Loans advanced (Rs crores)	Average loan advanced per borrowing member (Rs)		
				For the zone	For the state	For all-India
Normal						
(a) NTA	3,468	2,631	19.38	383	} 353	} 594
(b) TA	948	826	2.80	247		
Arid	377	259	1.18	319		
Semi-arid	712	450	2.13	328		
Total	5,505	4,166	25.49			

A large number of active societies has not undertaken loaning in 1973-4. Forty-seven per cent of the loans advanced at the primary level in the state in 1973-4 were accounted for by the societies in the prosperous districts of Alwar, Bharatpur, Ganganagar, Jaipur and Kota, the share of 12 districts from the non-tribal area (including the above five) being 76 per cent. Despite this position, even in respect of the societies in the non-tribal area, the average loan advanced per borrowing member in 1973-4 compared unfavourably with the all-India average for 1972-3. The relevant average for 1973-4 exceeded Rs 515 in the following three canal irrigated districts, but was still lower than the all-India average for 1972-3 at Rs 594:

Bundi	Rs 534
Ganganagar	Rs 517
Kota	Rs 546

4.19 The loans outstanding at the primary level increased from Rs 17.88 crores at the end of June 1969 to Rs 32.82 crores at the end of June 1974, i.e., by Rs 14.94 crores, the increase in loans issued during the period being Rs 10.93 crores.

Overdues

4.20 The overdues of the pacs increased from Rs 5.56 crores forming 31 per cent of the loans outstanding at the end of June 1969 to Rs 12.61 crores forming 38 per cent of the loans outstanding as at the end of June 1974. The overdues were the highest at the end of June 1972 when they amounted to Rs 14.58 crores and formed 63 per cent of the loans outstanding as against the then all-India average of 44. As at the end of June 1973, the overdues of primary societies in the state, which constituted 43 per cent of the loans outstanding, continued to be higher than the all-India average of 38 per cent. The period-wise classification of overdues as at the end of June 1974 was as under:

Period	Rs Crores Amount
Below 1 year	6.15
1-2 years	2.56
2-3 years	2.00
Over 3 years	1.90
Total	12.61

The chronic overdues, i.e., overdues over 3 years formed 15 per cent of the total overdues. As at the end of June 1973, the overdues at the primary level exceeded the owned funds and deposits of societies at Rs 10.55 crores by Rs 0.89 crore. However, as on 30.6.74, they were just within the internal resources of the pacs at Rs 12.71 crores mainly because of the increase of about Rs 2 crores in the owned funds of these institutions during 1973-4.

4.21 The district-wise position of the overdues at the primary level as at the end of June 1974 was as under:

Percentage of overdues to outstandings	Districts			
	NTA	TA	AZ	SAZ
(1)	(2)	(3)	(4)	(5)
25 or below	Alwar	—	—	Sikar
26-38	Ajmer	—	—	—
	Bharatpur			
	Bhilwara			
	Ganganagar			
	Jaipur			
	Jhalawar			
	Kota			
	Tonk			

(1)	(2)	(3)	(4)	(5)
39-50	Bundi Sawai- Madhopur	Chittorgarh Dungarpur Udaipur	Barmer Bikaner Churu	Jodhpur
51-60	—	Banswara	—	Jalore
61-79	—	—	—	Jhunjhunu Nagaur *
80-90	Pali	Sirohi	—	—
Above 91	—	—	Jaisalmer	

In nine districts from the non-tribal area and Sikar district from the semi-arid zone, the level of overdues at the primary level was below the state average of 38 per cent. In another nine districts, their level was below 50 per cent. These included three out of five districts from the tribal area, three out of four districts from the arid zone and Jodhpur district from the semi-arid zone. In Banswara district from the tribal area and Jalore district from the semi-arid zone the relevant percentage was 53 and 56 respectively. In the districts of Jhunjhunu and Nagaur from the semi-arid zone, the overdues of primary credit societies were between 61 and 79 per cent of the loans outstanding. In Pali district from the non-tribal area (89 per cent) and Sirohi district from the tribal area (83 per cent), the level of overdues was very high. In Jaisalmer district from the arid zone, the entire outstandings at the primary level represented amounts in default. In Dungarpur district from the tribal area, the percentage of overdues to loans outstanding had declined from 63 at the end of June 1973 to 40 at the end of June 1974 mainly because of the conversion of short-term loans into medium-term loans.

Audit classification

4.22 The pacs audited during 1972-3 for the year 1971-2 numbered 7241. Their audit classification was as under:

Audit class	No. of societies
A	13
B	237
C	2823
D	3608
E	10
Audited but not classified	550
Total	7241

About 50 per cent of the societies audited were in "D" or "E" audit class. Only 250 societies or 3 per cent of the total had been awarded "A" or "B" audit classification. But the position should have shown improvement for the year 1972-3 as the co-operative movement in the state in general had received a great set-back in 1971-2.

Full-time paid secretaries

4.23 As on 30.6.74, as against 7741 societies in the state (of which, 5505 were active), the societies having full-time

paid secretaries numbered 3305. While the district-wise position is available in Annexure 30, the zone-wise position as on 30.6.74 was as under:

Zone	No. of active societies	No. of societies having full-time paid secretary
Normal		
(a) NTA	3468	2476
(b) TA	948	458
Arid	377	94
Semi-arid	712	277
Total	5505	3305

Thus, a large number of active societies were not served by a full-time paid secretary throughout the state in spite of the attempts made by the GOR in 1973-4 to induct more managers for pacs under its Half a Million Jobs Programme.

4.24 In terms of Rule 41 of the Rajasthan Co-operative Societies Rules, 1966, the RCS formulated a scheme for the appointment of paid-secretaries to pacs. The scheme was introduced in July 1967 but was later modified in May 1969 and introduced with effect from 1.6.69. In pursuance of the modified scheme the secretary of a society is entitled to salary in grade of Rs 90-250 with dearness allowance of Rs 35 per month (This has since been revised to Rs 120-270 with a dearness allowance of Rs 80). He is normally expected to be a matriculate but at least VIII standard passed, if a matriculate is not available. The selection of secretaries is entrusted to a district level selection committee under the chairmanship of the chairman of the ccb with three other members, viz., chairman of the district co-operative union, the Assistant Registrar of Co-operative Societies of the district and the Executive Officer of the ccb (Member-Secretary). The appointment orders are issued by the Member-Secretary on behalf of the district level selection committee and thus the secretaries are not treated as employees of the concerned ccb.

4.25 For meeting the expenditure on salaries of the secretaries a 'Supervision Fund' is required to be created by each central bank. Contributions to the Fund are expected as under:

- (i) Three-fourths of the margin available to the societies on the short/medium-term loans advanced to them by the ccb. Since the societies are entitled to a margin of 2 per cent on their loan business, their contribution comes to 1.50 per cent of the short/medium-term loans borrowed from the ccb.

- (ii) Contribution from the concerned ccb at the rate of 0.25 per cent of the short/medium-term loans borrowed by it from the RSCB. As against this contribution the ccb is reimbursed by the apex bank at the rate of 0.10 per cent of the short-term loans borrowed by the apex bank on behalf of the concerned ccb from the RBI.
- (iii) Subsidy from the state government, if any, if the societies covered by the scheme are entitled for a managerial subsidy. Most of the societies having been registered more than three years earlier are not entitled to such subsidy.
- (iv) Interest on the credit balance in the Fund to be credited at the savings bank rate by the concerned ccb.

4.26 The number of societies to which the scheme was originally extended since stands reduced because of the low level of the loaning business of some of the societies originally covered under the scheme. Consequently, the contributions in respect of them did not cover even the modest salary of the secretary and the short-fall being large, the secretaries had to be withdrawn. The position in this behalf in four districts from the tribal area was as under:

District	No. of Societies to which the scheme originally extended	No. of societies covered by the scheme in October 1974
Banswara	101	31
Dungarpur	96	60
Udaipur	200 (approx.)	155
Chittorgarh	200 (approx.)	72

4.27 The ccbs are not following uniformly the prescribed procedure in respect of the creation of the Supervision Fund. For instance, the Udaipur bank recovers contribution towards the Fund from all the societies financed by it, though only 155 societies are covered under the scheme. There was, therefore, a net credit balance of Rs 1.14 lakhs as on 30.6.74 in the Supervision Fund. The other three banks recovered contributions from the societies to whom secretaries are provided, at a percentage of the short/medium-term loans outstanding at the end of the year and not on the loans issued by them to the concerned societies. There was a credit balance of Rs 0.33 lakh as on 30.6.74 in the Supervision Fund maintained by the Chittorgarh bank **obviously because only such societies have been covered under the scheme as have adequate loan business.** The position is different in the case of Banswara and Dungarpur banks. The net debit balance in the Supervision

Fund as on 30.6.74 maintained by these two banks was Rs 0.56 lakh and Rs 0.28 lakh respectively. This debit balance which is likely to increase could be deemed as irrecoverable, unless corresponding subsidy on an *ad hoc* basis is sanctioned by the state government. It may be stated that the societies covered under the scheme have to part with three-fourths of the margin of 2 per cent presently available to them on their loan business as their contribution to the Supervision Fund and it is not possible for them to meet their other expenses like office rent, stationery, meeting expenses, audit fees, etc., from the balance margin of 0.5 per cent retained by them.

4.28 Thus, the scheme in vogue needs to be modified if it were to be self-supporting and if provision of paid secretaries to all the active societies were to be ensured. Our suggestions in this regard are contained in Chapter XI on "Administrative and Operational Arrangements".

SECTION II

ON-THE-SPOT STUDIES OF SELECT PRIMARY AGRICULTURAL CREDIT SOCIETIES

4.29 The Team decided to study in depth the working of about 100 pacs in the state with a view to ascertaining their coverage of cultivating families, performance in meeting credit needs, recovery of loans, the extent and the causes of overdues and the extent of the relief provided by them by way of conversions in a year of natural calamity. Accordingly, four societies from each of the twenty-six districts in the state were selected for on-the-spot studies which were entrusted to officers of the Regional Office of the ACD at Jaipur (28 societies), officers of RSCB (30 societies) and select ccbs (16 societies) and officers of the Cooperative Department (30 societies). Of the 104 societies selected for on-the-spot studies, 48 societies were located in the non-tribal area and 20 in the tribal area, 16 in the arid zone and 20 in the semi-arid zone. For obvious reasons, the 104 societies selected for on-the-spot studies had to be functioning institutions and, therefore, none of the dormant co-operatives was visited. Thus, the findings of the on-the-spot studies including those of depth study relating to coverage, etc., summarized in the following paragraphs may be taken as representative of the performance of the 5,505 functioning co-operatives in the state.

Coverage

4.30 A statement vide Annexure 31 gives the zone-wise position of cultivating families covered, membership, indebted

and defaulting membership, etc., as on 30.6.73 in respect of the 104 societies visited. The position could be summarized in brief as under:

Zone	No. of societies	Villages served	No. of cultivating families	Membership	Average membership per society	% of mem-ber-ship (4)	Mem-bers who borro-wed during 1972-3 (4)	% of (8)	% of (8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Normal									
(a) NTA	48	354	40,909	16,060	335	39.4	8,021	19.5	50.0
(b) TA	20	100	11,736	5,264	263	45.3	2,685	23.1	51.0
Arid	16	34	8,034	2,811	176	35.0	568	7.5	20.2
Semi-arid	20	50	15,009	4,890	245	32.7	1,542	10.0	31.5

The average membership was low and ranged between 176 in the arid zone and 335 in the non-tribal area. The coverage of cultivating families ranged between 32.7 per cent for the semi-arid zone and 45.3 per cent for the tribal area. The borrowing members constituted 50 per cent of the total for the non-tribal area, 51 per cent for the tribal area, 20.2 per cent for the arid zone and 31.5 per cent for the semi-arid zone. However, the proportion of borrowing members to the total cultivating families, is very low and ranged between 7.5 per cent for the arid zone and 23.1 per cent for the tribal area. In the semi-arid and arid zones, the relevant percentage is 10 or below, probably because agriculture in these regions is not stable and the co-operatives had not, by and large, afforded any credit facilities for subsidiary occupations in agriculture like dairying, poultry keeping, sheep breeding etc. Significantly, the effective coverage of the societies from the tribal area, though low, is slightly better than that of the societies from the non-tribal area. This may be so because tribals in Rajasthan are landholders and primarily depend on agriculture for their sustenance.

Low coverage and lower borrowing membership

4.31 In order to ascertain the reasons for the low coverage of cultivating families and lower borrowing membership of pacs in the state, seventeen of the 104 societies selected for the on-the-spot studies and two other societies from Kota district were visited. This intensive study was undertaken in February 1975 by the officers of the Jaipur Regional Office of the ACD (5 societies), officers of the RSCB (5 societies), select ccbs (4 societies) and officers of the Co-operative Department (5 societies).

4.32 A statement showing the growth of membership and borrowing membership of these nineteen societies, the classification of their membership and borrowing membership into scheduled tribes/castes and others as on 30 June 1974 and their coverage, etc., is contained in Annexure 32. It will be seen therefrom that the coverage of rural families belonging to scheduled tribes/castes was lower by 10 per cent or more *vis-a-vis* the coverage in respect of other families in the following eight societies:

Society	Coverage in per cent of	
	rural families belonging to the scheduled tribes/castes	other rural families
1 Laxminath Kastakaran VKRSS (Ajmer)	8	42
2 Kotkasim Prathmik VKRSS (Alwar)	40	52
3 Pholai GSS (Bundi)	35	51
4 Chailanwali GSS (Ganganagar)	19	30
5 Dhakarkheri GSS (Kota)	62	80
6 Undwa GSS (Kota)	34	46
7 Bhooteshwar GSS (Sirohi)	18	41
8 Bhopalgarh VBSS (Jodhpur)	9	36

N.B. : VKRSS — Vrihat Krishi Rindatri Sahakari Samiti
 GSS — Gram-sewa Sahakari Samiti
 VBSS — Vrahat Bahudhandi Sahakari Samiti

In the area of Laxminath Kastakaran VKRSS (Ajmer district), another society, viz., Shri Krishna GSS operates and it is stated that majority of cultivators belonging to scheduled tribes/castes preferred to be members of the latter society. In the case of Bhooteshwar GSS in Sirohi district, it is observed that the chairman had been somewhat selective in admitting new members resulting in a relatively low coverage of scheduled tribe/caste families. The managements of six other societies also did not appear to be enthusiastic about admitting families belonging to scheduled tribes/castes. At the same time, it has to be noted that in the remaining eleven societies, there was no significant variation between the coverage of families belonging to scheduled tribes/castes and other rural families. Thus, it may be said that in some societies covered by the study, the coverage of rural families belonging to scheduled castes/tribes is comparatively low mainly on account of the apathy of their managements to bring the scheduled castes/tribes within the co-operative fold. However, the apathy cannot be considered as universal.

4.33 Another statement showing the classification of rural families in the area, membership and borrowing membership as on 30.6.74 according to the size of holdings in respect of the nineteen societies covered by the study is given in Annexure 33. The relevant data were available in respect of sixteen societies. It will be observed therefrom that, barring Rased GSS in Bhilwara district and Jaitpura GSS in Jaipur district, the coverage of farmers with holdings of 5 acres and less is, by and large, low *vis-a-vis* the position obtained in respect of medium farmers with holdings between 5 and 10 acres or big farmers with holdings of 10 acres and above. The variation is wide in respect of the following societies:

Society	Coverage in per cent of		
	small farmers	medium farmers	big farmers
1 Laxminath Kastakaran VKRSS (Ajmer)	29	82	83
2 Kotkasim Prathmik VKRSS (Alwar)	57	71	70
3 Nadbai VBSS (Bharatpur)	14	38	12
4 Kalwar VKRSS (Jaipur)	5	26	45
5 Undwa GSS (Kota)	39	72	70
6 Bhooteshwar GSS (Sirohi)	25	36	56
7 Moras GSS (Sirohi)	10	21	92
8 Chandgothi GSS (Churu)	8	75	58
9 Jagnath GSS (Jalore)	7	14	47
10 Bhopalgarh VBSS (Jodhpur)	55	68	70

The conclusion, therefore, appears to be inescapable that small farmers with holdings below 5 acres are not being encouraged to join the society of their area as members. This confirms the findings of similar studies conducted elsewhere that even the co-operatives whose primary objective is to help men of small means or the neglected sections of the community, tend to give attention to the more affluent sections of the society. It may be necessary to enlighten and educate the managements of the societies about their responsibilities towards the neglected. If this fails to produce the desired result we will have no objection to adopting coercive methods for that purpose. This may take the form of denial of credit to the more affluent sections until the needs of the less affluent are met to a reasonable extent. The Reserve Bank insists upon at least 20 per cent of the borrowings from the apex bank to be advanced as loans to small farmers. The proportion may have to be fixed, perhaps, for each society individually, taking into account, the relative importance of small farmers, *harijans* and *girijans* in the area of its operations.

4.34 The data contained in Annexures 32 and 33 would, however, indicate that once a cultivator is admitted to membership, he is not denied credit facilities as there is no wide variation between the proportion of borrowing membership to the total membership in respect of small farmers, farmers belonging to scheduled tribes/castes or other categories of farmers.

4.35 It will be observed from Annexure 32 that the coverage of rural families as on 30 June 1974 of eleven out of the nineteen societies included in the study is below the state average of 41 per cent. The data relating to the growth of membership in these societies during the period 1969-70 to 1973-4 is also given in Annexure 32. On the basis of this data, the eleven societies can be grouped into five categories as under:

Category	Particulars	Name of society	Coverage of rural families as on 30.6.74 (% to total)
(1)	(2)	(3)	(4)
I	Membership stagnant	Laxminath Kastakaran VKRSS (Ajmer)	37
		Nadbai VBSS (Bharatpur)	19
II	Membership stagnant up to 1971-2 but increased in 1972-3 and 1973-4	Moras GSS (Sirohi)	13
		Chailanwali GSS (Ganganagar)	28
III	Membership stagnant up to 1972-3 but increased in 1973-4	Kalwar VKRSS (Jaipur)	27
		Nadol GSS (Pali)	27
		Bhooteshwar GSS (Sirohi)	31
		Chandgothi GSS (Churu)	39
IV	Membership stagnant in 1969-70, 1971-2 and 1972-3 but increased in 1970-71 and 1972-3	Jagnath GSS (Jalore)	27
		Bhopalgarh VBSS (Jodhpur)	30
V	Membership progressively increasing	Dhawa GSS (Jodhpur)	38

Another statement showing the credit and non-credit business handled by the nineteen societies covered by the study during the periods 1969-70 to 1973-4 and 1971-2 to 1973-4 respectively is given in Annexure 34. The Laxminath Kastakaran VKRSS (Ajmer) and the Nadbai VBSS (Bharatpur) in category I had transacted sizeable credit and non-credit business. The lower coverage in respect of the former is probably due to the fact that another primary agricultural credit society

is operating in its area while in the case of the latter the same can be attributed to the lack of enthusiasm on the part of the management to enrol new members. This society appears to be content with catering to the needs of its existing members in which it is somewhat successful inasmuch as 68 per cent of its members had borrowed during 1973-4. The third society in category I, viz., Moras GSS (Sirohi) has the lowest coverage of 13 per cent presumably because its loan business during the period 1969-70 to 1973-4 was nil or negligible and did not handle any non-credit business.

4.36 The membership of the Chailanwali GSS (Ganganagar) in category II increased substantially in 1972-3 and 1973-4 as the society transacted sizeable loan business in those years. Similarly, the membership of the five societies in category III increased in 1973-4 as the societies advanced larger loans in 1973-4 than in the earlier years. For the same reason, the membership of the Bhopalgarh VBSS (Jodhpur) in category IV increased in 1970-71 and again in 1973-4. The membership of the Dhawa GSS (Jodhpur) in category V increased progressively as the society issued loans during the five-year period and handled some non-credit business since 1972-3.

4.37 The coverage of rural families of five other societies as on 30 June 1974 was as under :

Society	Coverage (%)
Kotkasim Prathamik VKRSS (Alwar)	49
Pholai GSS (Bundi)	45
Rased GSS (Bhilwara)	67
Undwa GSS (Kota)	41
Koshelao VBSS (Pali)	52

The membership of the Kotkasim Prathamik VKRSS (Alwar) and Koshelao VBSS (Pali) increased substantially in 1973-4 as the societies handled a higher level of loan business in that year. Besides, both the societies are transacting sizeable non-credit business. On the other hand, the relatively low coverage of Pholai GSS (Bundi) and Undwa GSS (Kota) can be attributed to the stagnation in their loaning operations and their inability to handle non-credit business which is negligible in the case of the former and nil in the case of the latter. The Rased GSS (Bhilwara) is carrying on effectively the functions of provision of credit and supplies and, therefore, its coverage is high at 67 per cent.

4.38 The study of sixteen societies reveals that their managements, by and large, have not launched any drive for membership. The concerned ccb or the Co-operative Department do not also seem to have given sufficient attention to the matter with a view to persuading the managements of the societies. It is reported that in 1973-4, these societies had issued loans to all such members as approached them for the purpose in time and were non-defaulters, the only limiting factor being the inability of the concerned ccb to provide the necessary credit support.

4.39 Significantly, the performance of the remaining three societies in the matter of coverage as also effective coverage was noteworthy as can be seen from the following table:

Society	Coverage of rural families as on 30.6.74 (per cent)	Percentage of borrowing members to total members as on 30.6.74
Jaitpura GSS (Jaipur)	96	99
Nayagaon GSS (Kota)	71	85
Dhakarkheri GSS (Kota)	74	73

While the two societies in Kota district operate in canal irrigated area, the area of Jaitpura GSS in Jaipur district is relatively less prosperous and can be compared with any other area having average agricultural potential. The managements of all the three societies are enterprising not only in the matter of enrolment of fresh members but also in persuading the members to avail of facilities extended by their society. Besides, the managements have taken keen interest in the recovery of loans and in turn ensured that the members, as far as possible, are eligible for fresh credit. Apart from handling the business of provision of inputs and domestic needs, the Jaitpura GSS (Jaipur) has a wheat thresher, a flour mill and a tractor. It also arranges for transport of agricultural produce of members for sale in *mandi*. It is running a milk collection centre. The two societies in Kota district also handle the distribution of fertilizers and domestic requirements. Both of them have a wheat thresher and are running a flour mill. The success of the three societies may be attributed to a large extent to their enlightened management and ability to provide adequate and timely credit with requisite supplies and services. One can venture also to conclude that membership is attracted not so much by the provision of credit as by the provision of various other services such as supply of inputs of agriculture and domestic requirements. The findings also confirm the

latest thinking on the subject that pacs to be effective must integrate credit with supplies and services and to be in a position to do so must have the necessary complement of paid staff.

4.40 The findings of the depth study of nineteen societies may be summarized as under:

(i) In some societies, the managements appear to be apathetic in enrolling cultivators belonging to the scheduled tribes/castes as members. At the same time, such apathy is not noticed in some other societies.

(ii) Small farmers with holdings below 5 acres have, by and large, not been encouraged to join the society of their area.

(iii) Once a cultivator is admitted to membership, he is not denied credit facilities irrespective of whether he is a small farmer or a cultivator belonging to a scheduled caste/tribe.

(iv) The managements of most of the societies did not undertake a drive for membership nor have the concerned ccb or the Co-operative Department evinced adequate interest in this task.

(v) The extent of coverage of rural families in the area of a society is closely linked to its ability to provide credit facilities with inputs and services.

Loan business

4.41 A statement as per Annexure 35 gives zone-wise position of loans issued during 1970-71 to 1972-3, outstandings and overdue loans as on 30.6.73 and the period-wise classification of overdues in respect of the 104 societies selected for on-the-spot study. The position in brief is as under:

Zone	No. of societies	Loans issued in 1972-3	No. of members who borrowed loans in 1972-3	Average number of borrowing members per society	Average loans issued per society	Rs Lakhs	
						Loans outstanding as on 30.6.73	Average loans outstanding per society
Normal							
(a) NTA	48	63.31	8021	167	1.32	58.86	1.23
(b) TA	20	9.62	2685	134	0.48	10.83	0.54
Arid	16	1.39	568	36	0.09	4.00	0.25
Semi-arid	20	13.50	1542	77	0.68	12.44	0.62

It will be seen from the above table that although average membership per functioning society is low and ranges between 176 for arid zone and 335 for the non-tribal area, the average number of borrowing members per society is still lower at 36 for arid zone, 77 for semi-arid zone, 134 for tribal area and 167 for the non-tribal area. The average loans issued in 1972-3 per functioning society range between as low as Rs 0.09 lakh for the arid zone and Rs 1.32 lakhs for the non-tribal area. The average loans outstanding as on 30.6.73 per functioning society are Rs 0.25 lakh for the arid zone, Rs 0.62 lakh for the semi-arid zone, Rs 0.54 lakh for the tribal area and Rs 1.23 lakhs for the non-tribal area.

4.42 Although the average membership as well as the average number of borrowing members per society is higher in the societies in the tribal area *vis-a-vis* those in the semi-arid zone, the average loans issued or outstanding per society is higher in the latter zone than in the tribal area. This is mainly due to the fact that the holdings of tribals are, by and large, small and the quantum of loan per member is also small. The restructured pacs in the tribal area may have, therefore, to cover a larger number of borrowing members and consequently a larger population *vis-a-vis* the societies in the non-tribal area.

Scales of finance

4.43 The studies reveal that the societies in many districts have not adopted crop-wise scales of finance. Two separate scales of finance, one for single crop area and the other for double crop area, have been adopted by many ccbs like Ajmer, Alwar, Ganganagar, Jaipur, Pali, Sawai Madhopur, Tonk, Dungarpur, Bikaner, Churu, Jaisalmer, Jalore, Jhunjhunu, Nagaur and Sikar.

Defects in lending

4.44 A statement at Annexure 36 shows in detail the instances of 'ghost' acreages, financing of defaulters and recovery by adoption of dubious methods like book adjustment, noticed during the course of the on-the-spot studies. The number of such instances noticed indicate the need for closer and more effective supervision over societies by the field staff of central banks and stern action against erring staff/institutions responsible for such malpractices.

Medium-term loans for agricultural purposes

4.45 The institutions selected for on-the-spot studies had not evinced adequate interest in issuing medium-term loans for agricultural purposes though there was demand for loans for

sinking of wells, purchase of pumpsets, etc., in the non-tribal and tribal areas and for allied activities like dairying, sheep breeding, etc., in the arid and semi-arid zones. The medium-term loan business handled during 1972-3 by the societies selected for on-the-spot study was as under:

Zone	No. of societies selected for study	Medium-term (Normal) loans issued during 1972-3	
		Rs Lakhs	
		No. of societies	Amount
(1)	(2)	(3)	(4)
Normal			
(a) NTA	48	12	2.50
(b) TA	20	6	1.74
Arid	16	Nil	Nil
Semi-arid	20	2	0.51
Total	104	20	4.75

Thus, out of the 104 societies visited for the study, 20 societies only had issued medium-term loans for agricultural purposes and allied activities during 1972-3. No society from the arid zone as also none but two societies from the semi-arid zone had issued medium-term loans during 1972-3.

Medium-term conversion loans

4.46 A statement showing the number of villages served by primary societies selected for on-the-spot studies, the number of villages affected by famine during 1968-9 to 1972-3, the number of members who approached for conversion loans, the amount of loans applied for and the conversions actually effected at the level of the societies visited, is given in Annexure 37. The position is given in brief in the table below:

Year	NTA		TA		AZ		SAZ	
	A	B	A	B	A	B	A	B
1968-9	581	581	389	275	285	234	706	698
1969-70	869	786	357	357	118	118	207	205
1970-71	...	...	...	...	...	...	...	...
1971-2	1015	765	122	122	260	260	40	16
1972-3	2260	1794	801	666	205	183	1557	1317

N.B.: A — No. of members who applied for conversion facility.

B — No. of members who were ultimately granted conversion facility.

During the year 1968-9 in the non-tribal area and during the years 1969-70 and 1971-2 in the tribal area and the arid zone, the societies visited were in a position to extend the conversion facility to all such members as approached them for the purpose. In all other cases and especially during 1972-3 when the drought conditions were widespread, not all the members who desired the facility were granted conversion loans. Payment of full interest on the loan due for conversion was the only condition precedent to the sanction of the conversion facility. However, a few of the societies visited were reported to be either reluctant or were not in a position to grant conversion loans to borrower-members affected by drought. •

Overdues

4.47 The position of loans outstanding at the level of societies as on 30.6.73, loans overdue as on that date and the period-wise classification of the overdues is given in Annexure 35. The zone-wise position is given in brief in the table below:

Zone	Loans out- stan- ding as on 30.6.73	Loans over- due as on 30.6.73	% of (3) to (2)	Period-wise classification of overdues				Chro- nic defa- ult i.e., col. (7) + (8)	% of col. (9) to (3)
				Below one year	One to three years	Three to five years	Over five years		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Normal									
(a) NTA	58.86	14.11	24.0	3.58	6.22	2.03	2.28	4.31	30.5
(b) TA	10.83	3.38	31.2	1.07	1.18	0.71	0.42	1.13	33.4
Arid	4.00	1.45	36.2	0.16	0.76	0.14	0.39	0.53	36.6
Semi-arid	12.44	2.77	22.3	0.14	1.71	0.54	0.38	0.92	32.5

It will be seen from the above table that the occurrence of default was slightly higher in the tribal area and the arid zone *vis-a-vis* the non-tribal area and the semi-arid zone. There was, however, no appreciable variation in the proportion of chronic defaults, i.e., overdues for periods over three years to the total as the former formed about one-third of the latter in all the zones. The defaults were reported to be, by and large, wilful although in a few cases denial of conversion to cultivators affected by famine also led to overdues.

Overdues in relation to size of holdings of defaulters

4.48 A statement at Annexure 38 indicates holding-wise information of 6246 defaulter members of 101 pacs as on 30.6.73.

The relevant information was not available in respect of defaulter members of 3 societies, i.e., one each from the non-tribal area, the arid and semi-arid zones. The information in brief is tabulated below:

Holdings in acres	Number of members				
	NTA	TA	AZ	SAZ	Total
(1)	(2)	(3)	(4)	(5)	(6)
1 Indebted members					
(a) 10 and above	4274(40)	436(11)	1242(94)	1768(69)	7721(42)
(b) 5-10	3563(33)	1258(32)	42(3)	502(20)	5365(29)
(c) 3-5	1420(13)	1214(30)	13(1)	191(7)	2838(15)
(d) Below 3	959(9)	1013(25)	2(-)	74(3)	2038(11)
(e) Tenants, etc.	489(5)	85(2)	30(2)	26(1)	630(3)
Total	10705(100)	3996(100)	1329(100)	2561(100)	18592(100)
2 Defaulters					
(a) 10 and above	1244(37)	196(12)	432(88)	546(72)	12418(30)
(b) 5-10	937(28)	499(31)	19(4)	124(17)	1579(25)
(c) 3-5	506(15)	501(31)	9(2)	40(6)	1056(17)
(d) Below 3	433(13)	384(24)	1(-)	18(2)	836(13)
(e) Tenants, etc.	263(7)	40(2)	28(6)	26(3)	357(6)
Total	3383(100)	1620(100)	489(100)	754(100)	6246(100)
3 Percentage of defaulters to indebted members					
(a) 10 and above	29	45	35	31	31
(b) 5-10	26	40	45	25	29
(c) 3-5	35	41	69	21	37
(d) Below 3	44	38	50	25	40
(e) Tenants, etc.	53	47	93	100	56
Total	31	41	37	29	33

N.B. : Figures in brackets indicate percentage of indebted and defaulter members to total indebted and defaulter members respectively.

In the above table, the indebted members (18592) and defaulters (6246) have been classified into 5 groups according to the size of their holdings, viz., big farmers (10 acres and above), medium farmers (5—10 acres), small farmers (3—5 acres), smallest of small farmers (below 3 acres) and tenants/agricultural labourers. It will be seen from table that the tenants and agricultural labourers formed a negligible percentage of the total indebted members in all the zones.

4.49 It will be observed from items 1 and 2 of the table contained in paragraph 4.48 above that among land holding farmers (i.e., barring tenants and agricultural labourers), the proportion of indebted members in each group to the total indebted members was more or less identical to the proportion of defaulters within the respective group to total defaulters in all the zones. From the percentages given against item 3 in the table,

it will be observed that among land holding farmers the variation between percentage of defaulters within a group to indebted members within that group and percentage of total defaulters to total indebted members, was not wide excepting in the case of small and smallest of small farmers from the arid zone who (like tenants/agricultural labourers) formed a negligible percentage of the total indebted membership.

4.50 The above analysis indicates that incidence of default is more or less of the same degree (with marginal variations) among all categories of farmers, i.e., big, medium or small in all the zones. A similar observation has been made by the Overdues Study Team on the basis of on-the-spot studies of 233 societies throughout the country, of which seven were from Jaipur, Kota and Banswara districts of Rajasthan.

4.51 Incidentally, the studies of over 100 pacs from the different zones of Rajasthan reveal that even in the case of functioning co-operatives the proportion of defaulters to the total indebted members is higher in the tribal area and the arid zone *vis-a-vis* the position obtaining in the non-tribal area and semi-arid zone (see percentages against item 3(f) of the table given in paragraph 4.48 above).

Coercive action

4.52 A statement as per Annexure 39 indicates the position of pending arbitration (loan recovery) cases and awards pending execution in respect of defaulter-members of the societies visited. The position in brief is summarized below:

Zone	No. of societies visited	No. of defaulters as on 30.6.73	No. of arbitration cases			
			Pending as on 30.6.72	Filed during 1972-3	Disposed of during 1972-3	Pending as on 30.6.73
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Normal						
(a) NTA	48	3387	214	117	68	263
(b) TA	20	1620	8	18	17	9
Arid	16	592	19	54	55	18
Semi-arid	20	772	26	—	3	23
Total	104	6371	267	189	143	313

Zone	No. of awards			
	Pending as on 30.6.72	Passed during 1972-3	Executed during 1972-3	Pending as on 30.6.73
(1)	(8)	(9)	(10)	(11)
Normal				
(a) NTA	95	68	37	126
(b) TA	8	17	19	6
Arid	35	55	38	52
Semi-arid	51	3	22	32
Total	189	143	116	216

The above table shows that the number of defaulters against whom coercive action had been initiated, is small in all the zones. It is clear that the managements of the societies have not been enthusiastic about coercive steps against defaulters. For instance, none of the societies from 8 out of 12 districts in the non-tribal area, 3 out of 5 districts in the tribal area, 3 out of 4 districts in the arid zone and all the five districts in the semi-arid zone, had filed a single arbitration case during 1972-3. The disposal of arbitration cases and execution of awards by the departmental staff has not been prompt even though coercive action had been initiated against a small number of defaulters by the societies inasmuch as the number of pending arbitration cases and awards pending execution as on 30.6.72 at 267 and 189 increased to 313 and 216 respectively as on 30.6.73. The position regarding defaults by members of the managing committees of societies as on 30.6.73 is as under:

Zone	No. of societies visited	No. of societies in which managing committee member/s was/were defaulter/s	No. of Managing committee members in default	Amount of default as on 30.6.73 (Rs lakhs)
Normal				
(a) NTA	48	12	31	0.25
(b) TA	20	9	26	0.11
Arid	16	2	4	0.01
Semi-arid	20	3	7	0.03
Total	104	26	68	0.40

The incidence of default by members of the managing committees is comparatively more in the non-tribal and tribal areas *vis-a-vis* the position obtaining in the arid and semi-arid zones.

4.53 The above analysis indicates the need for exercising pressure on the managements of societies for initiating coercive action against recalcitrant defaulters as also expeditious disposal of arbitration cases and execution of awards by the departmental staff with a view to creating a favourable climate for prompt repayments.

Non-credit business

4.54 The non-credit business handled by the societies related mainly to the distribution of fertilizers and controlled commodities. The volume of such business handled by the societies visited during 1971-2 and 1972-3 is as under:

Zone	No. of societies selected for study	No. of societies handling non-credit business	Rs Lakhs			
			Value of Sales		Profit from non-credit business	
			1971-2	1972-3	1971-2	1972-3
Normal						
(a) NTA	48	37	11.57	17.69	0.22	0.20
(b) TA	20	16	2.81	6.68	0.05	0.14
Arid	16	8	0.40	4.22	(Rs 235)	(Rs 37)
Semi-arid	20	14	4.47	16.59	(Rs 262)	0.02
Total	104	75	19.25	45.18	0.28	0.36

The societies on an average are entitled for a margin of 2 per cent on the sales. The volume of non-credit business handled per society during 1972-3 ranged between Rs 0.42 lakh for the tribal area and Rs 1.18 lakhs for the semi-arid zone and did not add much to the profitability of the societies.

Full-time paid secretaries

4.55 Seventeen societies were not served by full-time paid manager. A statement at Annexure 40 gives the performance of these societies in the field of coverage, effective coverage, loan business, recovery and non-credit business with relevant averages for the societies in each of the areas/zones. The coverage of cultivating families in respect of 12 out of the 17 societies is less than the relevant average for the respective zone/area. The effective coverage, i.e., percentage of borrowing members to the total cultivating families in the area, is lower in respect of 14 societies. The loans issued during 1972-3 by 15 out of 17 societies were lower than the relevant average for the respective zone/area. In fact, seven societies did not issue any loans during 1972-3 while the loans issued by another 4 societies were negligible. The recovery performance of eleven societies was unsatisfactory as compared to the average recoveries made by the societies in each of the zones/areas. Five societies had not handled any non-credit business during 1972-3 while such business handled by most of the other twelve societies was negligible. The above analysis shows that the societies with independent full-time paid secretaries are in a better position to serve the clientele and needs of the area *vis-a-vis* the societies with part-time or honorary secretaries.

SUMMARY OF FINDINGS

4.56 The findings of the on-the-spot studies of 104 pacs may be summarized as under:

(i) The average membership per society ranges between 176 for the arid zone and 335 for the non-tribal area in the normal zone. The coverage of cultivating families ranges between 33 and 45 per cent.

(ii) The effective coverage, i.e., proportion of borrowing members to the total cultivating families, however, is very low and ranges between 7.5 per cent for the arid zone and 23 per cent for the tribal area.

(iii) The average loans issued during 1972-3 per society range between Rs 0.09 lakh for the arid zone and Rs 1.32 lakhs for the non-tribal area. The average loans outstanding range between Rs 0.25 lakh for the arid zone and Rs 1.23 lakhs for the non-tribal area.

(iv) The average effective coverage of the societies from the tribal area is the highest. But the average loan business handled by them is even lower than the position obtaining in semi-arid zone.

(v) Crop-wise scales of finance have not been adopted by many central banks.

(vi) Several instances of 'ghost' acreages, financing of defaulters and book adjustments have been noticed.

(vii) The societies have not evinced adequate interest in issuing medium-term loans for agricultural purposes and other allied activities.

(viii) When the drought conditions were wide-spread in 1972-3 all the members who had approached for conversion assistance were not given such relief.

(ix) The defaults are, by and large, wilful although in some cases denial of conversion assistance to cultivators affected by famine may have led to overdues.

(x) Barring tenants and agricultural labourers, the incidence of default is more or less of the same degree among all categories of farmers, viz., big, medium, small or smallest of the small.

(xi) The number of defaulters against whom coercive steps for recovery of dues have been initiated is small in all the zones.

(xii) The incidence of default by members on the managing committees is comparatively more in the non-tribal and tribal areas than the position obtaining in the arid and semi-arid zones.

(xiii) The societies with independent full-time paid secretaries served the clientele and the needs of their area better *vis-a-vis* the societies with part-time or honorary secretaries.

SECTION III

DIRECTIONS FOR RE-ORGANIZATION

4.57 The analysis of the pacs in general and of the 104 societies in particular brings out clearly how weak is the structure at the base level. The averages of owned funds, loans advanced, loans outstanding, effective coverage of rural population of the societies in the state are poorer than the all-India averages. It is now recognized that the most appropriate institutional arrangement at the rural base is a multi-purpose primary credit society which not only provides credit but also fertilizers and other inputs and if possible technical guidance, particularly to small farmers. The society must have a full-time paid secretary if it is really to be of service to the people. This has been brought out in the detailed studies of the primary societies. The society should also have an office of its own and be able to declare a reasonable dividend after providing for the various reserves. All this will not be possible unless the society has an adequate business turnover. The Fifth Plan Working Group has recommended that a society to be able to employ a full-time paid secretary should have a minimum credit business of Rs 2 lakhs. The margin in the non-credit business of the society in fertilizers, etc., will, in the opinion of the Group, be just adequate to meet the cost of the additional staff that may have to be employed to handle this business. Even if some surplus accrues, which in most cases may not be sizeable, it will help improve the prospects of viability of the society. The above recommendation of the Working Group has been reiterated by the policy circular from the GOI and the ACB to which a reference has already been made by us. It is now agreed that the pacs in every state should be so re-organized as to have ultimately only societies as have a potential loan business of at least Rs 2 lakhs. We are in full agreement with the above decisions and would urge upon the government and the non-official co-operative opinion in the state to co-operate wholeheartedly in their implementation.

4.58 It will be necessary to find out how the pacs in Rajasthan are situated with reference to the minimum level of business necessary to attain viability on the basis indicated above. The information as on 30.6.73 in respect of all the districts other than six districts, viz., Ajmer, Bhilwara and Tonk (NTA), Dungarpur (TA), Bikaner (AZ) and Nagaur (SAZ) has been given in Annexure 41. The abstract of the Annexure is given below :

Zone	No. of dists. for which data were available	No. of active societies in the dists. as on 30-6-73	No. of societies with loans outstanding of				
			Rs 25000 or below	Rs 25000 to Rs 50000	Rs 50000 to Rs 75000	Rs 75000 to Rs 1 lakh	Above Rs 1 lakh
Normal							
(a) NTA	9	2,539	776	599	319	331	514
(b) TA	4	679	153	266	123	88	49
Arid	3	266	151	95	16	2	2
Semi-arid	4	499	229	148	59	32	312
Total	20	3,983	1,309	1,108	517	453	596

Thus almost one-third of the total number of active societies had a loan business of less than Rs 25000, i.e., not even 12.5 per cent of what is considered as the minimum for attaining viability. Another 1625 or about 40 per cent had outstanding loans between Rs 25000 and Rs 75000. In short, over 70 per cent of the active societies did not have outstandings of the level which is considered as the minimum for a society to be classified as potentially viable. Only 596 societies had loans outstanding exceeding Rs 1 lakh. The position might have slightly improved in 1973-4. Even so, the achievements so far indicate how far away are pacs in Rajasthan from attaining viability and how difficult is the problem going to be if the goal is to be reached quickly.

4.59 The poor achievements of the societies may be attributable to either or both of the following reasons. The jurisdiction of the societies in terms of the area which can be put to productive use may not be sufficient to give them a potential loan business of Rs 2 lakhs. In this context one has to bear in mind that not every farmer needs credit facilities or likes to join a society and that every member does not necessarily borrow. It may be safe to proceed on the basis that ultimately only members cultivating about 40 to 50 per cent of the total cultivable area may obtain credit facilities from the societies. Secondly, the adequacy of the area may not ensure the attain-

ment of the minimum business of Rs 2 lakhs as much will depend on the support which the societies get from the higher financing agencies. To expect the societies themselves to mobilize enough savings from the rural area will be unrealistic. We have seen from the account given of the ccbs how meagre are their internal resources. While the scope for greater mobilization of the savings of the public does exist, it will take a long time for many ccbs even in the relatively prosperous districts to mobilize large deposit resources. The capacity of the apex bank to lend support to them is also limited. It is for this reason that we have suggested that commercial banks may be invited to lend through pacs. Even the commercial banks will need considerable time to establish firm and expanding relationship with the societies. The net effect of all these is that if the number of agricultural credit societies in the state is large it will take them a much longer period than the remaining four years of the Fifth Five Year Plan to reach the optimum loan business of Rs 2 lakhs. At the same time, it will not be appropriate to allow a large majority of the societies to continue to be without full-time paid secretaries. It will not be correct to place too much reliance on subsidies that the government may provide for the appointment of full-time paid secretaries for a period longer than the end of the Fifth Plan, i.e., beyond 1978-9. Taking all these aspects into account we feel that the societies in Rajasthan may have a wider jurisdiction than their counter parts in the relatively more developed states like Gujarat or Maharashtra so that their number is kept down to a level which will ensure viability for each of the societies.

4.60 In the light of what has been stated above, we recommend that a society in the normal zone may have within its jurisdiction approximately 2000 hectares of land under cultivation and a society in the arid and semi-arid zones approximately 5000 hectares. A much wider coverage has been suggested for the societies in the latter zones because of the admittedly poor agricultural prospects in them. A statement showing the district-wise position of the average size of holdings and the average number of cultivators which a society would cover on the basis of our above recommendation is given in Annexure 42. The zone-wise position in respect of the latter average will be as under:

Zone	Average number of cultivators which a re-organized society will cover
Normal	
(a) NTA	581
(b) TA	885
Arid	255
Semi-arid	733

Thus, the number of cultivating households covered by a re-organized society will, on an average, range between 255 for the arid zone, wherein the average size of holdings is very large, and 885 for the tribal area in which the holdings are small. Another statement showing the number of existing societies, of dormant societies and of societies which each district may be in a position to sustain on the basis of the above norms is given in Annexure 43. It will be seen that in all the 12 districts of the normal area excepting Ganganagar district, the number of societies is larger than the optimum, the excess being 1026. Ganganagar district is, however, short by as many as 333 societies. Similarly, in all the districts of the tribal area and the semi-arid zone, the number is in excess of the optimum by 706 and 585 respectively. In the arid zone, in two districts of Barmer and Churu, there are less societies than the optimum, the shortfall being as much as 89. In Bikaner district, the number of societies exceeds the optimum by three only. Only Jaisalmer district has a much larger number of societies than the optimum, the excess being as much as 75 societies. For the state as a whole the optimum number of societies will be 5766 as against the existing number of 7741. The excess number of the societies in the majority of the districts in the state comes to 2395 and the shortfall in some aggregates 422, most of the shortfall being accounted for by the Ganganagar district.

4.61 The total number of 7741 societies as on 30.6.74 includes as many as 2236 societies which are dormant. From Annexure 29 it will be seen that the number and the percentage of the dormant societies have varied from year to year. The highest number was in 1971-2, viz., 3786 forming 49 per cent of the total. The number came down by almost 1000 next year and the percentage dropped to 38. In 1973-4, number of dormant societies declined further by 655 and the percentage to total declined to 29. Dormant societies are defined as those which did not advance loans for two years in succession. Dormancy may not necessarily mean that the societies have to be taken into liquidation. Many societies could perhaps be revived if adequate support came forth from the higher financing agencies. There is every reason to assume that the level of loans outstanding of most dormant societies is low and the effective coverage poor, as in both respects the active societies are also poor. We, therefore, feel that in the programme of re-organization of societies which may be drawn up keeping the broad guidelines as indicated in view, the dormant societies may not necessarily be taken into liquidation. It is only such of them as have their owned funds eroded completely or as have a very low borrowing membership that may be left out and marked for liquidation. The others may be retained if their area of operations conforms to the norms indicated above or amalgamated

with a neighbouring society to make the total area conform to the above norms suggested by us.

4.62 What we have suggested above is only an overall picture for each district. Three districts can, as per the norms suggested by us, have a total of 422 additional societies. We feel that as far as possible no new societies may be organized in these districts during 1975-6 and 1976-7 except perhaps in RCP area. The question may be examined later in 1977-8. Two of the districts are in the arid zone where the prospects for agriculture are poor. The potential for a large addition in Ganganagar district may be because of adopting 2000 hectares as the norm which may not apply to large parts of the district which have not yet received the benefit of irrigation. In drawing the plans of re-organization in the other districts, it would be better to make an assessment block-by-block and identify the societies to be retained taking into account the cropped area, their geographical location and their financial position. We understand that a study similar to the above has been conducted in four Karnataka districts by an officer of the RBI. The RBI may make the findings of the study available to the GOR for guidance in the matter. The study will also identify the societies that may have to go out of existence. The whole process of re-organization need not be postponed till these latter societies are taken into liquidation as that is a very time consuming process. In this connexion we endorse the recommendation made by the Overdues Study Team, which is reproduced below :

At the same time it has to be admitted that the process of reorganization of the primary credit structure by liquidation of weak units and organization of new societies by amalgamation voluntary or compulsory, of two or more existing societies into a strong unit is time consuming. Experience has shown that efforts in this direction have not yielded the desired results. The better alternative is to allow the dormant and weak units a slow and natural extinction. The Registrar of Co-operative Societies of every state/union territory should draw up an action programme to identify dormant or financially weak and non-viable primary credit societies which have a high level of overdues, say above 60 per cent of the demand, consecutively for two or more years. Such societies should be denied fresh credit by central banks and the area of an adjoining society may be extended to cover the areas of the dormant and weak societies for meeting the credit requirements of non-defaulters and new members from the area. (pages 247-8)

The figure of 5768 arrived at on the basis of the rough norms adopted by us need not be taken as the firm and final figure. The block-wise examination which we have suggested will give the correct figure. In view of the urgency of the matter we recommend that the examination should be accorded the highest priority by the government and the co-operative banks so that the blueprint for action is ready for the whole state latest by December 1975. We have made block-wise assessment in this regard in Chapter IX and it will be seen therefrom that the

societies that may eventually emerge will be around 6000. If each one of them is able to attain the level of business of Rs 2 lakhs by 1978-9, the total credit provided by the societies could reach Rs 120 crores, which will still be much less than the requirement of Rs 200 crores which we have assessed later in Chapter VI. While every attempt may have to be made to see that the necessary support becomes available to the societies from the co-operative and commercial banks, we would like to emphasize that the achievement of the minimum level of business by the societies will not be possible unless they are given a wider area of operation as suggested by us and unless, in particular, the societies have trained full-time paid secretaries.

4.63 If a concrete programme of re-organization of the societies on the lines indicated above as also subsequently in Chapter IX, is drawn up, we recommend that each one of the re-organized societies may receive government contribution to its share capital at the rate of Rs 10000 per society, if it has not received such contribution. If the number of societies to be retained is 6000, the total contribution will amount to Rs 6 crores. As at the end of June 1974, the societies in the state had received government contribution to the share capital amounting to Rs 2.16 crores. The balance contribution will come to Rs 3.84 crores. We recommend that GOR should make the necessary provision in their budgets for 1975-6, 1976-7 and 1977-8 for the amount so that in the last year of the Fifth Plan all the societies will have received the required contribution. We also recommend that the RBI may sanction corresponding loans to the GOR out of its LTO Fund.

4.64 We have emphasized the need for each society having a full-time paid secretary. If the approximate number of the societies is 6000, an equivalent number of secretaries will be necessary. At present 3305 societies are reported to be having a paid secretary. The balance thus comes to 2695. We recommend that about 1000 secretaries may have to be recruited and trained annually in the next two years or so with the result that each one of the societies will have the benefit of a trained secretary. It follows that the secretaries so recruited will have to be trained for their assignments. A massive programme of training them will have to be drawn for the purpose. Besides, to ensure that they take sustained interest in their work and maintain efficient standards, they will have to be provided with avenues for improving their prospects in the form of promotion to a higher scale of pay in the same cadre or higher cadre. Our specific recommendations in this behalf are contained in Chapter XI on 'Administrative and Operational Arrangements'.

4.65 We have suggested that the societies re-organized will be multi-purpose in character and their operations. In this context we have examined the need for separate and additional functional societies for extension of credit for dairying, poultry-keeping, sheep and goat rearing. There is a feeling in some quarters that the multi-purpose societies may not be able to attend to the special needs and problems of dairying, etc., which can best be looked after by functional credit societies. In the discussions we had with the representatives of co-operative banks we were told that such societies were neither necessary nor desirable. We have examined the matter carefully and are of the view that additional functional societies for disbursement of credit for activities allied to agriculture will create problems of security and adversely affect the prospects of the multi-purpose societies attaining viability as quickly as possible. Apart from this, there will be the question of the functional credit societies themselves becoming viable units. In a situation in which the vast majority of the existing societies in the state are having outstanding loans of even less than Rs 75000, we feel that nothing may be done to take away from the societies any sphere of agricultural business that will mar the prospects of viability of the multi-purpose societies. We note that the last Conference of Registrars of Co-operative Societies held at New Delhi in July 1974 had taken note of various functional co-operatives like dairy societies, co-operative sugar factories, cane unions, sericulture societies, etc., providing credit facilities and recommended that the question of such societies providing integrated services, including credit, might be examined on an area and commodity basis. In the light of conditions obtaining in Rajasthan which we have discussed at length, we recommend that in the future no separate credit societies be organized for dairying, etc., and that those that may have been organized already be merged with the re-organized multi-purpose pacs.

4.66 Our terms of reference require us to study in detail the problems of drought prone as well as tribal areas. In the former areas there are some special programmes which are being considered by the IDA, the emphasis of which is on dairying, sheep and goat rearing and animal husbandry, the scope for which in these areas is rated to be much better than for agriculture proper. The multi-purpose societies re-organized in these areas will naturally be concerned with financing these activities. There seems to be no difficulty in these societies also providing credit for whatever cultivation operation that may be undertaken in these areas. So far as tribal areas are concerned, we have separately considered their problems and have recommended multi-purpose societies for all the people in the areas and not exclusively for the tribals.

4.67 The Pai Group, to which we have made a reference in paragraph 4.04 above, is of the view that viable pacs should be in a position to cater to all credit requirements of farmers including long-term credit for agriculture. If the re-organized societies proposed by us also purvey long-term credit for agriculture it will no doubt help them to quickly attain a viable status. Although the subject of long-term credit for agriculture is outside the purview of our terms of reference, the same has a bearing on the question of viability of pacs, with which we are very much concerned. 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 have 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. The ACB which considered this matter recently has also endorsed the idea of pacs providing long-term agricultural credit so that a comprehensive view of a borrower's needs can be taken.

4.68 In Rajasthan long-term co-operative credit is at present disbursed by 35 pldb's affiliated to the RRSBVB. We understand that the Committee on Co-operative Land Development Banks appointed by the RBI has recently recommended that in order to function as a viable unit, each pldb or a branch of the state land development bank should have a minimum loan business of Rs 35 lakhs. A statement showing the bank-wise position of loans issued during 1973-4 and the outstandings as on 30.6.74 in respect of the 35 pldb's in the state is given in Annexure 44. Of the 35 banks, 21 banks do not conform to the norm of viability suggested by the above Committee. Thirteen of them have loan business of less than Rs 20 lakhs and may not attain a viable status for some time to come.

4.69 We feel that a beginning can be made to give effect to the recommendations of the Pai Group and the ACB by entrusting the responsibility for long-term credit to as many societies as possible in the areas of the 13 pldb's which have little prospect of becoming viable. Obviously, only societies re-organized on the lines suggested by us will have to be selected for the purpose and the managers of the societies will have to be given the necessary training to handle the additional responsibility. The whole question will have to be examined further in consultation with the RRSBVB. We suggest that this may be done by the GOR.

4.70 We feel that the re-organization of the pacs on the lines discussed above will lay the foundation for the development of agriculture in the state and are confident that they will be received well by all concerned.

CHAPTER V

AGRICULTURAL FINANCE BY COMMERCIAL BANKS

5.01 THE most significant development in the banking structure of the country in recent times has been the nationalization of fourteen major commercial banks in July 1969. With the introduction of social control over the commercial banks in 1968 and in particular after the nationalization, the commercial banks are required to give considerable importance to the provision of adequate credit facilities to the neglected sectors of the economy like agriculture and small-scale industry. Consequently the banks have taken steps to build up the necessary infrastructure so that they may be able to discharge their responsibilities in this sphere satisfactorily.

5.02 Our terms of reference require us to examine whether the co-operative credit structure in Rajasthan will be in a position to meet adequately the agricultural credit needs in the near future, and if not, suggest alternative institutional arrangements which, among other things, may include the commercial banks financing either (i) the pacs in certain select areas by-passing the ccbs or (ii) individual cultivators directly through their branches. Our analysis of the performance of the co-operative credit structure in the state contained in the previous three chapters brings out clearly that, as in most other states, the co-operatives alone will not be in a position, at least for some time to come, to meet the credit needs of agriculture in all parts of Rajasthan. It is in this context, we have assessed in this chapter the performance of commercial banks operating in Rajasthan with a view to determining the role that could be assigned to them for shouldering, along with the co-operative credit agencies, the responsibility for meeting adequately the credit needs of agriculture.

Branch network

5.03 Twenty-three commercial banks, including sixteen public sector banks, are presently operating in Rajasthan. These include the State Bank of Bikaner and Jaipur and the Bank of Rajasthan which have their main business in the state. All the twenty-six districts in the state have been adopted under the 'Lead Bank Scheme'. A statement showing the names of 'Lead Banks' for various districts is contained in Annexure 45.

5.04 A statement showing the district-wise distribution of commercial bank offices as on 30.6.73, 30.6.74 and 31.12.74 in the state is given in Annexure 46. At the end of June 1973, there were 664 commercial bank offices in Rajasthan, of which 308 (46.4 per cent) were located in rural centres and 216 (32.5 per cent) in semi-urban centres. The remaining 140 urban offices were located in the cities of Jaipur (51), Jodhpur (21), Kota (21), Ajmer (13), Udaipur (13), Bikaner (12) and Alwar (9). The distribution of the 664 offices according to the principal zones in the state is as under:

Zone	No. of districts	No. of offices of commercial banks at the end of June 1973			
		Rural	Semi-urban	Urban	Total
Normal					
(a) NTA	12	173	126	94	393
(b) TA	5	60	30	13	103
Arid	4	21	22	12	55
Semi-arid	5	54	38	21	113
Total	26	308	216	140	664

5.05 The average population per bank office for the state comes to 39000 as on 30.6.73 as against the national average at 36000. The coverage by commercial banks in the state improved during 1973-4 and the average population per bank office stood at 34000 as on 30.6.74. The average population per bank office is lower than the national average as on 30.6.73 and state average as on 30.6.74 in the districts of Ajmer, Ganganagar, Jaipur, Jhalawar and Kota from the non-tribal area, Sirohi from the tribal area, Bikaner from arid zone and Jodhpur from the semi-arid zone. As against this position, it is above 60000 in the districts of Barmer and Jaisalmer (AZ) and Jalore (SAZ).

5.06 The number of commercial bank offices in the state increased from 664 as at the end of June 1973 to 774 as at the end of December 1974, i.e., by 110. Although, the distribution of offices among urban, semi-urban and rural centres as on the latter date is not available, the zone-wise increase is as under:

Normal Zone	
(a) NTA	63
(b) TA	12
Arid Zone	15
Semi-arid Zone	20
Total	110

During the year 1973-4, the commercial banks further widened their coverage particularly in the less developed areas of the state where they opened as many as 47 new offices out of the total of 110 offices.

Deposit mobilization

5.07 The performance of the commercial banks in the mobilization of deposits in the state has been noteworthy. A statement showing the district-wise position of deposits of commercial banks, their total advances and the credit-deposit ratio as on 30.6.74 is given in Annexure 47. As at the end of June 1974, the total deposits raised by them in the state stood at Rs 218.48 crores. The zone-wise break-up is as under:

	Rs crores
Normal Zone	
(a) NTA	137.66
(b) TA	26.55
Arid Zone	20.38
Semi-arid Zone	33.89
Total	218.48

Thus, the banks have been successful in mobilizing sizeable deposits even from the less developed areas. The average deposits per bank office works out to Rs 29.09 lakhs. Barring Jaisalmer, the deposits exceed Rs 1 crore in all the other districts. Even in the most sparsely populated Jaisalmer district the deposits with the banks were Rs 62.64 lakhs. In Ajmer, Ganganagar, Jaipur and Kota districts from the non-tribal area, Udaipur from the tribal area and Jodhpur from the semi-arid zone, the deposits exceed Rs 15 crores in each case. In Bikaner district of the arid zone the deposits amounted to Rs 13.96 crores. The highest deposits are in Jaipur district (Rs 59.19 crores).

Financing of Agriculture

5.08 As can be seen from Annexure 47, the total outstanding advances of the commercial banks in the state as on 30.6.74 amounted to Rs 121.58 crores forming 55.6 per cent of the total deposits in the state. This ratio has almost remained unchanged at 56.7 per cent as at the end of December 1974 when the total outstanding advances were Rs 135.34 crores out of the total deposits of Rs 238.78 crores. The district-wise position

of the credit-deposit ratio, i.e., proportion of total advances to total deposits mobilized in the district, as on 30.6.74 is summarized in the table below:

Credit-deposit ratio as on 30.6.1974 (in percentage)	Districts			
	NTA	TA	AZ	SAZ
Below 30	—	Dungarpur Sirohi Udaipur	Bikaner Churu Jaisalmer	—
30-50	Alwar Ganganagar Tonk	—	—	Jalore Jodhpur Nagaur Sikar
50-70	Ajmer Jaipur Jhalawar Kota Pali S. Madhopur	Banswara Chittorgarh	—	Jhunjhunu
70-100	—	—	Barmer	—
Above 100	Bhilwara Bharatpur Bundi	—	—	—

The credit-deposit ratio in respect of six out of nine districts from the tribal area and the arid zone is below 30 per cent. In another seven districts, including 4 out of 5 districts from the semi-arid zone, it is between 30 per cent and 50 per cent. In the case of Alwar and Ganganagar districts from the non-tribal area, the relevant percentage is 37.0 and 44.2 respectively.

5.09 A statement showing the district-wise position of agricultural loans of various types issued by commercial banks and outstandings under these loans is given as Annexure 48. It will be seen therefrom that during the one-year period commencing from the last Friday of September 1972 to the last Friday of September 1973, the banks issued total agricultural finance of Rs 5.57 crores to 15423 borrowers including short-term crop loans at Rs 0.60 crore to 4560 borrowers and term loans amounting to Rs 4.84 crores to 10651 borrowers. The zone-wise break-up of agricultural loans issued during the one-year period is as under:

	Rs Crores
Normal Zone	
(a) NTA	3.75
(b) TA	0.64
Arid Zone	0.13
Semi-arid Zone	1.05
Total	5.57

The classification of districts according to the amount of loans issued during the one-year period is given below:

Amount of agricultural loans (ST/MT) issued during the one-year period (Rs lakhs)	Districts
Above 40	Bharatpur, Bhilwara, Ganganagar and Jaipur
Between 30 and 40	Chittorgarh and Sikar
Between 20 and 30	Ajmer, Alwar, Jhunjhunu, Jodhpur and Kota
Between 10 and 20	Barmer, Bundi, Jhalawar, Nagaur, Sawai Madhopur, Sirohi and Udaipur
Between 5 and 10	Jalore
Between 2 and 5	Pali and Tonk
Below 2	Banswara, Bikaner, Churu, Dungarpur and Jaisalmer

5.10 The break-up of agricultural loans outstanding as on the last Friday of September 1973 and March 1974 is as under:

	Rs Crores			
	September 1973		March 1974	
	No. of accounts	Amount	No. of accounts	Amount
Short-term	4204	0.69	6540	0.93
Medium-term	30545	12.20	38674	14.02
Other direct finance	542	0.32	2408	1.21
Total	35291	13.21	47622	16.16

The short-term agricultural loans formed only about 5 per cent of the total outstanding agricultural loans.

5.11 A statement showing the classification according to the size of holdings of the borrowers of short and medium-term loans for agricultural purposes issued by commercial banks during the one-year period ending with the last Friday of September 1973 and those outstanding at the end of the period is given in Annexure 49. It will be seen therefrom that of the short and medium-term loans (excluding other direct finance for agriculture) amounting to Rs 5.44 crores issued during the one-year period, loans amounting to Rs 0.37 crore (6.8 per cent) were issued to cultivators with holdings of 5 acres or below. The relevant percentage in relation to the loans outstanding as on the last Friday of September 1973 works out to 9.3.

Recovery performance

5.12 A statement showing the district-wise position of the recoveries of commercial banks in respect of their short-term and investment credit for agriculture as on the last Friday of June 1973 is given in Annexure 50. The percentage of overdues to demand as on that date for the state as a whole was 56.9. Between the principal zones of the state, the position of recoveries varied marginally, the extent of overdues being higher in the arid and semi-arid districts. The districts in which the percentage of overdues to demand exceeds 60 are Ajmer, Jaipur, Jhalawar and Pali (NTA), Banswara and Chittorgarh (TA), Churu and Jaisalmer (AZ) and Nagaur and Sikar (SAZ). The overdues are below 30 per cent of the demand in the highly irrigated districts of Bundi and Kota as also in the less developed districts of Barmer and Jalore. Thus, as in the case of co-operatives, the occurrence of default has no relation to the level of agricultural development in a district.

5.13 In the context of non-availability of legal safeguards for these banks to ensure prompt recovery of dues through coercive steps, wherever these are warranted, we note that the GOR have since enacted legislation on the lines of the 'Agricultural Credit Operations and Miscellaneous Provisions (Banks) Bill' suggested by the Talwar Committee, i.e., Expert Group on State Enactments Having a Bearing on Commercial Banks Lending to Agriculture 1970. The relevant Act passed by the state government is called 'Agricultural Credit Operations (Removal of Difficulties) Act, 1974.'

Financing of primary societies by commercial banks

5.14 With a view to meeting the agricultural credit needs of farmers in the areas of ccbs which were incapable of lending adequate support to pacs, the RBI formulated a scheme in 1970 for the societies being financed by commercial banks. The scheme introduced initially in five states, viz., Andhra Pradesh, Haryana, Karnataka, Madhya Pradesh and Uttar Pradesh has since been extended to Orissa in 1971-2, Jammu and Kashmir and West Bengal in 1972-3 and Maharashtra in 1974-5.

5.15 During the year 1973-4, the 2657 societies in seven states financed by the commercial banks issued agricultural loans amounting to Rs 13.51 crores, including short-term loans at Rs 12.30 crores. Thus, short-term loans formed 92 per cent of the total loans issued by the commercial banks through the societies adopted by them for financing. As against the demand of Rs 18.76 crores for the year 1973-4, the recoveries amounted to Rs 10.79 crores forming 58 per cent of the former. During

the year 1972-3, Karnataka led all other states in the matter of the number of societies financed (845) and the quantum of loans issued (Rs 3.85 crores).

5.16 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 will 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 the 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 review by the GOI from time to time. In November 1973 the Union Finance Minister had convened a meeting of representatives of commercial banks, co-operative banks and the state governments wherein the various aspects of the scheme were further considered and it was decided to continue the existing scheme and extend it further where necessary.

5.17 The Standing Committee on Co-ordination between co-operative and commercial banks in financing agriculture, of the ACB at its meeting held in July 1974 considered the policy that may be pursued in regard to this scheme. The consensus of opinion in this behalf was as follows:

- (i) Commercial banks might finance pacs in a compact area having a potential loan business of about Rs 20 lakhs, i.e., roughly Rs 2 lakhs per society. If any of the existing societies in the area were dormant or otherwise unsuitable, the area of operation of the neighbouring society might be extended to cover the villages served by the former societies. Each of the societies financed by commercial banks should have a full-time paid secretary.
- (ii) The selection of the area where the commercial banks might be invited to finance pacs should be left to the state governments.

5.18 More recently the question of the most appropriate institutional arrangements for agricultural credit particularly to small and marginal farmers was examined by the Pai Group. The Group felt that in view of the infrastructural problems and the relatively high cost of direct lending, it would be preferable for the commercial banks to provide agricultural credit for production and investment through an association of the local people, preferably a farmers service society as recommended by the National Commission on Agriculture or a viable multi-purpose society which would integrate credit with supplies and services. The Group's recommendations have since been accepted by the GOI and the Union Ministry of Agriculture and Irrigation, Department of Rural Development, has issued a circular letter to all state governments on 7 February 1975 outlining the policy in this behalf. Commercial banks have been advised that they may examine the possibility of providing credit facilities through farmers service societies or viable primaries before opening their branches below the *mandi* level. We have referred to the various recommendations made in recent years as we will have to take them into account in giving our own suggestions and recommendations regarding the role of the commercial banks in the sphere of agricultural credit in Rajasthan.

CONCLUDING REMARKS

5.19 The commercial banks operating in Rajasthan have a wide network of rural and semi-urban branches. Their success in the mobilization of deposits even from the less developed districts is praiseworthy. In the predominantly agricultural state like Rajasthan where the co-operative credit structure is very weak, the commercial banks have a very large scope in the sphere of agricultural credit. At the same time, one will have to take note of the difficulties the banks will face in building up the necessary infrastructure for expanding credit facilities substantially from the relatively low base at the present. We propose to examine in the next chapter the manner in which the commercial banks may supplement the efforts of the co-operatives in meeting the large credit gaps that exist in relation to the agricultural credit potential in the state.

CHAPTER VI

CREDIT POTENTIAL AND FUTURE LINES OF DEVELOPMENT

6.01 AFTER giving a brief account of the performance of agricultural credit institutions functioning in Rajasthan, we proceed to make in this chapter an estimate of the requirements of credit for agricultural production for the state as a whole as also for each of the twenty-six districts and the 232 development blocks in the state. With reference to the estimates of the credit potential, the provision of credit by the co-operative credit institutions in the state *vis-a-vis* the potential and the progress that may be expected in this behalf by them by 1978-9, we have, as per our terms of reference, to suggest alternative institutional arrangements for meeting the credit inadequacies in areas where these are essential to ensure that the production efforts do not suffer for want of adequate credit support. The later paragraphs of this chapter, therefore, have been devoted to a detailed discussion on the institutional arrangements which could possibly be made for meeting the credit gaps and to evolving the general criteria for identifying areas where alternative institutional arrangements are necessary.

Credit requirements

6.02 The Fifth Plan Working Group estimated the credit needs for the entire country for *sao* at Rs 3000 crores in 1978-9 on the basis of Rs 250 per hectare for irrigated lands and Rs 125 per hectare for dry lands. On the same basis, the short-term credit needs for Rajasthan for the gross cropped area of 160.97 lakh hectares in 1972-3 (134.15 lakh hectares unirrigated and 26.82 lakh hectares irrigated) may be placed at Rs 234.74 crores or, say, Rs 235 crores.

6.03 In Rajasthan, however, low-value food crops account for a large proportion of the total especially in the arid and semi-arid zones. In view of this situation, while the norms adopted by the Working Group to estimate the credit potential for the entire country could also apply to all the irrigated areas as also to the unirrigated areas in the relatively prosperous normal zone, it will be necessary to adopt a lower norm for the dry lands in the agriculturally less developed districts from the arid and semi-arid zones. On the same analogy, a lower norm will be appropriate for dry lands in the districts of

Ganganagar, Jaipur and Pali although for the purpose of our analysis, they have been included in the non-tribal area. The unirrigated lands in the hilly districts of Dungarpur, Sirohi and Udaipur from the tribal area would also fall in the above category. After due consideration, we have come to the conclusion that the most appropriate norms in respect of the unirrigated lands in the arid and semi-arid districts and the six districts of Ganganagar, Jaipur, Pali, Dungarpur, Sirohi and Udaipur should be as under:

District	Norm in respect of unirrigated areas per hectare
	Rs
Ganganagar, Jaipur and Pali (NTA), Dungarpur, Sirohi and Udaipur (TA) and Jalore (SAZ)	100
Barmer, Bikaner, Churu and Jaisalmer (AZ), Jhunjhunu, Jodhpur, Nagaur and Sikar (SAZ)	75

In respect of unirrigated areas in the remaining eleven districts, including the relatively prosperous districts of Banswara and Chittorgarh from the tribal area, the norm suggested by the Working Group may apply.

6.04 On the basis of the norms indicated in above paragraphs, the total short-term credit requirements for the state as a whole work out to Rs 193.60 crores or, say, Rs 190 crores. The district-wise position is given in Annexure 51. The zone-wise position is as under:

Zone	Short-term agricultural credit requirements
Normal	
(a) NTA	107
(b) TA	19
Arid	27
Semi-arid	37
Total	190

From the review of the agricultural situation in the state contained in Chapter I, it will be observed that there has not been any significant increase in the gross cropped area during the last decade or so. However, in recent years there is a shift in favour of high value crops like groundnut and cotton and high-yielding varieties of wheat and maize. Further,

as a result of full or partial completion of certain schemes, the area under irrigation in the state is expected to go up by about 5 lakh hectares by 1978-9. The prices of fertilizers have almost doubled during 1974-5 and, therefore, the basis of estimating the credit potential adopted by the Working Group and also by us with some modifications is not realistic. Actually, if the price increase of fertilizers is taken into account, the estimate of the potential in 1978-9 may as well exceed Rs 270 crores. However, we have proceeded on a very conservative basis of Rs 200 crores only.

Credit gaps

6.05 As against the above estimates of credit potential, the RSCB had issued short-term loans amounting to Rs 23.63 crores to the ccbs in 1973-4. But as the internal resources of the lower two tiers were mostly locked up in overdues and, at the level of the central banks also in liquid assets required to be maintained under section 24 of the Banking Regulation Act, 1949 (As Applicable to Co-operative Societies), the short-term loans issued by the pacs during 1973-4 were higher only by Rs 0.11 crore, i.e., at Rs 23.74 crores (total loans issued by the primaries in that year aggregated Rs 25.49 crores). Besides, as indicated in Annexure 51 the overdues at the level of pacs under short-term agricultural loans as on 30.6.73 were of the order of Rs 9.33 crores. If the defaulters accounting for these overdues had cleared their defaults, the concerned societies could have issued them fresh short-term loans at least for an equivalent amount. The primary societies could, therefore, be deemed to have met short-term credit requirements in 1973-4 to the extent of the aggregate of short-term loans issued during 1973-4 and the overdues in respect of such loans as on 30.6.73. On this basis, the short-term credit requirements met by the co-operatives during 1973-4 work out to Rs 33.07 crores or, say, Rs 33 crores forming 17 per cent of the existing potential at about Rs 190 crores. The credit gap for the state as a whole was, therefore, 83 per cent. The district-wise position of the credit gaps in 1973-4 is contained in Annexure 51.

6.06 In 1974-5, however, the position has further improved. As on 31.10.74, as against the short-term agricultural credit limits aggregating Rs 19.40 crores sanctioned by the RBI to the RSCB on behalf of the ccbs for financing *kharif* 1974 operations, the RSCB had sanctioned limits aggregating Rs 24.97 crores to the central banks. The actual drawals from the RSCB for financing *kharif* 1974 operations amounted to Rs 21.95 crores. Besides, as indicated in paragraph 1.24 of Chapter I, as against a target of lending programme, at Rs 14

crores fixed by the RCS for the *rabi* 1974-5, the RSCB has disbursed about Rs 11 crores of which about Rs 6.50 crores were in the form of kind component. The total short-term loans issued by the RSCB during 1974-5 are likely to go up to Rs 35 crores on the assumption that the disbursements of about Rs 10 crores made by the bank during April-June 1974 for financing *kharif* 1974 crops will be matched by corresponding disbursements during April-June 1975 for financing the next *kharif* crop. The short-term loans issued at the primary level during 1974-5 can be assumed to be of the order of Rs 35 crores on the same basis that there is not much of a difference between the two so far as Rajasthan is concerned. The overdues in respect of short-term loans at the primary level aggregated Rs 10.60 crores as on 30.6.74. Thus, on the basis indicated in paragraph 6.05 above, the pacs in the state can be deemed to have met short-term credit needs of agricultural production to the extent of Rs 45 crores in 1974-5, i.e., 24 per cent of the credit potential estimated at about Rs 190 crores.

Institutional sources

6.07 The chances of maintaining the above tempo of development, however, depend on the recovery performance. The recoveries should be satisfactory as the prospects of *rabi* 1974-5 output are bright. But, unless the efforts made for achieving the improved lending performance are backed by an equally concerted drive for recoveries, the situation may develop into a crisis as the internal resources for the entire credit structure in the state are too poor to bear the strain of heavy overdues. We are seized of the problem and have, therefore, suggested in Chapter X a series of measures for tackling the problem of overdues. The conscientious implementation of our recommendations will help not only to maintain the pace of development, but also to release the blocked internal resources of the ccbs and pacs. Simultaneously, we have made a number of suggestions in subsequent chapters for improving the image and operational efficiency of co-operative credit institutions. The adoption of these suggestions would help the institutions to mobilize increased resources, and place them in a position to receive higher financial assistance from the RBI. In essence, we suggest that the managements of the co-operative credit institutions, particularly of the state and central banks, and the concerned authorities of the state government should together strive to achieve an annual growth of about Rs 12 crores in short-term lendings by the institutions so that they meet the short-term credit needs to the extent of Rs 95 crores in 1978-9, i.e., Rs 50 crores over and above the level of Rs 45 crores expected to be reached in 1974-5.

6.08 The Fifth Plan Working Group, to which we have referred in paragraph 6.02 above, had suggested state-wise targets in respect of short-term and medium-term agricultural credit through co-operatives to be achieved at the end of the Fifth Plan period. Subsequently, these were scrutinised in detail in the Working Groups of the Planning Commission constituted to examine the draft Fifth Plan proposals of the states/union territories and finally accepted by the Planning Commission. The target for short-term agricultural loans to be advanced by pacs in Rajasthan in 1978-9 was fixed at Rs 75 crores. Recently, the GOI in the Ministry of Agriculture and Irrigation (Department of Rural Development) constituted a Group to review the institutional credit targets accepted earlier by the Planning Commission while finalizing the Fifth Plan proposals, in the light of steep increase in the prices of fertilizers and other agricultural inputs. This Group assumed that the amount of kind loans disbursed at primary level in 1978-9 would be 40 per cent of target for the total short-term agricultural loans accepted by the Planning Commission. On this basis, the Group estimated that the amount of kind loans that might be disbursed by primary societies in Rajasthan in 1978-9 would be Rs 30 crores, i.e., 40 per cent of Rs 75 crores, at the old prices of fertilizers, etc. Assuming a 90 per cent rise in the prices of fertilizers in 1978-9 over the current level, the Group placed the amount of kind component loans in 1978-9 of co-operatives in Rajasthan at Rs 57 crores and the total target for short-term loans at Rs 102 crores, the amount of cash component loans remaining unchanged at Rs 45 crores. The Group also adopted a second method for the above assessment. It felt that the kind loans of co-operatives in various states including Rajasthan in 1978-9 might be 50 per cent of the value of fertilizers that would be distributed through co-operative agencies in that year. On this basis, the Group estimated the amount of kind loans that would be disbursed by co-operatives in Rajasthan at Rs 38 crores and the total target for short-term loans at Rs 83 crores. Finally, the Group compared both the targets and from the view point of realistic approach and feasibility, fixed the target for short-term loans to be advanced by primary societies in Rajasthan in 1978-9 with refinance from the state and central banks at Rs 83 crores. The estimate made by us in paragraph 6.07 above at Rs 95 crores is in respect of outstanding short-term loans, i.e., inclusive of the expected level of overdues in respect of short-term loans at primary level and, therefore, could be deemed, by and large, on par with the target fixed by the Group appointed by the Union Ministry of Agriculture and Irrigation.

6.09 Even after realization of the above target of Rs 95 crores, the share of the co-operatives in meeting short-term credit needs will rise from 17 per cent in 1973-4 to 47.5 per cent of the credit potential at Rs 200 crores in 1978-9 leaving a large credit gap to be filled. The only other institutional source available is that of the commercial banks and we feel that they will have to be involved to a much greater extent than at present. As we have observed in Chapter V, Rajasthan is served by a good net-work of 774 branches of the commercial banks as on 31.12.74. The total deposits mobilized by these banks in the state amounted to Rs 218.48 crores as on 30.6.74 as against Rs 194.60 crores as on the last Friday of September 1973. The deposits of commercial banks as on last Friday of December 1972, 1973 and 1974 were of the order of Rs 165.11 crores, Rs 202.89 crores and Rs 238.78 crores respectively. The annual growth rate for the two years worked out to 17.1 per cent and 17.5 per cent respectively. The banks could, therefore, reasonably be expected to maintain a growth rate of at least 15 per cent in deposit mobilization in the state so as to take their deposits to nearly Rs 400 crores by the end of June 1978. They could plough back a part of these resources to supplement the efforts of co-operative credit institutions in the state. On the basis of credit-deposit ratio of the commercial banks at 70:100, the loanable funds of the banks at the end of June 1978 will work out to Rs 280 crores assuming their level of deposits in June 1978 at Rs 400 crores. The commercial banks may be able to allocate 33 per cent of their loanable funds for investment in the priority sectors which include agriculture. Thus, Rs 93 crores would be available by the end of June 1978 for investment in the priority sectors. The commercial banks in Rajasthan had invested Rs 41.33 crores in the priority sectors as on 31 December 1973 which formed 37 per cent of their total advances as against the all-India figure of 28.5 per cent. The investment in agriculture and allied activities alone on that date was Rs 16.71 crores forming 15 per cent of the total advances against the all-India percentage of 9.4. As indicated above, the commercial banks in Rajasthan can be expected to allocate Rs 52 crores in addition for the priority sectors by 1978-9. Of this additional amount of Rs 52 crores, about 50 per cent or at least Rs 25 crores may be invested by them in meeting the short-term agricultural needs of the farmers through primary societies to be adopted by them in pursuance of our recommendations in this behalf which follow.

6.10 The Group referred to by us in paragraph 6.08 above considered the question of revising the targets for short-term agricultural credit fixed for the commercial banks for the Fifth Plan. In the case of Rajasthan, The Group has revised

the target upwards from Rs 25 crores to Rs 40 crores for both direct and indirect financing for agriculture. The latter category includes finance for fertilizer distribution, electricity boards, etc. Financing of agriculture in the state had already reached the level of Rs 16 crores in 1973-4. Keeping in view the estimated growth of the deposit resources of the commercial banks at 15 per cent annually, we feel that the estimate of Rs 25 crores made by us for financing agriculturists through pacs is reasonable.

6.11 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, by the end of the Fifth Five Year Plan, in a position to meet short-term agricultural credit needs to the extent of Rs 120 crores or 60 per cent of the credit requirements at Rs 200 crores. Their efforts would have to be pursued thereafter for filling the remainder of the credit gap of 40 per cent.

Commercial banks—Future line of development

6.12 In the light of the role that we have proposed for the commercial banks, the basic issue that would merit serious consideration is whether these banks should supplement the efforts of the co-operative credit institutions by expanding substantially their direct loans or choose the medium of pacs for the purpose. We have indicated in Chapter V that after nationalization the commercial banks are expected to give special attention to the financing of agriculture. However, in Rajasthan they could disburse short-term crop loans of about Rs 60 lakhs only to less than 5000 farmers during the one-year period (October 1972—September 1973). To some extent this may have been due to the difficulties involved in providing short-term credit directly to a large body of farmers, mainly small or marginal ones. A study made by the State Bank of India in Gorakhpur district of Uttar Pradesh in 1974 has emphasized that for reaching out to all farmers in the rural areas, the commercial banks would have to necessarily depend on 'institutional intermediaries.'

6.13 The Pai Group to which we have referred in paragraph 4.04 of Chapter IV and paragraph 5.18 of Chapter V, was of the view that rural branches of commercial banks could hope to serve the rural community around them more extensively and effectively through a local intermediary like a viable pacs and secure the advantages of local knowledge and supervision making the extension of credit facilities possible, particularly to small and marginal farmers, at relatively low cost. The Group, therefore, recommended that in future the commercial

banks might, instead of opening rural branches below the *mandi* level, consider operating through farmers service societies/re-organized viable pacs. As we have indicated in Chapter V, the recommendations of the Group have since been accepted by the GOI.

6.14 The advice of the GOI thus confirms the desirability of introducing the scheme of financing pacs by the commercial banks. We had occasion to discuss this aspect at length with the representatives of the commercial banks operating in Rajasthan at a meeting held at Jaipur on 7 November 1974. They conceded that direct financing of individual cultivators had limitations and also wholeheartedly welcomed the proposal of financing pacs in select compact areas, provided each society was a viable unit and was served by an independent full-time paid secretary. We recommend, therefore, that the scheme of financing of pacs by the commercial banks should be extended to Rajasthan so that the banks could take up their short-term lendings for agricultural production through this medium to the level of Rs 25 crores by the end of the Fifth Five Year Plan, i.e., in 1978-9. The scheme should conform to the consensus reached on the policy of commercial banks financing agriculturists through societies at the meeting of the Reserve Bank's Standing Committee on Co-ordination between Commercial and Co-operative Banks held on 30.7.74 (paragraph 5.17 of Chapter V). The RBI has issued detailed guidelines to commercial banks for financing pacs. We expect the commercial banks, the co-operative banks, the co-operative societies and the RCS to bear them in mind in the transfer and financing of the societies by the commercial banks. The actual allocation of areas should be done on the basis of our recommendations that follow.

Selection of areas

6.15 We have suggested earlier that the commercial banks should plan to extend short-term loans of Rs 25 crores through the pacs by 1978-9. This is expected to be done by the branches of the banks by adopting about 10 viable primary societies in a compact area having a potential loan business of about Rs 20 lakhs, i.e., roughly Rs 2 lakhs per society. This means that the commercial banks would have to identify/select in a phased manner about 125 such areas in Rajasthan for financing agriculture indirectly so as to reach the target of Rs 25 crores in 1978-9. Roughly 30-40 areas would have to be selected annually during the next three-four years commencing from 1975-6. It may, therefore, be desirable to lay down broad guidelines to facilitate actual allocation of the areas to the commercial banks.

6.16 A statement showing the block-wise position of the credit needs and gaps calculated on the basis of the norms contained in paragraph 6.03 read with paragraph 6.05 above is given in Annexure 52. The data in respect of irrigated and unirrigated areas under cultivation reckoned by us while working out district-wise credit potential were supplied to us by the state government. The block-wise data in this regard were, however, collected from various sources and had, therefore, to be adjusted to ensure that the total for all blocks in a district tallied with the district total. As in the case of district-wise credit gaps (Annexure 51), the estimated credit needs have been treated as already met by the co-operatives to the extent of the aggregate of the overdues of primary societies as on 30.6.73 and the short-term loans issued by these societies during 1973-4. It is necessary to reckon overdues for the purpose as the defaulters would not be in a position to obtain loans even if an alternative institution steps in.

6.17 On the basis of the above statement, the position of block-wise credit gaps in the state emerges as under:

Zone	No. of blocks with the credit gaps of				Total No. of blocks	
	90% and above	75-90%	60-75%	50-60% Below 50%		
Normal						
(a) NTA	22	50	27	7	13	119
(b) TA	7	32	5	2	2	48
Arid	17	5	—	—	—	22
Semi-arid	25	13	4	—	1	43
Total	71	100	36	9	16	232

According to the recommendations made by us, the commercial and the co-operative banks together will meet by 1978-9 short-term agricultural production credit needs through pacs to the extent of 60 per cent of the credit requirements, the share of the former being 12.5 per cent and the latter 47.5 per cent. In view of the relatively small role suggested by us for the commercial banks in financing pacs, not many areas can be earmarked or identified for the purpose. Hence, we propose that all blocks with credit gaps of 75 per cent or above may be identified, *prima facie*, as suitable for the introduction of the scheme of financing of pacs by the commercial banks. The number of such blocks in the state works out to 171.

6.18 Assuming that a branch of a commercial bank could adopt one compact area with business potential of Rs 20 lakhs so that the area could sustain about 10 viable societies, the

next point to be considered is about the number of branches of commercial banks that should take up financing societies in each of the above 171 blocks in the state (Annexure 52).

6.19 For the same considerations as given in paragraph 6.17, we suggest the following norms for carving out areas for ceding to the commercial banks from blocks with credit gaps of 75 per cent and above:

(i) Only the blocks with credit gaps exceeding in amount Rs 60 lakhs and in percentage 75 may be selected for the commercial banks financing pacs.

(ii) The extent of the influence of the commercial banks in the above blocks may be as under:

(a) Where the credit gap exceeds Rs 160 lakhs, to the extent of Rs 60 lakhs which could be handled through three branches.

(b) Where the gap exceeds Rs 110 lakhs, but is less than Rs 160 lakhs, to the extent of Rs 40 lakhs which could be handled by two branches in the block.

(c) Where the gap exceeds Rs 60 lakhs but is less than Rs 110 lakhs, to the extent of Rs 20 lakhs which could be handled by one branch in the block.

According to the data in Annexure 52, the number of blocks in category (a) are 13, in category (b) 14 and category (c) 65. Thus, the scheme could be introduced in 92 blocks out of the total of 171 blocks with credit gaps exceeding 75 per cent. The scheme may not, thus, be introduced in the districts of Dungarpur and Udaipur from tribal area and Jaisalmer from arid zone as the amount of credit gap is below Rs 60 lakhs in each block in these districts. Similarly, the Kota district may also be excluded from the purview of the scheme as it has only one block with a credit gap exceeding Rs 60 lakhs. The total number of branches of commercial banks that could be entrusted with the responsibility in the state will come to 131—39 in category (a), 28 in category (b) and 64 in category (c). The details of the blocks are indicated in Annexure 53. At the rate of Rs 20 lakhs per branch the credit potential will be Rs 26.20 crores out of a total of Rs 200 crores estimated on the *ad hoc* basis in paragraph 6.04 above.

6.20 The scheme thus could be introduced in 91 blocks in 22 districts. The introduction of the scheme would also depend on the availability of the required number of branches of commercial banks in the respective blocks to take up the responsibility. The information in regard to availability of

branches in these blocks is given in Annexure 54. It will be seen therefrom that of the 22 districts, the required number of branches are not available in the Ganganagar, Barmer, Jalore, Jodhpur and Nagaur districts as under:

District	Block	Credit gap (Rs lakhs)	No. of commercial bank branches		
			Required	Existing	Shortfall
Ganganagar	Sadulshahar	185.31	3	2	1
	Bhadra	190.19	3	1	2
Barmer	Barmer	365.89	3	2	1
	Chohtan	187.26	3	1	2
	Baitu	112.32	2	1	1
	Dhromanna	79.11	1	Nil	1
Jalore	Ahore	270.54	3	1	2
	Sanchore	277.30	3	1	2
Jodhpur	Phalodi	183.39	3	2	1
	Luni	114.02	2	Nil	2
	Shergarh	135.86	2	1	1
	Balesar	79.52	1	Nil	1
	Bap	84.19	1	Nil	1
Nagaur	Riyan	89.29	1	Nil	1

Wherever such a situation arises the only course open, in our opinion, would be initiation of action for opening of the required number of branches of the commercial banks in the respective blocks. This would not be a difficult proposition as we have suggested that the scheme may be implemented in a phased manner over a period of three to four years. We recommend, therefore, that in blocks where the scheme of financing primary societies by commercial banks is proposed for introduction but wherein there is no office or required number of offices of the commercial banks, the Reserve Bank's Department of Banking Operations and Development may allocate suitable centres to the commercial banks for opening of the required number of branches so as to ensure the introduction of the scheme on the lines suggested by us in the identified 91 blocks in the state by 1978-9. In the next one or two years, the scheme could be introduced in blocks where the branches of commercial banks already exist.

6.21 The actual allocation of the areas in each block should be done in the District Level Committee in which both the commercial and co-operative banks may be represented. The Collector of the district may act as Chairman. The allocation should be placed before the State Level Committee for ratification. Once the allocation is finalized no one should be allowed to alter it unilaterally. Thus, the ccbs should be compelled to part with the areas and the societies to obtain credit

facilities from the commercial banks. Past experience shows that unless the matter is dealt with firmly no progress is likely to be made. The contention of the central banks that they will be able to meet the credit gaps themselves is not tenable against the background of the assessment made by us in Chapter III.

Direct lending

6.22 The commercial banks may no doubt show preference to lending through pacs rather than directly to farmers because of the various advantages the former arrangement has over the latter. However, our recommendation would enable them to do so in only 91 blocks out of a total of 232 blocks in the state. Even in these blocks the idea is that the banks would cover not the entire area of a block but only a portion. Thus the commercial banks will be free to lend directly to the farmers in a substantial portion of the state and we expect that with the removal of the several difficulties in the way of direct lending with the passing of the legislation on the lines recommended by the Talwar Committee, their role will expand considerably in future. We have estimated earlier in paragraph 6.09 that commercial banks may be able to allocate an additional sum of Rs 52 crores for priority sector lending. We have recommended that out of this a sum of Rs 25 crores may be reserved for loans through pacs. The short-term loans presently advanced by the commercial banks are very meagre and are less than Rs 1 crore. We feel that it may not be difficult for the banks to step up this figure to Rs 10 crores considering the vast areas where they will be providing agricultural loans directly to the farmers. Even in these areas, i.e., other than the areas in the 91 blocks in which they will be financing the pacs, the commercial banks may, if they so desire, provide finance through pacs in additional compact areas provided the areas are selected in consultation with the state government and have the approval of the state and district level committees. If this additional finance of Rs 10 crores is made available by the commercial banks, the total short-term credit provided through the commercial and co-operative banking systems will amount to Rs 130 crores or roughly two-thirds of the credit potential estimated at Rs 200 crores by 1978-9.

6.23 The point for consideration next is whether the banks should continue to lend directly to farmers in the areas of societies which are ceded to them for financial accommodation. We have been informed that when the scheme of financing primary societies by commercial banks was introduced in 1970, the farmers in need of credit and residing within the area of

operation of the societies affiliated to the commercial banks were expected to join the societies as the banks were advised not to finance such farmers directly. The restriction was later removed by the RBI in terms of their circular letter dated 18 February 1972 and the banks were permitted to lend directly to farmers. The idea in stipulating the earlier restrictions was to enable the primary societies to attain viability as quickly as possible. Further, it is important that the provision of credit is coupled with that of inputs and services which the societies will be able to provide. We are of the view that these considerations are very important and have been emphasized in the policy circular of the GOI of 7 February 1975, to which we have referred to in Paragraph 5.18 of Chapter V. We, therefore, recommend that the commercial banks may not as far as possible lend directly to farmers residing within the jurisdiction of the societies financed by them. Such of those farmers who are already receiving credit facilities may be persuaded to join the society of their area within a reasonable period of time after which the financial accommodation to them may even be stopped if they do not want to join the society.

Role of the state co-operative bank

6.24 The guidelines proposed above for the selection of areas have been so designed as to ensure that adequate business potential is left for sustaining a branch of the concerned ccb. In Jaisalmer district, however, there is no separate cfa and the district is served by a branch of the RSCB. Besides, we have, in Chapter III, identified two central banks, viz., Dungarpur and Sirohi, which, judged from their performance so far, may not justify their continued existence. The re-organized pacs in these districts would have to be given necessary institutional support so as to ensure that they are not starved of credit and are in a position to maintain a line of credit for the individual farmers. We recommend, therefore, that the RCS should initiate necessary steps so as to ensure that the Dungarpur and Sirohi banks are amalgamated with the RSCB and the branches of the former banks function as the branches of the latter bank. The whole process should be completed as early as possible preferably before the end of June 1976. Simultaneously, we recommend that the RSCB should take steps for the training of the staff of the ccbs to be taken over by it and, if necessary, arrange for the recruitment and training of the additional staff so as to ensure that the offices/branches of the transferor banks are manned by efficient personnel to handle the additional responsibilities devolving on them. Similar action would be necessary in respect of its branch at Jaisalmer.

6.25 We have envisaged financing of pacs directly by the RSCB by-passing the central banks presently functioning in the districts of Dungarpur and Sirohi. Such a measure has already been commended by the All India Rural Credit Review Committee and the Banking Commission. We recommend, therefore, that the RBI may permit the RSCB to open its branches in the above two districts as also in the district of Jaisalmer and also consider providing refinance to the bank on behalf of the societies in these three districts.

6.26 In addition to the new responsibility of functioning as a cfa in the districts of Dungarpur and Sirohi, the RSCB will have to strengthen its control over the other affiliated ccbs in order to ensure an improved performance on their part. This aspect is discussed later in a subsequent chapter on 'Administrative and Operational Arrangements'. We do not wish that the RSCB should overburden itself with the new responsibilities, and therefore, suggest that during the next three-four years the bank should not enter other areas for financing the pacs by-passing the concerned ccbs.

CONCLUDING REMARKS

6.27 These are our broad guidelines for ensuring institutional arrangements for agricultural credit in all areas. Our block-wise specific recommendations follow in the next two chapters district by district. But it has to be appreciated that the success of the arrangements evolved in the above paragraphs would largely depend on the re-organization of the primary structure as per the directions contained in Chapter IV.

CHAPTER VII

PROBLEMS OF AND INSTITUTIONAL ARRANGEMENTS FOR TRIBALS

7.01 IN the Fifth Five Year Plan a great emphasis has been laid on the development of the backward classes in general and the scheduled tribes in particular. A major factor contributing to the slow economic progress of tribals is the inadequate development of institutional arrangements for provision of credit, supplies and services to them. At the first meeting of the Team, therefore, it was decided that a detailed study might be undertaken to determine the problems of tribal areas and of institutions functioning in such areas in Rajasthan with a view to evolving a solution. Accordingly, the Member-Secretary of the Team visited Jaipur, Udaipur and Dungarpur during the third week of August 1974 and had discussions with various officials and non-officials including the Collectors of Udaipur and Dungarpur districts to ascertain in general the problems of tribals and of credit institutions operating in tribal areas. Subsequently (i.e., during the period 10 to 17 October 1974) on the basis of guidelines prepared by him, a detailed study of the problems of tribals and of credit institutions, laws, etc. operating in tribal areas of Rajasthan was undertaken by the officers of the Special Studies Division of the ACD at Bombay.

7.02 During the course of the detailed study the officers visited the ccbs at Udaipur, Dungarpur, Banswara and Chittorgarh and six pacs functioning in the tribal area, two each from the districts of Banswara, Dungarpur and Udaipur.

Objectives of the Study

7.03 The objectives of the study were as under:

- (i) to identify tribal blocks in the state which had a high percentage of tribal population and, therefore, needed to be covered by institutions offering various special facilities to tribals;
- (ii) to examine whether the existing co-operative structure in the area, viz., the pacs, the co-operative marketing societies and ccbs, could be counted upon to provide various range of services needed by the tribals;
or
- (iii) whether it was necessary to develop a new structural pattern of co-operatives, to enable the tribals to obtain the package of services needed by them from a single point;
- (iv) if so, to examine whether the ccbs operating in the area could effectively support the activities of the base level institutions or whether a higher level co-operative organization like Tribal Co-operative Development

Corporation may have to be registered and pressed into service to support the activities of base level institutions;

- (v) to examine whether up-to-date records of rights are available and the tribals are able to obtain possession certificates for their holdings, which would then be legally identifiable, thus enabling the tribals to offer the security of land for their term credit requirements and the problems of land alienation with a view to suggesting measures to overcome them; and
- (vi) to examine and suggest whether there is any need for financial assistance to the various institutions especially at the base level so that extension of credit and other services needed by the tribals will not become burdensome for the institutions and also to suggest arrangements necessary for intensive guidance and supervision at the level of primary societies as also individuals.

Special features of the tribal population in Rajasthan

7.04 According to the 1971 census, the tribal population in the state is 31.29 lakhs forming about 12 per cent of the total population at 258.03 lakhs. The tribal population in the districts of Dungarpur and Banswara, seven tehsils of Udaipur district, viz., Gogunda, Kherwara, Kotra, Phalasia, Sarada, Salumber and Lasadia and Pratapgarh tehsil of Chittorgarh district, accounts for about 50 per cent or more of the total population of the respective district/tehsil. A statement giving the tehsil-wise distribution of the tribal population is given in Annexure 55. The area of this tribal region is co-terminus with the areas of all the thirteen blocks in Dungarpur and Banswara districts, seven blocks in Udaipur district and two blocks in Chittorgarh district. A list of the twenty-two blocks is given in Annexure 56. The study identified these twenty-two blocks as areas with a high percentage of tribal population which need to be covered by institutions offering special facilities to tribals. We have, however, for the purpose of our analysis, included in the tribal area Sirohi district, which has a sizeable though not concentrated tribal population.

7.05 The special features of the tribal population in the above mentioned tribal area as observed during the course of the study can be summarized as under:

- (i) All the twenty-two identified tribal blocks are geographically in a contiguous and compact area in hilly terrain of southern Rajasthan.
- (ii) The tribals in the state are not migratory.
- (iii) Most of them are landholders. Ninety per cent of the economic activities of the tribals relate to agricultural operations.
- (iv) The recent degradation of the forests in the tribal area has seriously cut down the income of tribals from minor forest produce.

- (v) The tribals, by and large, are not engaged in subsidiary occupations like cattle breeding and sheep and goat rearing. The latter activity is not being undertaken due to the considerations of status. They derive their subsidiary income mainly from wages as casual labourers in the off season.
- (vi) The moneylender or moneylender-cum-merchant/trader, viz., *The Mahajan or Kalal*, plays a key role in the economic life of the tribals. The basic necessities of life like foodgrains, cloth and shelter are often obtained by them from him in exchange of their produce. The tribals also approach him for cash loans to meet the cost of social functions like child birth, marriage, etc., or purchase of ornaments.

The study has thus brought out the necessity for an institutional structure at the base level which can extend credit, supply seeds, fertilizers and other inputs as also consumer goods to tribals, undertake marketing of their agricultural produce and persuade them to undertake subsidiary occupations like cattle breeding and sheep and goat rearing. Besides, the base level institution should be capable of undertaking activities like contracts for collection of wood, fodder and other minor forest produce with a view to providing employment during the off season.

Existing credit and other institutions in tribal area

7.06 The existing position of the credit structure comprising ccbs and pacs, marketing societies and forest labour contract societies functioning in the tribal area, viz., the twenty-two identified development blocks or sixteen tehsils, as revealed by the study is discussed in the following paragraphs.

Central co-operative banks

7.07 Four central banks, viz., Banswara, Dungarpur, Udaipur and Chittorgarh are operating in the blocks with heavy concentration of tribal population. Besides, the tribal district of Sirohi is served by its own central bank. The position of these five banks has been discussed at length in Chapter III from the viewpoints of their viability and efficiency. We have observed that the Dungarpur and Sirohi banks may have no justification for continued existence and, therefore, proposed their amalgamation with the RSCB. We have suggested in the case of the Banswara central bank that its management will have to make strenuous efforts to achieve a level of loan business of at least Rs 150 lakhs by 1978-9 so as to justify its continued existence as, on the basis of its performance so far, it cannot be deemed even as a potentially viable unit or rated as efficient. The performance of the Chittorgarh and Udaipur central banks has

been relatively better and they have a prospect of reaching a level of business of Rs 200 lakhs by 1978-9 and function as viable units. The study reveals that none of these ccbs has adopted special scales of finance or offered any special credit facilities to the tribals.

7.08 The study reveals that the arrangements for supervision over the primary societies in the tribal blocks as in the rest of the districts of the state have been inadequate. We have, therefore, discussed this aspect at length in subsequent Chapter XI on 'Administrative and Operational Arrangements'.

7.09 The byelaws of the four central banks covered by the study, viz., Banswara, Chittorgarh, Dungarpur and Udaipur, provide for 12 directors on the board of each bank. Of the 12 directors, 6 represent affiliated pacs and 3 other types of societies subject to the condition that at least one of them should represent a marketing society. The remaining 3 directors are the nominees of the state government. The byelaws of the banks as also the State Act/Rules do not provide for block/tehsil-wise representation with the result that all the elected directors can be from few or some of the blocks. There is no reservation of seats for tribals. None of the office bearers, viz., the Chairman and the Vice-Chairman, in each of the four banks was a tribal. Only the Banswara bank had 3 directors on its board belonging to the scheduled tribes. While the Dungarpur and Udaipur banks had only one director from the tribals, none of the directors of the Chittorgarh bank belonged to scheduled tribes. Significantly, the Chairmen of all the four banks represented the district or a primary marketing society.

Primary agricultural credit societies

7.10 In Chapter IV, we have observed that the primary credit structure in the state is weak and its re-organization is necessary to ensure adequate flow of credit for financing agricultural development programmes. The study of the tribal areas has shown that weakness of the structure is of greater degree in the twenty-two blocks with heavy concentration of tribal population. The financial and other particulars of the pacs in these blocks for the year 1972-3 are given in Annexure 57. It will be seen therefrom that the primary credit structure in the tribal blocks is, by and large, incapable of providing a wide range of services and even meeting adequately the agricultural credit needs of the tribal members. Of the 657 pacs in the twenty-two tribal blocks as on 30.6.73, as many as 347, i.e., fifty per cent, were dormant. The number of societies which borrowed from the concerned central banks and advanced loans to their members in 1972-3 was 218 or nearly one-third of the total number of societies at 657. The effective coverage was as low as 6.2 per cent inasmuch as the borrowing membership of the societies

aggregated 0.29 lakh as against the number of rural families in the blocks estimated at 4.72 lakhs. The percentage of overdues to demand ranged from 53 in respect of two tribal blocks of Chittorgarh district to 80 in the seven tribal blocks in Udaipur district. Of the total overdues at Rs 64.59 lakhs on 30.6.73, over one-third (Rs 29.39 lakhs) were overdue for over three years. Out of the 209 and 181 societies in Banswara and Dungarpur districts, 173 and 158 societies respectively were placed in audit class 'D' for the year 1971-2. Excepting three societies in Dungarpur district which were placed in audit class 'B' none of the societies from these two districts was placed in audit class 'A' or 'B'. The audit classification of pacs in the tribal blocks of Udaipur and Chittorgarh districts was not separately available. Judging from the overall position for the districts, however, the state of affairs in this regard in respect of the societies from the tribal blocks in the two districts is not likely to be different. In Udaipur and Chittorgarh districts, of the 544 and 336 societies, 363 and 132 societies respectively were awarded audit class 'D' for the year 1971-2.

7.11 None of the 657 societies undertook marketing/processing activities. The societies undertaking distribution of farm requisites numbered 65 and mainly distributed fertilizers. Only 135 societies, i.e., about 20 per cent of the total, had full-time paid managers. The societies working at loss numbered 190. Besides, 92 societies had not earned any profit. The visits to six primary societies during the course of the study revealed that the only service rendered by them to tribal members was, as in the case of other members, issue of short-term crop finance at the scales adopted by the central bank for all the areas. In fact, one of the societies, viz., Adivasi Gram Seva Sahakari Samiti, Kagdar in Udaipur district, had not even taken up this business for the last six years.

7.12 The unsatisfactory performance of the pacs in the tribal blocks, which can be attributed to their small area of operation limited to a village panchayat, low effective coverage, absence of full-time paid managers and inadequate supervision over them from the concerned central bank, indicates clearly that they are not equipped to meet the multifarious needs of the tribals.

Co-operative marketing societies

7.13 The financial and other particulars of the co-operative marketing societies operating in the tribal blocks covered by the study for the year 1972-3 are given in Annexure 58. There is no primary marketing society in the 12 tribal blocks of Dungarpur and Udaipur districts. The district level marketing societies of these districts serve the tribal blocks. The six marketing

societies operating in the tribal blocks of Banswara and Chittorgarh districts as also the district level marketing societies of Dungarpur and Udaipur districts did not undertake marketing business and were engaged in the distribution of fertilizers and consumer goods. The distribution activities undertaken by the marketing societies excepting the district level society of the Udaipur district were meagre. Most of the distribution business of the district society was reportedly accounted for by the non-tribal blocks of the district.

Forest labour contract societies

7.14 A statement showing the financial and other particulars for the year 1972-3 of the forest labour contract societies operating in the twenty-two tribal blocks is contained in Annexure 59. It will be seen therefrom that of the 40 societies as many as 33, i.e., about 82 per cent were dormant. Of the forest labour contracts valued at Rs 12.15 lakhs taken up during the year 1972-3 by the remaining 7 societies, contracts valued at Rs 9.25 lakhs were undertaken by only one society, viz., the Ambavidaia Adivasi Mazdoor Sahakari Samiti at Ambasar in Jhadol block of Udaipur district. Two societies in Dhariyawad block of Udaipur district had accounted for contracts worth Rs 2 lakhs while the remaining contracts worth Rs 0.90 lakh were taken up by the four societies in Pratapgarh tehsil of Chittorgarh district.

Managing Committees

7.15 The pacs in the tribal area have adopted the model by-laws proposed by the Co-operative Department in terms of which the managing committee comprises seven members including the Chairman, the Treasurer and the Hon. Secretary. There is no provision in the by-laws for reservation of a certain number of seats on these committees in favour of the tribals. The position obtaining in the six primary societies visited during the course of the study was as under:

Gram-seva Society	Sahakari	Block/ District	Total member- ship	Of which tribal member- ship	M.C. members		Tribal or not	
					Total	Of which tribals	Chair- man	Hon. Secre- tary
1	Umrai	Talwara- Banswara	175	174	7	7	Yes	Yes
2	Kushalpura	-do-	146	135	7	6	Yes	Yes
3	Barothi	Bichiwara- Dungarpur	197	184	7	6	No	Yes
4	Amjhara	-do-	130	107	7	7	Yes	Yes
5	Mahavir (Dal Village)	Salumber- Udaipur	217	56	6	Nil	No	No
6	Adivasi (Kagdar Village)	Kherwara- Udaipur	155	153	6	6	Yes	Yes

In the Barothi GSS in Bichiwara block of Dungarpur district although 184 out of 197 members were tribals, the Chairman of the society was a non-tribal. In the Mahavir GSS in the Salumber block of Udaipur district none of the 56 tribal members was on the managing committee. The Treasurer of the latter society was reported to be a moneylender. Thus, it is clear that the tribal members do not have adequate representation on the managing committees of their societies and it is possible, therefore, that the tribals are not receiving adequate attention from their own societies.

Problems of indebtedness to moneylenders and of land alienation

7.16 As indicated earlier, the special feature of the tribals in Rajasthan has been age-old grip of the moneylenders over them. No data were available on the indebtedness of the tribals to moneylenders. In the draft Sub-Plan for the Tribal Areas (1974-9) prepared by the GOR, the indebtedness of tribals to moneylenders has been estimated on an average at Rs 600 per tribal household. The officers entrusted with the study interviewed a large number of tribal members of the societies visited by them with a view to assessing their indebtedness to the moneylenders. In spite of severe limitations partly due to the presence of moneylenders from the village itself and partly due to the reluctance of the members arising out of fear of denial of fresh facilities from the indigenous source, the outcome of the interviews is revealing as can be judged from the information that was elicited from a few borrowers in some detail (Annexure 60). The findings are summarized below :

- (i) The quantum of loans due to moneylenders ranges between Rs 300 and Rs 3000 per household.
- (ii) The loans are raised not only for meeting the expenditure towards social obligations like marriages, but also to meet domestic requirements like foodgrains, cloth, etc.
- (iii) The loans are also raised in a few cases for legitimate agricultural needs like seeds, purchase of bullocks, etc.
- (iv) In a few cases, the loans have been raised for identifiable medium-term agricultural purposes like sinking of wells. The need for such a loan arises to supplement the institutional/government (taccavi) credit.
- (v) The rate of interest is exorbitant ranging from 36 per cent to as high as 130 per cent and further, in some cases, the interest amount, along with certain commission, is deducted at the time of handing over the principal amount of the loan.

- (vi) The repayment, by and large, is insisted in the form of agricultural produce valued at a price fixed by the moneylender at the time of disbursement of the loan which often compares unfavourably with the market prices.
- (vii) The cumulative effect of the high rates of interest and the mode of repayment is that the tribal can hardly manage to pay the interest and consequently there is no repayment towards the principal amount.
- (viii) The moneylender charges interest at compound rates and follows the practice of renewing the loan transaction with accrued interest annually or at least at the end of every three years.
- (ix) The default in the repayment of the loan and the interest thereon successively for two-three years has resulted in the moneylenders acquiring possession of the land of the tribal and insisting on the tribal cultivating the same land as a farm labourer for which the latter is given a certain share, generally fifty per cent of the produce. In such cases, the moneylender obtains an agreement for the lease of the land to him until repayment of the debt. This arrangement, it is reported, has in some cases helped him to secure transfer of land in his own name with the connivance of the *patwari*, at the time of updating the land records.
- (x) The holdings cultivated by many tribal members stand in the name of their ancestors. No doubt, transfer of lands in the name of successor sons could have been effected, but has not been done mainly on account of the expenditure involved in completing the necessary formalities. In this connexion a statement showing the state of land records in the identified tribal tehsils is given in Annexure 61. It will be seen therefrom that some of the villages were last surveyed nearly 39 years ago.
- (xi) The moneylenders dealing with the tribals do not, by and large, hold a licence. The Deputy Registrar of Co-operative Societies of each division in the state is the licensing authority under the Rajasthan Moneylenders Act, 1963, while the work of ensuring implementation of the provisions of the Act is handled by the Assistant Registrar of the district. No separate staff has been provided to these officials for the purpose.

Draft Sub-Plan for Tribal Areas

7.17 It may be relevant to give a brief summary of the Draft Sub-Plan for Tribal Areas (1974-9) prepared by the GOR. The tribal blocks identified as tribal areas in the Draft Sub-Plan are the same as identified in Annexure 56. Under the Sub-Plan it is proposed to organize one block-level multi-purpose society for each of the 22 tribal blocks dealing not only in the short/medium-term credit needs of the tribals and the range of services needed by them, but also handling the portfolio of long-term agricultural loans. The 22 block level societies will be affiliated to a Tribal Co-operative Development Corporation to be newly registered which in turn will be affiliated to the state co-operative bank, the state land development bank and the apex co-operative marketing society. This means that the ccbs and plpbs operating in the Banswara and Dungarpur districts will have to cease functioning and these institutions operating in the Udaipur and Chittorgarh districts have to cede the nine tribal blocks in the two districts to the proposed Corporation. We understand that one or two tribal blocks will be initially selected for organization of the block level societies and the scheme will thereafter be extended to other tribal blocks depending on the experience of the pilot block level societies. In effect pending organization of the proposed Corporation after all the tribal blocks are covered by the block-level societies, the existing credit institutions at the district level will continue to function.

7.18 The total proposed outlay for the Sub-Plan is Rs 154.66 crores of which Rs 43.57 crores are expected from institutional sources, Rs 24.53 crores will be available by way of sectoral inflow in the State Plan and Rs 86.50 crores will be the resources gap expected to be met from assistance from the Tribal Development Fund of the GOI.

7.19 The programmes under agriculture include animal husbandry, forestry, dairy, poultry, soil conservation and minor irrigation with emphasis on livestock farming, soil conservation and minor irrigation. The programmes for irrigation and power have been proposed with a view to utilizing the infrastructure already created in the tribal area. It is proposed to maximise power connections in the tribal villages through a subsidised scheme. The total outlay for irrigation and power has been placed at Rs 33.62 crores.

7.20 The programmes for communications include construction of arterial roads. The role of programmes for development of small scale and household industries is to divert the surplus population from agriculture to industry. The programmes of adult literacy-cum-education and agro-industries servicing-cum-

continuing education centres have been proposed with a view to generating a tertiary sector in the tribal area. The programmes relate to general education, health, rural water supply and other amenities.

7.21 In order to obtain the maximum results, the Sub-Plan has proposed a single line separate administrative structure for the tribal area development. For similar reasons, a separate co-operative structure for financing, marketing and credit has been proposed in the Sub-Plan. The new credit co-operative institution at the block level is expected to provide loans for social purposes. The tribal area is susceptible to drought. In order to meet this contingency, an emergency scheme with labour-intensive programmes has been drawn up and included in the Sub-Plan.

Institutional arrangements for the development of tribals

7.22 The findings of the study undertaken at our instance are revealing. The study has clearly brought out that the credit and marketing institutions operating in the tribal area of Rajasthan are so weak as to offer practically no resistance to the exploitation the tribals have been subjected to by the moneylenders or moneylender-cum-traders. No activity for the benefit of tribals can succeed unless their exploitation by moneylenders is prevented. The obvious solution is the creation of an institution to which the tribals can approach for all their basic needs like credit for agricultural and personal needs, supply of domestic requirements, marketing of agricultural and minor forest produce. It is in this context that we have made specific recommendations in the paragraphs that follow regarding the institutional arrangements for tribals. In making these recommendations we have taken due note of the proposals made by the GOR in their Draft Sub-Plan for the Tribal Areas as outlined in paragraphs 7.17 to 7.21.

7.23 A co-operative society exclusively for tribals has to be ruled out firstly because it will affect adversely the process of integration of the tribals with the main stream of the society and secondly because the existing pacs will have difficulty in becoming viable units if their business is confined to non-tribals if the latter are small minority in the total population of the area. On the other hand, if the society is exclusively for tribals, it will have difficulty in attaining viability. From the social as well as economic point of view, therefore, it will be preferable to have only one unit catering to the needs of all the people in the area, i.e., both tribals and non-tribals. It should be possible, however, to provide for a majority of the tribals on the managing committee of the society as well as for their being elected/appointed to the posts of Chairman/Secretary/

Treasurer of the society as has been done in respect of small farmers in the Farmers Service Society. Such a reservation is considered necessary by us as the special study has brought out that even where the tribals constitute almost the entire membership, the office-bearers are non-tribals. It should be possible to confine certain benefits and privileges to the tribals, e.g., capital subsidies, preferential rate of interest, etc.

7.24 Normally, a pacs does not cater to long-term credit needs which are looked after by a pldb or the branch of the state land development bank. As the tribals generally have restricted alienable rights in the land and as the records of lands in the tribal areas are also poorly maintained, the land development banks have not been able to provide enough credit to the tribals. Besides, it will be better if a comprehensive view of the credit needs of the farmers is taken with a view to tailoring the periods of the loans for the different purposes according to the total income and repaying capacity of the tribal. The basis of lending to a tribal may have to be somewhat different from that applied to a non-tribal. It follows logically, therefore, that the co-operative society in the tribal area should handle also long-term loans along with short-term and medium-term loans. Since the tribal population is concentrated in the 22 blocks, the pldb's in them may have to be out of the picture, if credit for long-term purposes is routed through the pacs. It may be necessary to merge them with the state land development bank. The details in this behalf may have to be worked out later.

7.25 Although the proportion of institutional credit for agriculture is steadily growing and has received a further impetus with the entry of commercial banks in this field, non-institutional agencies consisting of moneylenders and relatives are still preponderant in this sphere. The role of the institutional agencies in the provision of agricultural credit is admittedly much poorer in the tribal areas. Relatives also do not play any significant role because the general economic condition of the relatives of the tribals is also equally poor. 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, although in respect of the latter a practice based on mutual help prevails in many tribal communities. A co-operative society in the tribal area must take note of the needs and obligations of the tribals and devise methods of operation which will minimise or obviate the need to approach the moneylender or moneylender-cum-merchant/trader. At the same time, it should be recognized that no institution can hope to meet extravagance in domestic expenditure or in the

various types of ceremonies. The realization to be modest in such expenditure can come through education and reforms in the social practices which cannot be the responsibility of the credit agencies. The burden of responsibility in this behalf has to be shouldered by the government in the Tribal Welfare or Social Welfare Departments and also by social organizations like the Bhil Seva Mandals as in Gujarat which devote themselves to the economic and social uplift of the tribals.

7.26 So far as the basic needs of life are concerned, it is essential to see that the tribal is not required to go to the merchant/moneylender and this will be possible if the society itself extends the necessary credit and also arranges to provide essential items such as foodgrains, coarse cloth, sugar, salt, jaggery, kerosene oil, matches, tobacco, etc. In other words, the society should have a consumer stores wing to deal with not more than a dozen essential items required by the tribals. This will not only ensure control over the stocks, but also keep the investment of funds to the minimum, besides ensuring a quick turnover of the funds. The credit limit for the purpose can be to the extent of the 'A' component (cash component) under the crop loan system. In Andhra Pradesh the Reserve Bank had suggested that if the 'A' component in the scale of finance was Rs 100 per acre, the tribal borrower might not be advanced in cash more than Rs 25. The balance was to serve as his entitlement to purchase consumer goods from the society. If the tribal uses the facility prudently, he can avail of it largely in the lean months, when his production of foodgrains is exhausted or when he does not have any cash income from casual labour. This sort of supply of credit in kind should be treated as credit for agricultural operations and be reimbursable from the credit limit sanctioned by the RBI for short-term agricultural purposes. However, this will be the position in respect of tribals who are cultivating land. Any facility of the above nature provided to a mere labourer will, however, not be reimbursable from the Reserve Bank, because it will be to a non-agriculturist and for a non-agricultural purpose. The society can think of such consumption credit to non-agriculturist tribals also but out of its own resources as supplemented by the ccb or the commercial bank. Individual limits will have to be fixed cautiously and it may be advantageous to require an agriculturist tribal to stand surety to such borrowers.

7.27 So far as expenses in connexion with social obligations in birth, marriage or death ceremonies are concerned, the possibility of institutionalizing the present tribal custom of mutual help—*Narota* as it is known among the adivasis of Rajasthan—should be explored. Such occasions are not many in the life of a tribal and he could be persuaded to save little

by little continuously. The habit of thrift and self-help has to be inculcated amongst the tribals. It is possible that at a given time the accumulated savings may not be adequate to meet the minimum expenses and, therefore, in order to meet them he may have to resort to borrowings. But he can be saved from going to the moneylender or merchant if the society itself has the necessary arrangements to accommodate him. With a view to putting the much needed check on extravagant expenditure to which one is tempted, it will be desirable to limit the amount of the loan at a multiple of the amount to the credit of the tribal in his thrift deposit account on which an attractive rate of even 10 per cent could be allowed, if the interest on the loan is fixed at, say, 14 or 15 per cent as a disincentive to borrow. The rate 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. It is possible that the society will have little or no resources of its own to provide loans to its tribal members on the lines recommended above. The provision of refinance to the society should be regarded as a legitimate responsibility of the cfa. No refinance from the RBI can, however, be admissible as this will not be a purpose recognized under the Reserve Bank of India Act.

7.28 While some institutional arrangement can be made to obviate, as far as possible, the need for the tribal to resort to the moneylender or trader in the future for meeting his domestic requirements as well as his credit needs for agricultural production, the question of his existing indebtedness remains to be tackled. It is contended that unless the tribal is set free first from the clutches of the moneylender, it will be futile to expect any improvement in his economic condition and that, he will cease to approach him to incur fresh debts. Various suggestions have been made to relieve the tribal of the burden of debt. The Government of Bihar have recently passed a law under which the debts of a person owning less than 4 acres of land stand written off. It is suggested that a similar legislation can be passed in Rajasthan to free all the tribals, irrespective of the size of their holding, from the existing debts. If that is not possible, long-term loans may be advanced by banks to the tribals for redemption of their old debts. Alternatively, the existing debts may be re-scheduled and made repayable over a long period, so that the annual burden is reduced within a reasonable limit. For this purpose, the state government may issue bonds redeemable at the end of a given period and take over the responsibility to recover the debts over a long period and redeem the bonds on maturity. Finally, the state government may appoint Debt Relief Boards to scale down the debts and fix instalments to

be paid directly to the moneylender over a long period. The merits and implications of these proposals are discussed in the following paragraphs.

7.29 First of all it has to be remembered that the problem is not peculiar to tribals only. Harijans, small farmers and other economically backward communities are also indebted to moneylenders and merchants. If special measures are initiated for relief of indebtedness among the tribals, the demand for relief to similarly backward sections of the society will also have to be met. Secondly, there is generally no documentary evidence of the debts incurred by the tribal. The transactions in most cases are known only to the creditor and the debtor and, therefore, the magnitude of the amounts involved in the aggregate cannot possibly be ascertained. Any measure to write off the debts or to reschedule them may not achieve the desired results, because in most cases the matter may not go to any tribunals at all. The moneylender or the trader will have his own ways of recovering his debts as he has in securing the rate of interest he wants on the loans he advances despite restrictions imposed by the moneylending legislation. Thirdly, a part of the debts of the tribal will be from credit institutions like the co-operative and the commercial banks as well as the state government. The question of writing off the debts due to the institutions should not obviously arise. They deal with funds belonging to the public and the confidence of the depositors in the credit agencies will be lost, if they have to lose a part of their deposits or accept re-scheduling of their deposits because the loans to the tribals are either written off or extended over a period of time. Fourthly, the magnitude of the funds needed will be so large that, in the present tight money conditions, it will be most unrealistic to expect either the government or the banking institutions to find them. For instance, in the 22 tribal blocks of Rajasthan, the tribal population is about 3 million or roughly 4.72 lakh families. Even if the indebtedness per family is put at Rs 200, the requirement will be around Rs 10 crores. In view of the present budgetary position of the central and state governments, there is hardly any chance of the government finding adequate resources for the purpose. Banks also are not exceptions. Fifthly, if the moneylenders and traders are paid off in one or two instalments, apart from the inflationary pressure of such payment, there is danger that the money will be utilized by them in hoarding and creating artificial scarcities of essential commodities. Finally, there is no guarantee that a tribal freed from his existing debts will not indulge in extravagance and incur debts in the future. Both the borrower and the lender may reasonably expect a repetition of the relief operation. The result may perhaps be the opposite of what

is hoped and we may find ultimately that the tribal is more steeply in debt than in the past.

7.30 The real solution of the problem lies in bringing about certain social reforms which will check extravagance on the occasions of birth, marriage and death ceremonies and most importantly in raising the level of the income of the tribal. The government's Tribal Welfare Department is already engaged in bringing about the much needed social reforms. It will have to continue its efforts in that direction even in the future, if necessary by providing incentives for the establishment of social welfare organizations like the Bhil Seva Mandals. The lasting solution, however, lies only in improving the income 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 difficult process of modernizing agriculture through investment of more working and durable capital. In the latter case, it will be mainly a question of finding a remunerative market for the produce and of ensuring that the tribal does not have to resort to the trader for selling the forest produce, for, in such a situation the tribal will not get a fair deal. The co-operative society for the tribals, therefore, should integrate credit with supplies of inputs of modern agriculture, arrange technical guidance to facilitate the adoption of modern methods of cultivation by the tribals and also the marketing of minor forest produce as well as the products of his agriculture and other allied activities. The cumulative effect of all these measures may be to increase the incomes of the tribals which will not only provide the necessary wherewithal to pay off the existing debts but obviate the need to resort to borrowing from the money-lender, particularly when the society arranges to provide domestic requirements and also loans for meeting the outlay on social functions like marriages.

7.31 The type of base level organization which is most suited to meet the various requirements of the tribals is, therefore, a primary agricultural/multi-purpose/service co-operative credit society which integrates credit with supplies and services and corresponds to the farmers service society recommended by the National Commission on Agriculture. The society should undertake the following important activities and functions amongst others:

- (i) Provision of short, medium and long-term credit for agricultural purposes;
- (ii) Provision of inputs of agriculture like seed, fertilizer, insecticide, agricultural implements and machinery;

- (iii) Provision of essential domestic requirements like foodgrains, cloth, salt, sugar, vegetable oil, kerosene, matches, tobacco, etc., against the members' entitlement under the cash component of the scale of finance or against a limit specifically sanctioned for meeting their 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 members' thrift deposits collected continuously;
- (viii) Undertaking where possible forest or other labour contracts which will provide employment and additional income to members;
- (ix) Mobilization of deposits from members and others; and
- (x) Undertaking such other activities which are incidental to the above functions.

7.32 A society undertaking all the functions listed above will be a very complex organization demanding a high degree of managerial competence at the village level which may not be easily forthcoming. Management of cash is a relatively simple matter. Management of goods (inventory control) and services in addition will call for a higher degree of skill and cannot be performed efficiently unless there is sufficiently trained and adequately qualified staff to attend to the various functions. Further, the capital base of the organization will also have to be much broader than that of a society undertaking merely credit functions. Each one of the business listed above will necessitate some involvement from the resources of the society and cannot be carried with one hundred per cent financial accommodation from higher financing agencies. All these point out to the need for the society having a much wider area of operations so that the business generated from 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 provide technical guidance, handle agricultural inputs and consumer goods and market agricultural and minor forest produce. It may not be easy to get the necessary staff all at once. The required staff may have to be recruited and given sufficient training before they can be expected to shoulder the complex responsibilities. Apart from this, one has to take note of the fact that a primary co-operative society with such a wide territorial jurisdiction does not generally exist at present and if one such has to be brought into existence, it can be done only through a process of amalgamation and liquidation of the existing societies. This has always proved to be the most difficult thing to do largely because of the vested interests created by the existing societies.

If a whole block of, say, 100 villages is selected for the new type of society, there may be already 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 10 branches to serve its membership effectively. Existence of branches of that order makes the management of the society a still more complex proposition.

7.33 Taking all these aspects into account we think that it may be advisable to have a society which is bigger than a society considered viable as per the standards suggested by us in Chapter IV, but not as big as to cover the whole block as has been envisaged in the draft Sub-Plan for the Tribal Areas. The ideal jurisdiction may be about 10000 rural population (2000 families) or 4000 hectares of land so that the effective coverage at 40 per cent may be 800 borrowing members owning and cultivating together about 1600 hectares of land. A coverage of 40 per cent can reasonably be reached within a period of 4 or 5 years. Such a society may ultimately reach a loan business of Rs 10 lakhs. The other business activities will grow correspondingly and the experience generally is that the income from the complementary business is just adequate to meet the establishment and other costs leaving a small profit. We are of the view that the future pattern of re-organization of the societies in the tribal area in the state may be in the direction of societies with jurisdiction and functions as above, because they will present fewer problems of managerial competence and of amalgamation and liquidation of existing societies. Even then it is unlikely that such societies will come into existence in the entire tribal belt. The most practical way will be to cover about six out of the twenty-two blocks with heavy concentration of tribal population (Annexure 56) with such special types of societies. The six blocks may be two each from the districts of Banswara and Dungarpur and one each from the districts of Udaipur and Chittorgarh. This means about 40 such societies will have to be organized newly or by amalgamation of existing societies and this may be achieved in a phased manner by organizing about 10-15 societies per year during the next three years commencing from 1975-6. Besides, there will have to be a minimum programme for other blocks including the blocks from the Sirohi district. In these blocks effort should be to re-vitalize such of the existing societies as will be able to reach a loan business of at least Rs 2 lakhs. Within the competence and capacity of a full-time paid manager each of these societies may undertake the first three functions listed in paragraph 7.31 above. The programme of re-organizing them on the other model with

much wider jurisdiction and functions may be taken up after 1978-9, i.e., after watching the results of the other model. It may be mentioned that this model of special type of societies for tribals is close to one of the two models of the farmers service societies recommended by the National Commission on Agriculture. The difficulties involved in the organization of farmers service societies have been fully recognized and, therefore, a very modest programme of only 50 such societies all over the country has been contemplated. For the same reasons, we have suggested that during the next three years only six blocks from the tribal area may be covered with about 40 such special type of societies which for the purpose of identification may be called *Adimjati Seva Samitis* or 'Tribal Service Societies'.

7.34 As against the block-level organization at the base level proposed in the state government's Draft Sub-Plan, we have favoured the organization of special type of societies covering less than a block in the tribal area mainly to (i) obviate the need for the society opening branches which in turn will help to solve the problem of finding the necessary trained staff and (ii) minimize the problems of amalgamation and liquidation of the societies operating within the area. At the same time, with the increase in business, even the society with area of less than a block may eventually find it necessary to open branches. But we presume that the aspects of economy and managerial competence will be given due consideration before the branches are opened. In view of this position, there can be flexibility regarding the special society in the tribal area having branches or serving a larger area extending even to a block. This being so, if the concerned authorities in the state government are confident of tackling the problems of managerial competence and amalgamation/liquidation of the existing societies, we have no objection to the GOR organizing a block-level society for one or two tribal blocks provided each society has at least ten branches and a full complement of trained staff to serve the members effectively.

7.35 Since the present level of business of the tribal in agriculture or minor forest produce is somewhat lower than his non-tribal counterpart, a co-operative society organized in the tribal area may require a longer period than a society in the non-tribal area to attain viability. Further, the former types of societies will undertake a wider range of functions and responsibilities than the societies in the non-tribal area and consequently may require the services of a larger complement of staff. The normal pattern of assistance for appointment of qualified and trained staff is limited to three or five years and that too is given on a tapering basis from year to year. Since the Constitution has cast a special responsibility on the nation

in the matter of social and economic upliftment of the tribals and since this can best be achieved by improving the levels of their agricultural and other business through a co-operative society undertaking multifarious functions, the subsidies for the appointment and maintenance of staff should be continued to the extent necessary for as long as is necessary. The minimum staff required, which in the case of the *Adimjati Seva Samiti* proposed by us may comprise a MD, three technical assistants, one or two accountants, godown keepers, supervisors and attendants, should not be reduced merely on the ground that the society failed to attain the level of business needed to sustain that staff strength. The strength of the staff in the remaining societies in the tribal area may have to be provided on a somewhat more liberal basis than the societies in the non-tribal area as the former societies will be called upon to give more personal attention to their members. Due allowance must be made for the longer gestation period needed by a society meant to serve the tribal community and the continuance of the staff subsidy correspondingly for a longer duration, if that becomes necessary. There will always remain an element of welfare work in the dealings with the tribals so long as their standards of living are not raised to the levels of others.

7.36 The *Adimjati Seva Samiti* proposed by us is to take up a variety of functions which will not be possible unless it has a fairly satisfactory capital base. Bank credit cannot be expected to the extent needed without the provision of the prescribed margins by the society. Such margins can come from its own funds. It will be unrealistic to expect that the tribals will contribute adequately to the share capital of the society to enable it to provide the necessary margins to the bank. Even in regard to his own borrowings from the society, a tribal may contribute as share capital only 5 per cent which will not make it possible for the society itself to contribute to the share capital of the central bank at the normal 10 per cent of its own borrowings from the bank. In such a situation, there are two ways of strengthening the share capital of the tribal societies. As in the case of the Small Farmers Development Agencies, the Tribal Development Authority by whatever name called, may grant loans to individual tribals to enable them to contribute to the share capital of the society. In Uttar Pradesh, the state government granted similar loans to small farmers outside the Small Farmers Development Agency areas. Alternatively, the state government may participate in the share capital of the *Adimjati Seva Samitis* by borrowing from the LTO Fund. As per existing norms, loans for Rs 10000 or more are given to societies with a potential loan business of Rs 1 lakh to Rs 2 lakhs, Rs 50000 or more for societies

with a potential of Rs 10 lakhs and Rs 1 lakh or more for those with a potential of Rs 100 lakhs. In these circumstances we feel that it may be necessary for the government to be somewhat liberal in their contribution to the share capital of the societies meant primarily for the tribals. Correspondingly, the RBI may also take a more sympathetic view of the needs of these societies in dealing with the applications of the state government for loans from the LTO Fund.

7.37 What should be the institutional set up at the higher levels to support the base level organizations outlined in paragraph 7.33 above is the question to be considered next. The functions expected to be undertaken by the base level organization have been listed in paragraph 7.31. Some of them relate to provision of credit for agricultural or domestic purposes, some to the provision of inputs of agriculture and domestic consumption goods, while some others are concerned with the marketing of agricultural or forest produce. The points for consideration are: (i) should there be only two tiers in the whole set up or two in some and three in the others and (ii) should the organizations at the intermediate and apex levels confine their operations to one or two allied functions or that the higher level organizations should combine in themselves all the activities which the base level institution is supposed to undertake. In the latter case, the base level institution will be a miniature replica of the institutions at the higher level. It may be mentioned in this connexion that in Andhra Pradesh there is an organization called the Girijan Co-operative Corporation formed by 22 primary marketing societies. The Corporation provides short and medium-term agricultural credit, runs what are known as domestic requirements depots where minor forest produce brought by the tribals is also purchased. The Corporation enjoys a monopoly in that behalf in the sense that no other trader is allowed to purchase the produce in the tribal belt.

7.38 The experience of the Girijan Co-operative Corporation has brought home the inherent weakness in combining banking with trading and in requiring the organization to provide the necessary support in handling domestic goods, agricultural inputs, minor forest produce, etc., along with credit. It is a universally accepted policy not to allow banks dealing with public deposits to undertake any trading activity. The Banking Regulation Act, 1949 debars any bank in India from undertaking any trade on its own account. The intention is that the risks of trade should not endanger the safety of the depositors' interests. There is no possibility of the law being changed and hence any organization which intends to under-

take any trading functions on its own will be prevented from doing the business of banking, i.e., from accepting deposits from the public. It may accept deposits from its members. But since the membership will be confined to the organizations of the tribals, the prospects of mobilizing large deposits resources will be meagre. Consequently, the organization of the type of the Girijan Co-operative Corporation will have to depend upon its owned funds for providing the prescribed margins in respect of bank credit for various purposes. It may be mentioned that because of the Reserve Bank's insistence on the condition that the borrowings from it must be backed by non-overdue loans outstanding, even the credit business cannot be undertaken without a sufficient involvement of the institution concerned. If deposits from the public are debarred, the owned funds base would have to be very wide to facilitate the undertaking of all the activities by the institution including that of credit. The Girijan Corporation has been given by the Government of Andhra Pradesh a sum of Rs 25 lakhs exclusively for its credit business. It may not be possible for the GOR to strengthen the capital base appropriately of the Tribal Development Corporation envisaged in the Draft Sub-Plan for the tribals. Further, the experience of the Girijan Corporation shows that the trading in minor forest produce may not always be governed by pure business considerations in which case the losses in that business may adversely affect the credit functions. We think, therefore, that it will be advisable to separate the credit and non-credit functions at the higher levels, i.e., to have two or more distinct organizations undertaking the functions of credit on the one hand and supply and marketing functions on the other, although at the base level there will be only one institution undertaking both the credit and non-credit activities.

7.39 The co-operative credit structure consists of tiers and wings. The state co-operative bank at the apex level and ccbs at the intermediate level provide short-term and medium-term credit for agricultural and non-agricultural purposes to individual farmers through pacs by whatever name called. Thus there is a three-tier structure. Long-term credit is provided by co-operative land development banks which have a unitary or a federal structure in that in some states like Maharashtra the state land development bank operates through its branches all over the state, while in others like Rajasthan, the bank operates through pldb's. In either case, the pacs do not come into the picture and loans are provided directly to individuals by the branches of the state land development bank or by the pldb's covering, in the case of Rajasthan, roughly a district. For the reasons given earlier we are of the opinion that it will be advisable for the RRSBVB to by-pass the pldb and route

long-term loans through the *Adimjati Seva Samiti* treating it as primary bank so that a comprehensive view of all the credit needs of the adivasi can be taken. Simultaneously, immediate steps are necessary on the part of the state government for updating the land records in the tribal area, in particular, of the blocks to be covered by the *Adimjati Seva Samitis*.

7.40 There are various intermediate and apex level organizations in the co-operative sector undertaking a variety of non-credit functions. Primary marketing societies, including those which also process agricultural produce, help their members to market agricultural produce and supply agricultural inputs like fertilizers, agricultural implements and machinery and also essential consumer goods. There are in some cases district level organizations or separate federations at the state level for distribution of inputs of agriculture or the distribution of consumer goods like the State Co-operative Marketing Federation or the State Wholesale Consumers Stores Federation. These are appointed as licencees or agents of the government for distribution of fertilizers, distribution of sugar and other essential commodities, monopoly procurement of foodgrains, cotton, etc. In Rajasthan, not every block is served by a primary marketing society. But each district has a district level marketing society affiliated to the state level federation. Of the twenty-two blocks with heavy concentration of tribal population, only ten are served by a primary marketing society each. We have indicated earlier in paragraph 7.13 that the business of these societies as also the district level marketing societies operating in the tribal area relates to the distribution of fertilizers and sugar and that business, in most cases, is also meagre. In view of this position, the existing marketing organizations operating in the tribal area in the state cannot be counted upon to provide adequate support to the *Adimjati Seva Samitis*/viable primary societies in their non-credit functions. In fact, the marketing societies do not generally handle the purchase and sale of minor forest produce. While, therefore, we do not consider it necessary to have a separate institution at the secondary level to provide support to the primary societies in the tribal area in respect of their credit functions, we recommend organization of a Tribal Development Corporation for the tribal area in Rajasthan to co-ordinate and support the non-credit business of the primary societies like the provision of inputs of agriculture and domestic consumption goods and marketing of agricultural and forest produce. The Corporation should be registered under the Co-operative Societies Act and its membership may be open to the marketing and primary societies operating in the tribal area. The Corporation should function as a commercial organization. It may open branches at suitable centres or

operate through the existing marketing societies to serve effectively the *Adimjati Seva Samitis*/viable primary societies. The GOR should provide the requisite financial and administrative support to the Corporation.

7.41 The restructuring of the base level organizations, in the tribal area to cover six blocks by *Adimjati Seva Samitis* and the balance with societies each with a potential business of Rs 2 lakhs, the widening of the scope and variety of their functions and the strengthening of their links with the co-operative or other credit agencies as well as agencies handling agricultural produce, inputs, consumer goods, etc., will require careful planning and execution. The whole work will involve considerable amount of co-ordination among the extension departments of the state government concerned with agriculture, animal husbandry, forests, education, social welfare as well as between them and the co-operative organizations looking after credit, marketing, processing, distribution of consumer goods, supply of inputs, etc. Development of the tribals may be viewed as an integrated project the execution of which has to be carefully planned and supervised to the minutest detail. The execution of the plans will depend on how devoted, efficient and trained are the staff engaged to perform duties in the *Adimjati Seva Samitis*. Special attention will have, therefore, to be paid to the selection of the staff and training designed to make them perform their duties satisfactorily. In our view, it will be advisable, therefore, to set up a Tribal Development Authority for each district from the tribal area whose responsibility it should be to draw up a programme of action and supervise its implementation. On the Governing Council of the Authority should be represented not only the various departments of the state government but also the various credit and other business organizations. The Authority can be registered under the Societies Registration Act like the Small Farmers Development Agency. Government grants and subsidies may be routed through this Authority. There should be a whole-time Executive Director for the Authority with the minimum of technical and other staff for helping it to draw up a comprehensive plan of development and supervise its execution. The expenditure of the Authority will have to be borne entirely by the state government for which also provision should be made in the Tribal Sub-Plan.

CHAPTER VIII
PROBLEMS OF AND INSTITUTIONAL
ARRANGEMENTS FOR
DROUGHT-PRONE AREAS

8.01 WE are required as per our terms of reference to examine the problems of the areas which are chronically affected by famines and suggest institutional arrangements for credit for agriculture and allied activities so that a greater degree of economic stability is achieved in the economy of this region. We propose to apply ourselves to this task in the present chapter.

8.02 In 1970, the GOI thought of initiating a programme of rural works and, for this purpose identification of drought-prone areas was undertaken. Barring the district of Sikar, the other eight districts included by us in the arid and semi-arid zones for the purpose of our analysis, are, among others, identified as drought-prone areas. The periodicity of drought in the case of the above eight districts of western Rajasthan is about once in two and a half years. We have outlined in brief in Chapter I the DPAP that will be implemented in the districts of Jodhpur and Nagaur with the assistance from the IDA, an affiliate of the World Bank. Apart from the projects which aim at research in dry land farming, the main Centrally sponsored schemes which are operating in all or some of the drought-prone districts include the DPAP and the Desert Development Programme. The DPAP includes the development of minor irrigation, rural communications, soil conservation, afforestation and supply of drinking water. Later on, certain funds under the programme were sanctioned for production activities like animal husbandry and milk chilling plants. The Desert Development Programme was extended in Rajasthan to the districts of Barmer and Jaisalmer during the period of Fourth Five Year Plan. The programme comprised schemes relating to afforestation, soil conservation, development of pastures, minor irrigation and livestock development.

8.03 The Special Schemes Organization in the Agriculture Department of the GOR has prepared project reports on drought proofing for eleven districts in the state including six districts in the arid and semi-arid zones, viz., Barmer, Bikaner, Churu, Jaisalmer, Jalore and Jhunjhunu, besides the districts of Jodhpur and Nagaur from the semi-arid zone covered by IDA project. The emphasis in these project reports is on sinking of tube wells, animal husbandry and milk marketing, sheep and wool development, pasture development and fodder banking, supply of drinking water, etc.

8.04 Thus, in the various programmes discussed above, the strategy has been to ensure the development of activities allied to agriculture rather than agriculture proper as agriculture in the arid and semi-arid zones will continue to be unstable so long as suitable dry farming techniques are not developed. From the view point of viability of agricultural credit institutions operating in the arid and semi-arid zones, therefore, steps are necessary for stabilizing and upgrading the economy of farmers by inducing them to take up suitable ancillary occupations and ensuring adequate credit and other necessary support therefor. A beginning has been made inasmuch as the pacs are now extending finance for purchase of milch cattle. Simultaneously, suitable arrangements for collection and marketing of milk are being ensured. But the dairy business has also limited scope in the arid and semi-arid zones on account of limited market for milk and the difficulties of transportation of fresh milk to long distances for sale or for processing into milk products. Besides, judged from the past experience, conversion of milk into milk products may not prove economical. On the other hand, in so far as Rajasthan is concerned sheep breeding is an important activity which can help substantially in stabilizing and increasing the income of farmers, particularly belonging to the economically weak category.

8.05 In view of the above position a study was taken up at our instance by the officers of the Special Studies Division of the ACD at Bombay with a view to suggesting institutional arrangements for credit for sheep breeding and goat rearing activities in Rajasthan and for organized marketing of wool and mutton. The findings of the study and our recommendations are contained in this chapter.

8.06 Although institutional credit for the sheep breeding business has more significance from the view point of conditions in the arid and semi-arid zones of the state, the study had to cover Ajmer and Bhilwara districts from the normal zone as in these two districts only loans for purchase of sheep flocks have been issued by the central banks and primary societies under the SFDA/MFAL projects. Besides, the study also covered the semi-arid district of Jodhpur. Apart from the central banks of the districts, six pacs (two from each of the three districts) were visited during the course of the study. A list of societies visited is given in Annexure 62.

Objectives of the study

8.07 The objectives of the study were as under :

- (i) Identification of areas offering potential for the development of sheep breeding and goat rearing;
- (ii) determination of the problems of sheep farmers;

- (iii) working out the economic size of flock, the capital and recurring expenditure necessary, the quantum of loan required, the income generated by the sale of wool, mutton, etc., the repaying capacity and period of loan;
- (iv) finding out the type of base level institutions necessary for provision of institutional credit facilities to sheep farmers;
- (v) ascertaining the arrangements for collection, grading and marketing of wool as also marketing of mutton so as to ensure linking of credit with marketing;
- (vi) ascertaining also the arrangements for the provision of a range of services like supply of breeding stock, technical guidance on sheep production, disease control, etc;
- (vii) examining the nature of security for loan and the problem of migration and mortality of sheep flocks connected therewith;
- (viii) examining the possibility of refinance from the RBI and the need for modification of existing conditions, if necessary; and
- (ix) examining the need for government aid in the form of cash subsidy, veterinary services and for the development of pastures, etc.

Sheep population and wool production

8.08 According to 1971 animal census, Rajasthan has 85.63 lakh sheep which constitute about 21 per cent of the sheep population of the country. The quantity of wool produced annually in the state is estimated at 122.70 lakh kgs and accounts for 40 per cent of the national production. A statement showing district-wise sheep population and annual wool production is given in Annexure 63. The sheep population exceeds 5 lakhs in the districts of Ajmer, Barmer, Bhilwara, Jodhpur, Nagaur and Pali whereas it is between 3 lakhs and 5 lakhs in the districts of Bikaner, Churu, Jaipur, Jaisalmer, Jalore, Sikar, Tonk and Udaipur. Thus, with the exception of Jhunjhunu district, the remaining eight districts of the arid and semi-arid zones have sizeable sheep population.

8.09 The sheep in Rajasthan can be classified into eight main breeds. A statement showing the kinds of breeds, their hometract, population, annual wool production, the qualities of wool produced and average body weight of each breed is contained in Annexure 64. The average annual production of wool per sheep ranges between 0.75 kg in respect of Malpura variety and 3 kgs in respect of Jaisalmeri variety. The relevant average for all the breeds is 1.44 kgs per sheep. The body weight varies between 20 kgs for Chokla variety and 35 kgs in respect of Nali variety. The average body weight for all varieties is reported to be between 25 kgs and 30 kgs. The flocks of Jaisalmeri and Marwari sheep from western Rajasthan are reportedly migratory. But such flock owners have, by and large, homestead or roots in land in their area of residence and the migration is temporary inasmuch as the flocks move out after rainy season, i.e., about December especially when rains

fail and return to their area of residence before the onset of monsoon, i.e., in the following June. Thus, the percentage of nomads, i.e., migrators who regularly move from one area to another is reported to be very low. The temporary migration takes place either from one district to another or to the adjoining areas of the states of Gujarat and Madhya Pradesh.

8.10 The shearing of wool is generally done twice in a year, i.e., in March and September, although in a few districts like Bhilwara the same is done thrice, i.e., in March, July and November. In the case of migratory flocks the shearing in March is done outside the normal area of residence. The Sonadi variety of sheep belonging to Udaipur division (especially Bhilwara district) produces very coarse wool and the sheep of this breed are mainly reared for mutton, the main markets for which are Bombay, Delhi and Ahmedabad.

Activities of the Sheep and Wool Directorate

8.11 A separate Directorate with the responsibility of ensuring the development of sheep breeding business in the state was created in the year 1964. The Directorate is under the charge of a Director and has 11 District Offices at Ajmer, Barmer, Bhilwara, Bikaner, Churu, Jaipur, Jaisalmer, Jalore, Jodhpur, Nagaur and Sikar. The area of the district office at Bhilwara extends to Chittorgarh district also. Each district office is under the charge of a District Sheep and Wool Officer. There are 6 sheep breeding farms, 127 sheep and wool extension centres and 13 AI centres throughout the state. Each AI centre has established some sub-centres within its area. A statement showing the district-wise number of Extension and AI centres as also the location of 6 sheep breeding farms is given in Annexure 65. Normally each Extension Centre is under the charge of a Sheep and Wool Extension Officer (generally a veterinary graduate) who is assisted by 2 Stock Assistants. Each AI centre is under the charge of an Assistant AI Officer (a veterinary graduate) who is assisted by a Stockman and a Laboratory Assistant. The Directorate arranges short duration courses in wool grading, artificial insemination work, etc., for imparting training to the departmental staff as also progressive sheep farmers/breeders.

8.12 Besides extension work, the Directorate purchases wool at the 127 extension centres. The wool collected is transferred to the 3 wool grading centres run by the Directorate at Bikaner, Jaipur and Jodhpur. Each centre has a capacity to handle half a million kgs of wool. The Directorate has established wool grading centres at four other places, viz., Beawar, Nagaur, Navalgarh and Udaipur, but the same are not in

operation presumably because of the shortfall in departmental purchases of wool to feed them.

8.13 The main activities of the Directorate can be summarized as under :

- (i) to establish rapport with sheep breeders and educate them in adoption of practices necessary for improving their breeding stock;
- (ii) to provide facilities for vaccination against common diseases like sheep-pox as also to provide medicine for other common ailments;
- (iii) to arrange for mechanical and scientific shearing of wool (for this purpose the Directorate has maintained static and mobile shearing units);
- (iv) to import exotic rams and arrange distribution of cross-bred rams to village flocks;
- (v) to extend AI facilities for improving the breed with a view to ensuring increase in the quantity as well as quality of wool;
- (vi) to arrange for purchase of wool with a view to giving fair price to sheep breeders and preventing their exploitation at the hands of middlemen;
- (vii) to arrange grading and marketing of wool so purchased;
- (viii) to promote schemes for sheep development including for the development of pastures, and
- (ix) to provide training facilities to ensure availability of trained personnel in the field of scientific shearing, wool grading and AI work.

The Directorate arranged during 1972-3 for vaccination of 6.18 lakh sheep, treatment of 0.94 lakh sheep, distribution of 225 cross-bred rams, artificial insemination of 0.07 lakh sheep, machine shearing of 1.78 lakh sheep and training of 407 village flock-owners in AI work. These activities were reportedly undertaken on an increasing scale during the year 1973-4. Thus, in view of the infrastructure created by the Directorate during the last decade, the state offers an excellent promise to develop further the sheep breeding business.

Purchases and marketing of wool by the Directorate

8.14 The objectives of the study required a detailed assessment of the work of purchases, grading and marketing of wool undertaken by the Directorate. Before introduction of the scheme of purchase and sale of wool by the Directorate in 1964, in the absence of any organized market the sheep breeders were at the mercy of middlemen in the sellers' market. With

the introduction of the scheme, the Directorate is now admittedly able to prevent exploitation to some extent of the sheep breeders at the hands of middlemen who are obliged to offer reasonable prices in areas in which the scheme operates. As indicated earlier, the purchases of wool by the Directorate are made at the 127 extension centres by the staff attached to them. For effecting the purchases, a schedule of prices for various categories of wool to be offered on tender is circulated in advance of the season for confidential information of the staff entrusted with the work. The staff is expected to collect wool and grade it and make necessary payment at the prescribed rate. The wool so collected is then transferred to the grading centres where it is subjected to inspection to ensure whether the correct rate had been offered at the centres, further graded into large lots and baled, generally of one quintal each, so as to be ready for disposal. The sale of bales is effected through open auctions. The floor prices as determined by the experts of the Directorate have prior approval of the state government before the auctions are held. A statement showing the year-wise purchases made by the Directorate during the years 1964-5 to 1973-4 is contained in Annexure 66. Another statement showing the district-wise wool purchases made by the Directorate in the year 1973-4 is given as Annexure 67. It will be seen therefrom that the purchases by the Directorate in 1973-4 accounted for about 9 per cent of the total wool production estimated at 122.70 lakh kgs.

8.15 At the same time, it may be pertinent to mention that in view of the resource constraints and the controls at various levels which are inherent in government hierarchy, the scheme suffers from various short-comings which in brief are discussed below:

- (i) The share of purchases by the government in the total wool production is limited to the funds provided for the purpose in the budget. The maximum achievement in the past was, therefore, restricted to about 9 per cent of the total wool production.
- (ii) Since outright purchases are made under the scheme, the benefit of the surplus arising on account of rising prices is neither passed on to the sheep breeders nor is retained within the business. The practice is to credit the same to the State Treasury.
- (iii) Similarly, to avoid deficit in the event of a fall in selling prices the sales are deferred. The resultant accumulation of stocks leads to paucity of funds for making fresh purchases. For instance, during the financial year 1973-4, the Directorate purchased 10.73

lakh kgs of wool valued at Rs 121.21 lakhs. But, subsequently the wool market faced a slump reportedly on account of imposition of a duty of 25 per cent on wool exports. Large stocks, therefore, accumulated. Consequently, the purchases made during the year 1974-5 up to the end of November 1974 were lower at 3.75 lakh kgs of wool of the value of Rs 39.27 lakhs.

- (iv) For the reasons mentioned at items (i) and (iii) above, the centres of the Directorate cannot ensure uninterrupted purchases of wool from sheep breeders which depresses further the prices offered by traders.
- (v) The Directorate does not enjoy complete freedom in the matter of sales. The state government has prohibited bulk sales to single parties. Although the floor prices are initially determined by the experts in the Directorate, the same are required to have prior approval of the state government before auctions are held. Seeking such approval is reported to be a time consuming process. The Directorate is, therefore, able to conduct hardly two/three auctions per year. It may not be out of place to mention that quick turnover is the essence of success in wool trade inasmuch as the market for wool often faces wide fluctuations.
- (vi) The centres handling purchases of wool are, by and large, located at block head quarters. Taking advantage of the distance between the centres and far off villages, a new class of middlemen who make purchases at lower prices from the flock owners from such villages and sell the stocks to the centre of the Directorate at higher prices, has emerged. Thus, the benefit of equitable prices offered by the Directorate may not always pass on to flock owners particularly belonging to the economically weaker sections.
- (vii) While the Directorate has no arrangements for collection of animals for slaughter, the practice among sheep breeders is to hand over wool to the private trader who also purchases their animals meant for slaughter.
- (viii) Even in Ajmer and Bhilwara districts where the central banks have sanctioned, through the affiliated pacs, medium-term loans for purchase of sheep units to marginal farmers identified by the MFAL Agency, there is no arrangement to effect recovery of loan in-

stalments from the proceeds of wool sold to the extension centres.

Notwithstanding the above deficiencies, the Directorate of Sheep and Wool has to be given credit for introducing and developing some organization and expertise for orderly marketing in the erstwhile unorganized wool market.

Special Programmes

8.16 It will be pertinent to mention in brief certain special programmes that have been initiated or likely to be initiated for ensuring an orderly growth of improved breeds. A sheep breeding farm with Central assistance of Rs 84.14 lakhs is being developed on 8500 acres of land at Fatehpur in Sikar district. After full development, the farm will maintain a stock of 8500 sheep including 4000 belonging to the Russian Merino variety. The programme will include formulation of methods for maintenance of foreign breed in local conditions. The cross-bred rams maintained at the farm will in due course be utilized for AI work. Besides, the Directorate has undertaken a research programme at Shahpura in Bhilwara district. The cross-breeding programme of this centre will cover 10000 lambs during the next three years and is intended to develop the best methods for preservation of semen, dilution and transportation thereof and ideal methods for maintenance of the breeding stock, in relation to cross-breeding of Corriedale breed of rams with local Sonadi/Malpura variety of sheep.

Sheep development component under DPAP

8.17 As we have indicated in Chapter I as also earlier in this chapter, the World Bank recently approved a Drought Prone Areas Project for Jodhpur and Nagaur districts. The sheep development component of the Project includes financing the development of blocks of degraded communal grazing lands which at present are administered by the local panchayats. These areas, which are not less than 100 hectares each as a unit, will be fenced, contour furrowed, seeded with improved grasses and provided with stock water supply. The areas to be developed will not exceed 25 per cent of the total area of such land available to a village community so that (a) sheep stock which cannot be accommodated on the improved land can continue grazing along traditional lines, and (b) flock owners can compare the productivity of their stock when subjected to different levels of feeding and management. Besides, the improved pasture will need sound management complemented by improved sheep husbandry, stock quality and disease control. Sheep growers' co-operative societies are, therefore, proposed to be established for each 100 hectares unit (200 hectares in some parts) to provide a management

unit and a channel for technical assistance. Membership and hence participation in the scheme, will be voluntary. Equity will be purchased in cash and kind. The latter will consist of ewes of breedable age, subject to health inspection and valued on the basis of a live-weight price for which shares of an equivalent face value will be issued. Thus, a member, who wishes to withdraw from the society, will receive cash value for shares. He will not be allowed to withdraw his sheep handed over to the society. Preference is expected to be given to members purchasing shares in kind. No individual member will be permitted to purchase that share of the society's equity which exceeds the ratio of his sheep numbers to the total number of sheep owned by all intending members.

8.18 Guidance on the day-to-day management to sheep growers' co-operative societies and the provision of health cover to their sheep is expected to be the responsibility of the unit managers who will each look after about three societies. In addition, the unit managers are expected to provide veterinary services for all non-participating village livestock.

8.19 As a result of improved nutrition, husbandry and disease control as also improved breeding, the following results are expected:

- (a) weaning rates will increase from 50 per cent to 70 per cent;
- (b) adult mortality will fall from 10 per cent to 5 per cent;
- (c) immature mortality will fall from 25 per cent to 15 per cent;
- (d) wool yields will go up by 60 per cent; and
- (e) body growth performance will improve by 50 per cent.

Thus, participating farmers can be assured of increased income by way of return on their shares. Even so, strong financial incentives are considered necessary to persuade sheep farmers to participate in the scheme. The state government will, therefore, subsidise the cost of capital improvement and of unit managers for the first five years. Besides, a minimum return for each share purchased in kind will be guaranteed for the first four years. The minimum guaranteed return will be so fixed as to assure the farmer that the income from ewes handed over by him to the society will be 10 per cent above the present gross production value per ewe. Any operating surplus after appropriations to reserve fund, etc., will be distributed to members as bonus.

8.20 The implementation of the project will be the responsibility of service centres to be established in each district under

the Sheep and Wool Directorate. These centres are expected to publicise project activity, assist groups of interested farmers in the formation of co-operative societies, assist in managing societies and providing them with inputs and technical services. The centres will be staffed and equipped to give assistance in the improvement and management of grass lands, stock husbandry, veterinary services and marketing of wool and mutton for about 50 societies. They will also supply cross-bred rams to the societies, and in some cases, actually operate ram multiplication farms. The unit managers referred to in paragraph 8.18 above will work under the control of the centre managers. Five service centres are expected to be established in the state. Two of them will be outside Jodhpur and Nagaur districts and will be pioneer phases of similar developments in the south-eastern and north-eastern districts of the state.

8.21 The number of sheep growers' co-operative societies proposed to be organized in Jodhpur and Nagaur districts will be forty five each in the course of four years. To summarize, the proposed sheep growers' societies, apart from strengthening the income of participating farmers by giving them an assured and increased return in respect of the sheep pooled by them, will serve as demonstration plots to popularize the benefits of improved nutrition and breeding with a view to inducing the sheep breeders to adopt these progressive techniques on their own.

Institutional credit facilities

8.22 As already stated, the study in question was taken up to assess the need for institutional credit to individual farmers to undertake sheep breeding with a view to stabilizing their economy. For this purpose, field visits were undertaken in Ajmer and Bhilwara districts wherein the ccbs had issued loans through affiliated pacs to identified small/marginal farmers for purchase of sheep units. Besides, Jodhpur district was selected for field visits to ascertain the scope for issue of such loans and the reasons which prevented adoption of this activity by the credit system.

8.23 A statement showing medium-term loans for purchase of sheep issued to identified small/marginal farmers by Ajmer and Bhilwara central banks during the years 1971-2 to 1973-4 is given in Annexure 68. It will be seen therefrom that the respective banks issued loans for the purchase of 734 units in Ajmer district and 674 units in Bhilwara district. Although separate figures of recovery performance were not available as composite accounts for all medium-term purposes together were being maintained, the same is reported to be satisfactory.

However, officials of these two banks as also of the Jodhpur central bank were hesitant to take up such financing on a large scale, despite demand for the same, in the absence of institutional arrangements for organized marketing of wool and mutton and satisfactory arrangement for ensuring recovery through linking. Besides, they also felt that without institutional arrangements for organized marketing it will not be possible for them to obtain reimbursement from the RBI as the Bank wanted to be sure of such an arrangement.

8.24 The pacs visited included one each from Kekri and Bhinai blocks of Ajmer district, one each from Kotri and Suwana blocks of Bhilwara district and 2 from Bhopalgarh block of Jodhpur district. A statement showing the number of sheep breeders in the area of each society, number of the society's members, of whom sheep breeders, etc., in the areas of the six societies visited is given in Annexure 69. Another statement (Annexure 70) indicates the number of sheep breeders financed, amount of loans issued and recovery performance thereof in respect of the four societies from Ajmer and Bhilwara districts. It will be seen therefrom that the recovery performance is, by and large, satisfactory mainly because of the small number of loans issued. This may be so because refinance from the ccbs for such loans is available in respect of identified small/marginal farmers only.

8.25 The discussions with non-officials and general members revealed that there was a great demand for loans even without subsidy for the following reasons:

- (i) sheep breeding business generates a quick return;
- (ii) expenditure on maintenance of sheep is negligible;
- (iii) unlike milch cattle, mortality of animals does not involve complete loss of livestock;
- (iv) annual lambing ensures not only replacement of dead/sold animals but also appreciation of asset due to increase in the number of sheep;
- (v) the occupation is capable of adoption by small and economically weak farmers; and
- (vi) the cultivators are assured of a regular and fixed income from sheep breeding.

8.26 The study thus reveals that there is demand for loans for purchase of sheep units and that the co-operative credit agencies are keen to take up the activity provided adequate reimbursement for the purpose becomes available from the RBI and institutional arrangements are guaranteed for organized

marketing not only to effect recoveries but also to assure a fair return to the person. Reportedly, there is already an over exploitation of grazing areas. The policy in respect of loans for purchase of sheep units should not, therefore, result in increasing the sheep population. The credit support may be for upgrading the breeding stock. This means alongwith credit for purchase of suitable sheep flocks, arrangements for extension of health cover and AI facilities to the borrowers will have to be ensured. If this is done, the beneficiary will be in a position to replace his uneconomic animals with better breeds and improve his income. Besides, cultivators who are not presently sheep farmers can be extended loans for purchase of sheep units to supplement their income. This class of farmers will necessarily buy sheep from large flock owners who may be interested in disposing a part of their breeding stock. Extension of such loans will not, therefore, lead to any increase in sheep population. It was reported during the course of the study that a large number of cultivators belonging mostly to small and economically weak category were interested in maintaining sheep flocks but were not in a position to do so due to non-availability of finance for the purpose. Extension of medium-term loans for acquisition of sheep flocks will, therefore, serve the social objective of supplementing the agricultural income of such class of farmers.

8.27 At the same time, concentration of sheep population in an area out of proportion to the availability of grazing grounds will have to be avoided. Besides, it will have also to be ensured that the beneficiaries of loans are provided with extension, medical cover and AI facilities offered by the Directorate so as to ensure upgrading of their breeding stock and increased income for them from the activity. We suggest, therefore, that the district level credit agency should draw its annual lending programme for the purpose in close collaboration and consultation with the concerned District Sheep and Wool Officers of the Directorate.

8.28 The above approach is already being adopted to a certain degree by the Ajmer and Bhilwara central banks in respect of medium-term loans for purchase of sheep units to identified small/marginal farmers. The purchase of sheep unit of 30 ewes and 1 ram is certified by a committee with representation for the concerned Sheep and Wool Extension Officer. The sheep are either ear-tagged or tattooed in some cases to facilitate identification. The extension/AI centres of the Directorate take special care of the sheep units of the beneficiary farmers by extending their facilities to them. The position obtaining in Udaigarh Kheda GSS, Dhantol, in Bhinai block of Ajmer district visited during the course of the study, can be cited to illustrate the point. The society had issued loans for purchase

of sheep flocks to 20 small/marginal farmers. A statement showing the names of beneficiary farmers, date of loan, number of sheep purchased and the present position of sheep stock is contained in Annexure 71. It will be observed therefrom that excepting in three cases the stock has increased substantially in number and most of these flocks have a good number of cross-bred sheep/lambs.

Need for short-term finance

8.29 The expenditure for maintenance of the sheep flock, in particular the stationary flocks from normal areas, is negligible. The flock owners from the arid and semi-arid zones, by and large, face the problem of nutrition during November to June especially when there is failure of rains which is quite frequent in these regions. In the event of such calamity they need finance either for purchase of fodder, pre-mixed feed and feed pellets or alternatively some cash assistance to migrate the sheep flock temporarily. While a suggestion for making available the needs in kind has been made in the subsequent paragraphs, it may have to be considered whether the assistance in case for a temporary period not exceeding eight months can be allowed to breeders who are required to migrate their flocks. Such cash assistance may have to be linked with the compulsory deposits to be made out of sale proceeds with the marketing organization referred to in later paragraphs.

Economics

8.30 A revised economics for a sheep unit of 30 ewes and one ram inclusive of cost of paddock prepared by the Project Officer, MFAL Agency, Ajmer is given in Annexure 72. It will be seen therefrom that a medium-term loan of Rs 3000 for purchase of a sheep unit can be repaid by the beneficiary farmer in five annual instalments out of the income generated from the sheep flock purchased by him even if the beneficiary is denied the subsidy which is available to small/marginal farmers covered by the SFDA/MFAL Schemes. The repayment schedule given in the economics of the Agency, however, needs partial revision for the following reasons:

- (i) Since the entire expenditure of Rs 3000 will be met from the loan, the equal annual instalments for repayment thereof amount to Rs 600 each.
- (ii) Interest burden had been calculated by the Agency at the rate of 10 per cent per annum. Following the recent upward revision in the Bank Rate, the societies in Rajasthan have enhanced their rate of interest to 13 per cent per annum.

- (iii) A reduction of 10 per cent may be made in the expected gross income as an allowance for contingencies like slump in prices.

Taking into consideration the above observations, it may not be possible for the sheep breeder to meet the entire burden of annual instalment together with interest thereon in the initial one/two years. The repayment schedule for the medium-term loan, while confining the total period to five years, will have to be revised as under:

Year	Rs				
	Gross income@	Instalment	Interest*	Total (3+4)	Balance (2-5)
(1)	(2)	(3)	(4)	(5)	(6)
First	765	200	390	590	175
Second	954	400	364	764	190
Third	1179	600	312	912	267
Fourth	1611	900	234	1134	477
Fifth	2061	900	117	1017	1044
Total	6570	3000	1417	4417	2153

@ Assumed 10 per cent less than shown in economics.

*Calculated at 13 per cent per annum.

The above table illustrates that the repayment towards principal will be facilitated if the annual instalments are not equal but fixed in an ascending order starting from Rs 200 in the first year to Rs 900 in the fourth and fifth year. This is so because there will be increase in sheep stock of the breeder from year to year coupled with progressive decline of annual interest burden on him. We, therefore, suggest that the repayment of medium-term loan may not be insisted in equal annual instalments but the total burden can be in an ascending order proportionate to the increase in gross income of the breeder. From column 6 of the table, it will be observed that sufficient surplus will be left with the beneficiary to take care of increase in prices of sheep and simultaneous increase in loan amount even if there is no increase in the market price of sheep products.

Security for loan

8.31 Though the bigger farmers are prone to give full attention to improving their agriculture and, therefore, not interested in sheep breeding activity, the farmers interested in acquisition of sheep flocks are, by and large, small/marginal or economically weak. For obvious reasons, it will be difficult for the small and economically weak farmers to offer landed security of adequate value for the loan. In the paragraphs that follow suggestions regarding development of institutional arrangements for marketing of wool and mutton have been made. If some such arrangements are eventually made, the recovery of loan instalments through sale proceeds can be

ensured. We are of the view, therefore, that medium-term loans for purchase of sheep upto Rs 3000 may be extended to economically weak farmers without insistence on mortgage or charge on land on the basis of joint and several liability of a group of not less than 5 farmers. The facility to take a term loan of that order to a farmer who is prepared to mortgage his lands should, however, continue.

Institutions for dispensation of credit

8.32 We have already recommended in Chapter IV that the existing pacs need restructuring so as to create bigger societies each having an independent full-time paid secretary and a minimum loan business of Rs 2 lakhs. We have suggested the organization of multi-purpose societies as a better alternative to the organization of functional credit societies. This is necessary to avoid the problem of offering security to different institutions for a borrower member. The commercial banks will also prefer to lend for agriculture and allied activities through one base level institution which can be the restructured pacs. The existing pacs in Ajmer and Bhilwara districts are already issuing loans for purchase of sheep flocks without difficulty. During the course of field visits in Jodhpur district it was observed that the managements of primary societies visited were willing and keen to take up the above loan business. For, they felt that they will not only be meeting the genuine requirements of their members, but the activity, if taken up, will help widen their effective coverage. We reiterate, therefore, that no separate institutions for disbursement of credit for purchase of sheep flocks are necessary at the primary level in the state and business, wherever there is potential, may be entrusted to the pacs.

8.33 As regards the district level institutions, it may be stated that the pacs can obtain financial accommodation for the purpose from the concerned co-operative bank or the branch of the state co-operative bank/commercial bank as the case may be.

Institutional arrangements for marketing

8.34 Although sheep breeding has been an important rural occupation undertaken in the pastures of Rajasthan, the sheep breeders depend, by and large, on private intermediaries for the marketing of their wool and mutton and are thus deprived of a fair return for their products. Although the Directorate has launched a scheme for purchase of wool to free the sheep breeders from the grip of the middlemen, their share in purchase of wool is very limited *vis-a-vis* the total production. Attempts had been made in the past to organize a few wool

marketing societies like the one at Kekri in Ajmer district. But these societies had become defunct on account of lack of adequate resources, organization and expertise to handle the complex business of wool marketing. Wool prices are susceptible to wide fluctuations and in the absence of trained personnel to handle the sale policy, the activity can prove unprofitable. In the light of these observations any institution created for collection, grading and sale of wool will have to concentrate solely on this business. Besides, it should be in a position to mobilize adequate resources if it is to have a major share in the total wool produced. Further, it should have arrangements for collection of wool from distant villages. Above all, it should have an organization and expertise for efficiently handling wool collection, grading and marketing.

8.35 Another essential requirement is that the profits should partly be retained by the institution itself and partly distributed among the sheep breeders. This will be possible if the institution undertakes to pool the wool and does not make outright purchases. This will simultaneously obviate the institution shouldering the burden of losses in the event of fall in prices. In this connexion, it may be worthwhile to draw on the experience of the arrangements for marketing of cotton in the Broach district of Gujarat.

8.36 In the Broach district pacs issued production finance for cultivation of cotton. A cotton marketing society operates over a wider area corresponding to a block or tehsil. All the primaries in the area are affiliated to the marketing society. The latter has its own arrangements for ginning and pressing of cotton. Individual cultivators pool their cotton directly in the marketing society and are paid an advance equivalent to 75 per cent of the market price of the cotton delivered through their credit society. The cotton tendered is accepted on behalf of not the individual members but the primary society of which they are members. Non-members are not allowed to pool their cotton unless they enrol themselves as members of the primary society of their area. On ginning and pressing of cotton the sale of pressed bales is effected through an union of the marketing societies. The managements of these societies have, however, the freedom to decide the price at which the bales may be sold. On realization of sale proceeds, the ginning and pressing charges and commission are deducted from the sales proceeds and the surplus left is distributed to individual cultivators as final payment through their primary societies in proportion to the quantity and quality of cotton pooled by them. The cultivators are also required to make compulsory deposits at a nominal proportion of their sale proceeds with a view to strengthening the resources of the marketing as well

as primary credit societies. The primary societies adjust 50 per cent of the advance payment towards the loan due from the concerned tenderer and the balance, if any, is recovered at the time of the final payment. Thus, the system ensures complete linking of credit with marketing as also a fair return to the cotton grower. The system is working successfully inasmuch as the influence of middlemen in cotton trade has almost disappeared in the district.

8.37 In the light of observations made above the institutional arrangement for marketing of wool in Rajasthan may have to combine the organization and expertise already available under the government scheme with the experience of cotton marketing in Gujarat. Unlike the cotton sale societies in Broach district, the jurisdiction of a wool marketing society will have to be wider, as the quantity of wool produced in each district in Rajasthan is much lower than that of cotton produced in the Broach district. It is, therefore, suggested that to ensure viability, the sheep and wool marketing society in Rajasthan may serve the whole district. Such a society will need a strong capital base. For example, if the total annual wool production in a district is of the order of Rs 120 lakhs and the society is to handle 75 per cent of such production, its annual sales will be Rs 90 lakhs. Assuming four turnovers, the society may have to hold stocks not exceeding in value Rs 22.50 lakhs. If the bank's margin is 25 per cent of the value, the society will need owned funds of about Rs 5.50 lakhs to provide the margin. In addition, there will be some dead-stock, vehicles, etc. Thus, the owned funds of the society may have to be of the order of Rs 7 lakhs. The membership of the society may be kept open to the state government, the pacs and other co-operative institutions and to individual sheep breeders in the district. Mobilization of share capital from the latter two sources will be limited at least in the beginning and hence initially the state government may have to contribute bulk of the share capital of the district level marketing society. Since on the organization of the marketing society, the government scheme for purchase of wool will be withdrawn from the district, the budget provision made in that behalf for the district can perhaps be diverted for contributing to the share capital of the marketing society.

8.38 The managing committee of the marketing society may be nominated for the first two years. The Chairman of the society can be an officer of suitable rank from the Directorate and the Deputy/Assistant Registrar of Co-operative Societies and the Manager of the central bank may be among the directors. The remaining directors should be sheep farmers representing the affiliated pacs. The MD of the society may be an

officer on deputation from the Directorate. The state government may have also to place on deputation such other minimum staff from the Sheep and Wool and Co-operative Departments as is necessary to ensure efficient functioning of the society.

8.39 Collection of wool can be made by the existing extension centres of the Directorate. The staff attached to such centres, viz., an Extension Officer and two stockmen, is at present engaged in the purchase of wool for about four months in a year, i.e., for about 2 months at the time of each shearing. One-third of the annual salary of the staff may, therefore, be reimbursed by the marketing society to the state government. In addition, the society can, in a phased manner, open its own purchase centres. Besides, the society may maintain mobile grading units. Good working primary societies with godown facilities may be authorized to collect wool and keep the same in separate bundles. The mobile unit of the marketing society can visit such primary societies on appointed days to decide on the quantity and quality of wool tendered by each sheep farmer. In short, arrangements are possible to ensure that even the distant villages have purchase points of the marketing society in the vicinity.

8.40 The collection of wool should not be on outright purchase basis. On tendering the wool, the farmer may be entitled to an advance up to say, 75 per cent of the market price of the wool. After collection the wool should be graded and pressed in bales. For this purpose the grading centres available with the state government may be utilized by the district level sheep and wool marketing societies. The society should have complete freedom to decide its sales policy. It may make bulk sales to single parties or hold auctions as often as is necessary. It should, however, aim at quick turnover and avoid carrying over of unsold stocks to the next season. On realization of the sale proceeds, the marketing society should be entitled to certain commission on turnover for meeting its management and other expenses. The balance of the sale proceeds may be distributed as the final payment among sheep farmers in proportion to the quantity and quality of wool pooled by them.

8.41 The first and final payments may be made to the sheep farmers through the primary society of their area. The adoption of the Gujarat system of insisting on even the non-borrowers and non-members to observe this discipline is very necessary to ward off merchants and traders in wool and to ensure that the benefits of the scheme accrue to sheep farmers only. The primary societies can be permitted to make adjustments from the payments, towards the loan dues from the borrower members.

8.42 At the time of transferring the payment to the pacs, the marketing society may deduct compulsorily 3 per cent to 5 per cent of the total sale proceeds towards deposits which may be utilized in its business. In dry months especially in the event of failure of rains, the marketing society may arrange for provision of fodder or pre-mixed feed to the depositor sheep farmers either on cash payment or the selling price may be debited to the sheep farmer's deposit account. However, sheep farmers for whom temporary migration of the flock is inevitable may be allowed withdrawal of their deposit in part or full at the time of migration.

8.43 In addition to the compulsory deposit suggested above, the marketing society may be permitted to make another nominal deduction, say, at one per cent of the sale proceeds to be transferred to the central bank for credit to a Mortality Fund to be maintained by it. The central bank itself can make a small contribution to the fund annually out of its distributable profits. In addition, the state government may sanction grants-in-aid on matching basis for credit of the fund. The fund should be drawn upon to provide partial or full relief in the repayment of medium-term loan instalments to a sheep farmer who is affected by large scale mortality of his sheep flock, say, at least to the extent of 50 per cent, not on account of mismanagement but because of occurrence of an epidemic. For this purpose, the application of the flock owner seeking relief may be routed through the primary society. On receipt of the application, the central bank can arrange for an on-the-spot enquiry by a team comprising the concerned inspector of the bank and Extension Officer of the Directorate. The extent of relief may be decided on the basis of the enquiry report and the loan instalment/s together with interest can be deemed as recovered by debit to the Mortality Fund. Since the sheep farmers obtaining medium-term loans are expected to receive special attention in the matter of vaccination, health cover, etc., from the extension centre of the area, the need for the suggested relief may not be widespread.

8.44 A similar procedure as in the case of wool can be adopted for collection and sale of animals to be disposed of for mutton. In Bhilwara district, the sheep commonly reared belongs to Sonadi variety. The animal is mostly reared for mutton. Presently, traders and merchants in Bhilwara district transport live animals in trucks for sale in Delhi, Ahmedabad and Bombay markets. The same arrangements can be made by the district level sheep and wool marketing society although the return from the sale of animals will be less on account of loss (about 10 per cent) in body weight of animals and mortality of animals (about 5 per cent) in transit and loss of income from skin,

bones, etc. But there appears to be no alternative as the establishment of a slaughter house cannot, for obvious reasons, be considered until the district level marketing societies for various districts stabilize their position.

8.45 Once all the districts with potential for sheep development have their own sheep and wool marketing societies, the societies can join in a state level federation. The federation may co-ordinate the activities of the affiliated district societies. It can consider establishment of a slaughter house. Besides, it may in due course make its own arrangements for carding, combing, and carbonization of wool which activity will prove beneficial if the Federation establishes its own woollen mill. However, all these activities have to be considered in a phased programme of development of institutional marketing.

8.46 The RBI sanctioned five year medium-term loan limits to the Ajmer and Bhilwara ccbs for reimbursement of medium-term loans issued by them to identified small/marginal farmers for purchase of sheep units. In view of the economics contained in paragraph 8.30 above, sanction of five-year limits for the purpose seems justified. Besides, for the reasons mentioned in the same paragraph, fixing of annual instalments for the repayment of principal on a rising scale from year to year may have to be considered. Further, if the arrangements for institutional marketing of sheep and wool on the lines suggested are introduced and the lending programme in respect of loans for purchase of sheep units is finalized in consultation with the District Sheep and Wool Officer, sanction of medium-term limits for the purpose can be considered by the RBI in respect of all sheep farmers and to other ccbs.

8.47 The proposed district level sheep and wool marketing societies will require cash credit accommodation to finance their marketing business. It may not be possible for the co-operative banking system in Rajasthan to provide such facility without any reimbursement from the RBI. The Bank may be requested to consider providing reimbursement facilities to the district level institutions through the normal channel, viz., the state and central co-operative banks, for financing collection, grading and marketing of sheep and wool. The cash credit limits may be sanctioned for a co-operative year and each drawal under the limit treated as demand loan and allowed the period of 90 days for repayment. A longer period has not been suggested to ensure quick turnover. It has already been suggested that the first payment on the basis of floor price should be made on tender of wool/sheep through the primary society of the concerned sheep farmer. Adoption of such a practice will ensure that the benefits of marketing accommodation

provided by the Reserve Bank do not accrue to traders and middlemen.

Government aid

8.48 As indicated earlier, the MD of the proposed district sheep and wool marketing society should be an officer on deputation from the Directorate. Besides, it has been suggested that certain key personnel for the society may have to be placed on deputation from the Sheep and Wool and Co-operative Departments. Further, the proposed society will reimburse one-third of the annual salary of the staff of extension centres in its area. The above management and other expenses can be met by the society from the commission on turnover to which it will be entitled. This is not possible unless the society handles certain level of business. The proposed society may take three years or more to stand on its own. The state government may have, therefore, to consider sanctioning a suitable management subsidy to each society. Alternatively, the government may place the above staff on duty with the society and bear their salaries, initially for the first three years.

Goat rearing

8.49 It will be seen from the above paragraphs that suggestions for the creation of an institutional structure for providing credit and marketing facilities for the sheep breeding business is possible because of the availability of an infrastructure that has been built up over the years by the state government. No such infrastructure exists in the case of goat rearing activities. In view of this and also the fact that there are no arrangements for the extension of health cover, AI facilities, etc., we offer no suggestions regarding institutional credit arrangements for financing goat rearing activities.

CONCLUDING REMARKS

8.50 We have in the above paragraphs considered at length the possibilities of providing institutional facilities for the credit and marketing of sheep in the context of the potential this activity offers from the view point of a guaranteed return to a farmer, particularly from the arid and semi-arid districts in the state. Such a farmer cannot be sure of a regular return from agriculture. Our analysis brings out that with refinance from the higher financing agency, it will not be difficult for the re-organized primaries to provide credit for purchase of sheep flocks especially when we envisage that each such society will be served by a full-time paid secretary. However, the scope for such loans is limited on account of the over exploitation of grazing grounds by the already large sheep population

in the state. At the same time, a large number of farmers, particularly belonging to small and economically weak category, are interested in maintaining a sheep unit as an ancillary occupation. Those having such units may be interested in replacement of their uneconomic sheep by purchasing sheep of better breed. Besides, various programmes are proposed for the development of pastures in the arid and semi-arid districts. The ccbs from the arid and semi-arid zones can, therefore, explore the areas offering scope for loans for purchase of sheep units. However, to avoid over concentration of the sheep population in an area and to integrate credit with extension facilities, each bank will have to draw its annual lending programme for the purpose in consultation with the concerned district office of the Sheep and Wool Directorate. We recommend, therefore, that the GOR and the RSCB may provide broad guidelines and induce the ccbs operating in the arid and semi-arid zones to identify areas and explore the possibility of dispensing credit for sheep breeding on the lines suggested by us.

8.51 The visits to six primary societies during the course of the study taken up at our instance indicates that many farmers residing in the areas of each society are already maintaining sheep units and some of them are also members of the society of their area (Annexure 69). The urgent need is to ensure for them a fair and regular return from their sheep business activity. The same will be true of farmers who will be provided with loans for the purchase of sheep units. The study of nineteen societies undertaken at our instance to assess the causes of poor coverage and lower borrowing membership of pacs has brought out that the performance of a primary society in these matters is closely linked to its ability to provide not only credit but also the range of services needed by the farmer (Section II of Chapter IV). Institutional arrangements for marketing proposed by us assume, therefore, a greater importance. If satisfactory arrangements for marketing of sheep and wool are made, exploitation of farmers by middlemen will be mitigated/prevented and a fair and regular return assured to the farmers through the credit society of their area. This in turn will help the primary societies to widen their coverage of farmers in their area, expand their loan business and attain viability quickly. The farmers will receive the necessary help for stabilizing their income and may not have to rely solely on the income from agriculture. This itself will help the primary societies to ensure, even in lean years, the recovery of agricultural loans which may not be large in quantum being for low value food crops. In fact, automatic recovery of even agricultural loans will be possible as the society will be in a position to lay hands on return from the sale of sheep products which

have necessarily to be marketed. We, therefore, urge on the state government to seriously consider our suggestions regarding institutional marketing of sheep and wool. A beginning can be made by organizing district level sheep and wool marketing societies for two/three districts from the arid and semi-arid zones. Involvement of the pacs in the arrangements for marketing of sheep products and their close liaison with the proposed district marketing society is very necessary and should on no account be overlooked. The scheme may be extended to other districts in phases depending on the success and experience gained from the pilot district marketing societies. For, in ensuring suitable institutional frame-work for the development of activities allied to agriculture, of which sheep breeding is the most important, lies the hope of improving the economy of farmers in the arid and semi-arid areas for whom agriculture proper may not be for some time to come a regular surplus generator.

CHAPTER IX

BLOCK-WISE PLAN OF ACTION FOR RE-ORGANIZATION OF PRIMARY CO-OPERATIVE CREDIT STRUCTURE

9.01 AFTER reviewing the performance of the primary agricultural credit structure in the state, we have, in Chapter IV, emphasized the need for re-organizing the pacs and spelt out the direction in which this may be brought about. We then indicated that it would be desirable to make an assessment block-by-block and identify the societies to be retained. To facilitate the implementation of this suggestion, we give in this chapter a block-wise plan of action for organization and re-organization of the societies in respect of each of the twenty-six districts in the state so as to have ultimately only viable societies by 1978-9.

9.02 In paragraph 4.60 of Chapter IV, we have recommended that the jurisdiction of a primary credit society should normally extend to 2000 hectares of land under cultivation in the normal zone and to 5000 hectares in the arid and semi-arid zones. At the same time, we pointed out that these were only the broad norms and that the actual number of societies to be retained in an area would depend not only on the cropped area but also on the potential for business of at least Rs 2 lakhs to be reached in 1978-9. In drawing the final plan, account has to be taken not only of the business potential as roughly determined with reference to the cropped area, but also of such factors as facility of communications and the financial position and operational efficiency of the concerned societies. The actual location of the society identified to be retained within a given area in the block will depend largely on the latter considerations.

9.03 In view of this position, it becomes necessary first to estimate the amount of loan business that may be handled in 1978-9 by pacs in each block in the state. On the basis of the norms suggested in paragraph 6.03 of Chapter VI, the total short-term credit requirements for the state as a whole work out to about Rs 190 crores. In paragraph 6.04 of the chapter,

we have stated that on a very conservative basis the same may rise by about 5 per cent to Rs 200 crores in 1978-9. We have recommended later in the same chapter that the re-organized societies at the base level should be placed in a position to handle by 1978-9 short-term credit business of Rs 120 crores, i.e., 60 per cent of the credit requirements in that year, with credit support to the extent of Rs 95 crores from the state and central co-operative banks and Rs 25 crores from commercial banks. We may follow the same basis to estimate the short-term credit requirements in each block in 1978-9 and the level of such business that may be handled by the pacs in the block in 1978-9. At the rate of one society for the short-term credit business of Rs 2 lakhs, the number of societies that will be necessary in each block can also be worked out. This of course presupposes that there will be uniform and even growth and no regional imbalances in the dispensation of agricultural credit in the state. While the removal of regional imbalances in the dispensation of credit is very much necessary and should be the objective, it may not in practice be feasible to totally remove the same for various reasons, the most important being the strength of the intermediate level institutions and their capacity to provide financial support to the base level institutions. In view of this position, the number of pacs that may be retained in a block will vary between the number of such institutions which the block can support (i) on the basis of the gross cropped area and (ii) in relation to the projected level of credit business in 1978-9, depending on the location of the block. To facilitate our block-wise analysis, therefore, we give in Annexure 73 a block-wise statement showing the number of pacs, dormant societies, gross cropped area, the number of societies which each block can support on the basis of gross cropped area, the estimated short-term credit requirements in the block in 1978-9, the level of credit business that may be handled by the primaries in the block in 1978-9 and the number of societies which each block can support in relation to such business.

9.04 Of the 232 blocks in the state, 175 blocks have excess societies, i.e., more than the number that should exist on the basis of the optimum cropped area to be covered by each society. If, however, the number of institutions necessary for a block is related to the projected level of short-term credit business in 1978-9, the number of blocks with excess societies will

rise to 181. An '@' mark is put against the names of these 181 blocks in Annexure 73 to facilitate ready reference. Besides, a separate district-wise list of these blocks is given in Annexure 74. The position is summarized in the table given below:

Blocks with excess societies in relation to expected level of loan business in 1978-9

NTA		TA		AZ		SAZ	
District	No. of blocks	District	No. of blocks	District	No. of blocks	District	No. of blocks
Ajmer	6	Banswara	7	Barmer	3	Jalore	4
Alwar	13	Chittorgarh	12	Bikaner	1	Jhunjhunu	8
Bharatpur	13	Dungarpur	5	Churu	1	Jodhpur	4
Bhilwara	10	Sirohi	5	Jaisalmer	3	Nagaur	8
Bundi	2	Udaipur	18			Sikar	8
Ganganagar	1						
Jaipur	15						
Jhalawar	6						
Kota	7						
Pali	8						
Sawai							
Madhopur	10						
Tonk	3						
Total	94		47		8		32

The zone-wise position is as under:

Zone	Total No. of blocks	No. of blocks with excess societies
Normal		
(a) NTA	119	94
(b) TA	48	47
Arid	22	8
Semi-arid	43	32
Total	232	181

All the blocks in 10 districts, viz., Bharatpur, Jhalawar and Sawai Madhopur (NTA), Chittorgarh, Dungarpur, Sirohi and Udaipur (TA), Jaisalmer (AZ) and Jhunjhunu and Sikar (SAZ), have excess societies.

9.05 In Annexure 74, the 181 blocks with excess societies have been classified in two categories, viz., (a) blocks wherein the number of dormant societies is less than the number considered excessive in each block and (b) blocks in which the number of dormant societies is more than the number of societies which is considered excessive. Of the 181 blocks, 123 fall in category (a) and 58 in category (b). In respect of blocks in category (a), the re-organization of primary structure may be on the basis of weeding out first all the dormant societies on the assumption

that they are evenly distributed over the entire block. If, however, in a given area with a potential loan business of Rs 2 lakhs, all the existing societies are dormant, a new society will have to be registered if the financial position of all the dormant societies is beyond repair. Otherwise, one of the dormant societies may have to be revived with a wider jurisdiction. Since the number of dormant societies in (a) category blocks is less than the number considered excess, the re-organization will include weeding out not only the dormant institutions but also some non-viable/marginally functioning institutions. In fact, 8 blocks in this category do not have a single dormant institution. To facilitate ready reference, an asterisk mark (*) is put against the names of these blocks in Annexure 74. In these 8 blocks, the societies to go out will have to be selected from among the functioning institutions. We suggest that 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 areas of adjoining societies which have to be weeded out. Similar procedure may also be adopted in blocks in which, apart from dormant institutions, some non-viable/marginally functioning institutions will have to be dispensed with.

9.06 In the case of 58 blocks in category (b), while some dormant institutions equivalent approximately to the number of excess societies in each case may have to be weeded out, it may be necessary as in the above case to organize new societies if none of the remaining dormant societies can be revitalized. We suggest that the dormant societies selected for revitalization may be such as have relatively lower level of overdues as also a lower proportion of bad and doubtful assets *vis-a-vis* the owned funds. Two blocks other than the above 181 blocks, viz., Bagidora in Banswara district and Uniara in Tonk district, can support the existing number of societies, majority of which are, however, dormant. In these two blocks it may not be advisable to start altogether new societies and, therefore, some of the dormant societies may have to be revitalized. The blocks in category (b) include also all the three blocks in Jaisalmer district. The district has 102 pacs, of which 95 are dormant. The district can, however, support only 32 societies. Thus, there are 70 excess societies. The re-organization suggested for the two blocks one each from Banswara and Tonk districts may hold good for Jaisalmer district also.

9.07 It will be advantageous to draw the whole plan with reference to a map for the area of each block showing the location of the existing societies including the dormant ones and that of the societies to be retained with their respective jurisdiction. We recommend that this should be attempted by the cen-

tral bank of the district in collaboration with the Assistant Registrar of Co-operative Societies with necessary guidance from the RSCB and the RCS.

9.08 The blocks which can support additional societies in relation to the projected level of loan business at the primary level in 1978-9, number 49. A list of these blocks with the number of additional societies required is contained in Annexure 75. The district-wise position is tabulated below:

District	Total No. of blocks in the district	No. of blocks in which additional societies are required	No. of dormant societies in blocks in column (3)	No. of additional societies required
(1)	(2)	(3)	(4)	(5)
Normal Zone (NTA)				
Ajmer	8	2	2	11
Alwar	14	1	2	4
Bhilwara	11	1	5	4
Bundi	4	2	11	18
Ganganagar	9	8	90	369
Jaipur	17	2	12	19
Kota	11	4	3	35
Pali	10	2	19	24
Tonk	6	2	9	7
Sub-total	90	24	153	491
Arid Zone				
Barmer	8	5	28	132
Bikaner	4	3	53	28
Churu	7	6	90	84
Sub-total	19	14	171	244
Semi-arid Zone				
Jalore	7	3	64	99
Jodhpur	9	5	60	72
Nagaur	11	3	66	17
Sub-total	27	11	190	188
Total	136	49	514	923

From the above table, it will be seen that in the 49 blocks listed in Annexure 75, 923 more societies can be supported on the basis of the loan potential. Besides, 514 dormant societies in these blocks will have to be revitalized. Bulk of the new societies required (801 out of 923) are, however, accounted for by 33 blocks in the district of Ganganagar and six districts from the arid and semi-arid zones. These 33 blocks have also 451 dormant institutions. However, the above position emerges on the assumption that the primary societies in each block in the state will in 1978-9 meet 60 per cent of the short-term credit needs. As already indicated, the realization of this objective

will largely depend on the credit support that may be forthcoming to the pacs in their area from the concerned ccbs. At least five of the fifteen central banks in whose jurisdiction the registration of new societies may be necessary, have been identified by us in Chapter III as not having even the minimum level of efficiency. These are Barmer, Bikaner, Churu, Jalore and Nagaur central banks. We have proposed that these banks may be allowed continued existence subject to a review of their performance in 1978-9 on the condition that the Barmer and Bikaner banks should take up the level of their short-term loan business to Rs 150 lakhs each by 1978-9 and that the other three banks, viz., Churu, Jalore and Nagaur, should increase their such business to at least Rs 100 lakhs each by that year. Even if these five banks satisfy the above condition, the primaries in the areas of at least four banks (i.e., barring Bikaner) will not be in a position to meet 60 per cent of the short-term credit needs for want of adequate credit support from the concerned banks, despite introduction of commercial banks to shoulder a part of their responsibility, as can be seen from the table given below.

District	Estimated short-term credit potential in 1978-9	Credit that will have to be met by primaries in the district if they meet 60% of the credit needs	Rs Crores	
			the commercial banks	the central bank of the district
Barmer	12.28	7.37	2.60	4.77
Bikaner	4.92	2.95	1.20	1.75
Churu	9.65	5.79	2.40	3.39
Jalore	9.03	5.42	1.60	3.82
Nagaur	10.12	6.07	2.20	3.87

Thus, while with concerted efforts the Bikaner bank may be in a position to provide the needed credit support to the primary societies in its area, the societies in the other four districts are not likely to receive the required financial assistance from the concerned central bank. In view of this position, we are of the opinion that the question of organizing 332 new societies in 17 blocks of the districts of Barmer, Churu, Jalore and Nagaur may not arise at least till the end of the Fifth Five Year Plan. We recommend, therefore, that in so far as the 17 blocks in the above four districts are concerned, the existing number of pacs in each block may be deemed as adequate and that the efforts for re-organization of primary societies in these blocks may be restricted to revitalization of the existing dormant societies to the extent possible by 30 June 1977.

9.09 As regards the 32 blocks in the remaining 11 districts, we are of the view that the question of organizing 591 new societies in these blocks in the next four years cannot be altogether ruled out as the concerned central banks can, with strenuous efforts, manage to render the necessary credit support in 1978-9 to the primary societies in their respective districts. However, even in the case of these 32 blocks, we would suggest that during the first one or two years, the efforts may be concentrated on revitalizing the existing dormant institutions and the question of organizing additional societies may be considered thereafter depending on the increase in the support from the cfas.

Over-all picture

9.10 In the above paragraphs, we have suggested that while the area of a primary credit society may broadly cover 2000 hectares of land under cultivation in the normal zone and 5000 hectares of land in the arid and semi-arid zones, the actual number of societies to be retained in a block will have to be linked to the projected level of short-term credit business that is expected to be handled by the primary level institutions in the block by 1978-9. On this basis, the number of excess societies in 181 blocks works out to 2664 and the number of additional societies required in 49 blocks is 923. Two blocks, viz., Bagidora in Banswara district and Uniara in Tonk district, have neither excess societies nor organization of new societies in the blocks is necessary. The list of 181 blocks is contained in Annexure 74 and that of 49 blocks in Annexure 75. The total number of societies that should be retained in the state on this basis will work out to 6000 as under:

Existing number of societies	7741
Less : Excess societies in 181 blocks	2664
	<hr/>
	5077
Add : Additional societies necessary in 49 blocks	923
	<hr/>
	6000
	<hr/>

However, we have suggested that organization of 332 new societies in 17 blocks from the districts of Barmer, Churu, Jalore and Nagaur may not be necessary. To facilitate ready reference, an asterisk mark (*) is put against the names of these 17 blocks in Annexure 75. Thus, the total number of societies that may emerge in the state in 1978-9 will be 5668 (6000—332). This is inclusive of 591 new societies which may have to be registered in 32 blocks as indicated in paragraph 9.09.

9.11 Besides, we have recommended in Chapter VII that steps may be initiated to organize special types of societies by amalgamating/by-passing some of the existing societies in six blocks in

the tribal area, viz., two each from the districts of Banswara and Dungarpur and one each from the districts of Chittorgarh and Udaipur. After re-organization of the existing societies into viable units, each tribal block in these four districts will support, on an average, 12 societies in Banswara district, 20 societies in Chittorgarh district and 10 societies each in Dungarpur and Udaipur districts. If special types of societies are organized in six tribal blocks in these four districts, the number of 'Adimjati Seva Samitis' in each such block will be 50 per cent of the number of viable societies which the block can support. Thus, organization of special societies in tribal blocks will result in reduction in the total number of societies by 12 (6 x 2) in Banswara district, 10 in Chittorgarh district, 10 (5 x 2) in Dungarpur district and 5 in Udaipur district. The number of societies will thus be less by 37. By deducting this number from the total number of societies that can be retained in the state at 5668 as worked out in paragraph 9.10 above, we feel that it will be sufficient if the programme of re-organization is pushed through with vigour to reduce the number of pacs in the state from 7741 as on 30.6.74 to 5631 (5668-37) or, say, about 5600 by 1978-9 all over the state inclusive of the special societies in the tribal belt. The district-wise position is indicated in Annexure 76.

9.12 On the recommendations of the National Commission on Agriculture, the GOI have advised the state governments to organise a few farmers service societies in each state on an experimental basis. Two models have been suggested in this behalf; one which will cover the entire area of a block and the other to cover an area with approximately 10000 rural population. As the former society will cover a wide area, it will have an appropriate number of branches for effective service to, and the convenience of, farmers, whereas the latter having a limited jurisdiction will have no branches. Each of these societies will have a highly qualified MD, whose salary and other allowances are expected to be met for an initial period of at least three years by the financing bank. The commercial banks have agreed to do so in respect of the societies that may be financed by them. There is no objection to a central bank undertaking to finance a farmers service society provided it agrees and can afford to meet the cost of the MD. The RBI does not consider a ccb as capable of shouldering the responsibility unless it has been paying a minimum dividend of 5 per cent. Each farmers service society must have at least three technical personnel whose cost will be borne by the government on a tapering basis for a period of five years. The technical staff is intended to provide guidance to the members of the societies and must be under the exclusive control of the MD. The managing committee of the farmers service society should also provide for a

majority for the representatives of small farmers. The idea is that the interest of the small farmers should receive the necessary attention. The society is expected to provide not only short and medium-term agricultural credit, but also long-term development credit which is at present provided by the land development banks. It will also undertake supply of agricultural inputs and distribution of consumer goods as also the marketing of the members' agricultural produce. With a view to giving a society scope to develop its business to a large scale, so that it may become a viable unit within the course of five years, it has to be given exclusive jurisdiction over its area of operation, whether it is a block-level society or a society covering smaller area. It follows, therefore, that the pacs within the area of the farmers service society must be amalgamated with it or liquidated. In the meantime, a decision has to be taken to starve the other societies of fresh finance by the ccb or the commercial bank. These farmers service societies have two distinctive features. Firstly, they will integrate credit not only with supplies, but also with technical guidance and services. Secondly, the societies will have a distinct bias in favour of small farmers who have so far not received adequate attention from the institutional credit agencies as well as the extension departments.

9.13 In Rajasthan steps have already been initiated for organization of a farmers service society with jurisdiction of less than a block in Kotri block of Bhilwara district. The society is proposed to be financed by the Bank of Baroda. We strongly recommend that the state government may initiate steps to organise at least three more farmers service societies in the state, one each in the non-tribal area and the arid and semi-arid zones. Organization of such a society in the tribal area may not be necessary as we have proposed special types of societies for the tribals. We have already recommended that in 91 blocks in the state the commercial banks may be invited to finance pacs. Since none of the central banks in the state has been paying a dividend of five per cent or more, the proposed farmers service societies will have to be organized in the blocks in which the commercial banks will be invited to finance pacs. Organization of farmers service societies in the state may be an integral part of the programme of re-organization of primary credit structure suggested by us.

9.14 In order to ensure that the programme of re-organization of the primary credit structure is completed in good time, we would urge the GOR to adhere to the following time schedule:

(i) Identification of societies to be weeded out should be completed by 31.12.75 by the RCS in consultation with the

concerned ccbs. After obtaining approval of the state government to the programme, necessary instructions to the concerned institutions should be issued by the Registrar by that date.

(ii) The societies so identified should be allowed six months' time, i.e. 1.1.76 to 30.6.76, to go into voluntary liquidation.

(iii) If the societies fail to even initiate action within the stipulated time, the Co-operative Department should use their statutory powers to bring about the required re-organization and central banks should deny fresh finance to such institutions.

(iv) The entire programme of re-organization including revitalization of dormant institutions, where necessary, should be completed by 30.6.77.

(v) The question of organization of additional societies wherever warranted, should be considered during the year 1977-8 and, if necessary, in 1978-9.

(vi) The organization of special societies in six tribal blocks should be taken up in a phased manner from 1975-6 onwards and completed in three years, i.e., by 30.6.78.

CONCLUDING REMARKS

9.15 The above block-wise analysis brings out that the total number of pacs in the state may be about 5600 as against 6000 estimated by us earlier in Chapter IV on the basis of broad analysis for the entire state. The short-fall arises because it may not be necessary to organize additional pacs in the districts of Barmer, Churu, Jalore and Nagaur as we expect that for want of adequate credit support from the concerned central banks, the primaries in these districts may not be in a position to meet 60 per cent of the short-term credit needs by 1978-9. At the same time, in some prosperous districts like Alwar, Bundi, Jhalawar and Kota, these institutions at the base level may be in a position to take up the level of the short-term credit business in 1978-9 even to more than 60 per cent of the credit potential. Thus, the short-fall in meeting credit needs to the projected level in the above four relatively less developed districts may be more than compensated by better performance in some prosperous districts. We, therefore, do not consider it necessary to revise the target of Rs 120 crores fixed by us earlier for the short-term credit business to be handled in 1978-9 by the pacs for the state as a whole. It follows, however, that some regional imbalances in the dispensation of short-term agricultural credit will continue in 1978-9. But they will at least be narrowed down. Besides, we hope that with the imple-

mentation of the plan of re-organization of primary credit structure on the lines suggested by us and the steps that will be taken to strengthen the weak central banks, the relatively less developed areas in the state will be provided with sufficiently strong institutional structure which in turn will facilitate removal of regional imbalances in the dispensation of agricultural credit, in course of time.

CHAPTER X

OVERDUES IN CO-OPERATIVE CREDIT INSTITUTIONS

10.01 IN Chapter VI we have estimated that the co-operative credit institutions and the commercial banks may be able to handle short-term agricultural production credit of the order of Rs 130 crores of which Rs 120 crores are expected to flow through pacs financed in some areas of the state by commercial banks in addition to the ccbs and the RSCB. We have also emphasized in another chapter the need for re-organizing the pacs into strong and viable units each employing a full-time paid secretary and if necessary, complementary staff because without a competent unit at the base level it may not be realistic to expect a quick growth in the provision of credit. In fact, it may even be unwise to bring about a rapid expansion without satisfactory arrangements for integrating credit with inputs and services and for efficient supervision over the end use of credit. Besides, the full-time paid secretaries will be in a position to produce a better recovery performance. Credit institutions depending on borrowings from outside in the form of loans or deposits cannot hope to take rapid strides towards meeting the credit gaps unless they can sustain the confidence of the outside creditors by their satisfactory record of recovery of the dues. The smooth flow of the credit channel can get blocked by overdues some of which may be for reasons beyond the control of the borrowers. We propose to state the factual position in regard to the position of overdues at the different levels of the co-operative credit structure before we try to analyse the causes of the overdues and suggest measures to solve the problem. It may be necessary to adopt short-term as well as long-term measures in that behalf so as to create conditions favourable for the growth of institutional credit for agriculture. Fortunately for us this matter has been examined at length by the Overdues Study Team. We have drawn extensively on the report of the Team, which was submitted in 1974, in making our own recommendations about the appropriate measures necessary to keep the overdues under control.

Magnitude of overdues

10.02 The magnitude of the problem of overdues in Rajasthan will be evident from the following table:

Item	Rs Lakhs					
	1968-9	1969-70	1970-71	1971-2	1972-3	1973-4
Primary level						
(i) Overdues	555.65	764.98	1032.83	1458.47	1144.36	1261.25
(ii) % of overdues to outstandings	31	36	44	63	43	38
(iii) Owned funds	535.34	632.54	728.03	786.29	875.29	1069.94
(iv) Deposits	117.79	121.55	130.30	143.44	179.84	200.70
(v) Internal resources (iii)+(iv)	653.13	754.09	858.33	929.73	1055.13	1270.64
Central bank level						
(i) Overdues	623.40	862.40	1088.52	1561.28	1128.90	1344.66
(ii) % of overdues to demand	30	38	42	57	42	38
(iii) Owned funds	471.87	549.05	624.48	702.11	787.60	877.63
(iv) Deposits	585.15	681.73	821.12	961.12	1258.80	1558.98
(v) Internal resources (iii)+(iv)	1057.02	1230.78	1445.60	1663.23	2046.40	2436.61

The overdues at the level of pacs in the state on 30.6.69 were within the internal resources of the societies comprising their owned funds and deposits. But due to continued deterioration thereafter up to 1971-2 and in spite of some improvement in 1972-3, the overdues at the end of June 1973 exceeded the internal resources of these institutions by Rs 89.23 lakhs. In some districts, the excess was so great that even the concerned central banks found it difficult to absorb the same at their levels. In 1973-4, the overdues increased further to Rs 12.61 crores but were absorbed by the internal resources of the primaries which had increased to Rs 12.71 crores in that year. For the state as a whole, the overdues at the central bank level exceeded the owned funds of the banks throughout the period 1968-9 to 1973-4. In some banks the bulk or all of their internal resources were locked up in overdues thereby affecting greatly their ability to take up increased lending programmes. Such a state of affairs, if allowed to continue will leave little hope for the co-operative credit institutions for taking up the loans for short-term agricultural purposes to the levels envisaged by us.

Types of default

10.03 Default in repayment of his dues in time by a borrower may be due to his reluctance or his inability on account of

circumstances beyond his control such as failure of crops caused by natural calamities. In the latter case, he is entitled for relief under the stabilization arrangements which were introduced in the co-operatives all over the country following the recommendations of the Survey Committee. It is possible, however, that for one reason or another, such as failure to pay interest on the outstanding loan, delay in the declaration of *annevari* by the state government and unwillingness of the societies or central banks to provide the facility, loans for converting the short-term dues into medium-term loans might have been denied to those who were otherwise eligible for the same. We may, therefore, distinguish between defaulters of the latter category and those in the former. While there may be a case on the one hand to provide relief, even though delayed, to such defaulters as had not received earlier the conversion facility under the stabilization arrangements so as to open the line of credit to them, it is necessary on the other hand to pursue relentlessly the action for recovery against those whose defaults are wilful.

10.04 A non-wilful defaulter has been defined by the Overdues Study Team and the Maharashtra 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. We have no reason to take a different view in the matter. The programme for rehabilitation of non-wilful defaulters implemented in Maharashtra during April-June 1973 in terms of the recommendations contained in the Interim Report of the Maharashtra Study Team is given in brief in the following paragraphs.

Maharashtra Study Team

10.05 The Maharashtra Study Team observed that there had been widespread failure of crops in the state in 1970-71, 1971-2 and 1972-3. If a cultivator with holdings in a village affected by natural calamity in 1970-71 had not been given the benefit of conversion, he would have continued to be a defaulter in 1971-2 and perhaps also in 1972-3. Similar might be the case of a borrower affected in 1971-2. Again, on the same analogy, a borrower in 1969-70 might have perhaps repaid his loan, but for the crop failure in that year. The Team was of the view that these cases might deserve relief in the form of conversion of the overdue loans, and recommended that relief should be confined primarily to those members whose cultivated holdings were situated in villages affected by natural calamity in any one of the four years between 1969-70 and 1972-3 and who had defaulted to the pacs on any date

from 31.10.69 to 30.6.72, the intention being that defaults in respect of agricultural loans borrowed in 1969-70 to 1971-2, need alone be covered under the programme. Defaults prior to October 1969 were excluded as the concerned cultivators had quite a few normal years since then. Defaults in 1972-3 were excluded as it was presumed that, wherever necessary, they would be taken care of under the normal stabilization arrangements. The Maharashtra Study Team suggested exclusion of the following categories of defaulters:

- (i) those who had taken a loan for sugarcane, banana cultivation, orchard or plantation crops in conjunction with other crops, provided the income from the former was at least 75 per cent of their total agricultural income;
- (ii) those who were income-tax or agricultural income-tax assesseees; and
- (iii) those who had deceived the societies by showing fictitious acreage or crops.

10.06 The Team felt that no discrimination need be made against such cultivators as had one or two normal years during the three years preceding 1972-3 in view of the widespread and acute scarcity conditions in the affected villages. However, since these cultivators had the benefit of one or two normal years, there would be sufficient justification if, as part of the rehabilitation programme, they were required to make partial repayment towards the principal amount under default, besides paying interest in full, depending on the number of normal years that intervened during the period 1969-70 to 1971-2.

10.07 The relief to non-wilful defaulters suggested by the Maharashtra Study Team was as under:

- (i) If 1972-3 was a normal year the defaulter might be required to pay the interest in full and 25 per cent of the principal amount, if only one of the preceding three years was a normal year.
- (ii) If two out of the three preceding years in addition to 1972-3 were normal years, he should pay the interest in full and 50 per cent of the principal amount under default.
- (iii) The part payment towards principal amount at 25 per cent, or 50 per cent as the case may be together with interest should not exceed the repaying capacity assumed at 58.33 per cent of the value of gross produce.
- (iv) If all the preceding three years were bad years and if only 1972-3 was a normal year, the member need pay only the interest in full.
- (v) If, however, the year 1972-3 was also a scarcity year, irrespective of the preceding three years being scarcity years or otherwise, the defaulter might not be required to pay any amount towards principal or interest. While the principal amount of the loan might be converted into a medium-term loan of three or five years, interest be collected in full in the year 1973-4.

10.08 In pursuance of the recommendations of the above Team, the Commissioner for Co-operation, Maharashtra, issued a set of instructions in April 1973, in terms of which Taluka/Block Level Committees were set up to screen the cases of all defaulter-members of pacs with a view to bringing only the non-wilful defaulters within the purview of the scheme for rehabilitation. The period of rehabilitation loan was limited to three or five years depending on the repaying capacity of the concerned cultivator which was assumed at 58.33 per cent of the value of gross produce. The idea was to keep the burden of instalment of rehabilitation loan and the fresh finance for cultivation as also the burden of interest thereon within the repaying capacity of the rehabilitated borrower. Actual adjustments at the society level were passed on the basis of rehabilitation order for each eligible defaulter passed by the Taluka/Block Level Committee. It was found that about 4.58 lakh defaulters forming 43 per cent of the total defaulters at 10.75 lakhs as on 30.6.72 at the primary level in Maharashtra accounting for overdues amounting to Rs 36 crores, i.e., nearly 50 per cent of the total overdues at Rs 74 crores, were non-wilful and were eligible for relief.

Recommendations of the Overdues Study Team

10.09 The overdues Study Team observed that as in Maharashtra the borrowers in other parts of the country, especially in states like Andhra Pradesh, Bihar and Rajasthan, though affected by natural calamities, were denied stabilization loans for one reason or another. Besides, relief in the second consecutive year of calamity was, by and large, never given. With a view, therefore, to clearing the backlog of overdues to a sizeable extent and also re-opening a line of credit which would facilitate production efforts, the Team recommended that 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 should be considered as eligible for relief under the rehabilitation programme, with the exception of the following cultivators:

- (a) those who had deceived the society by showing false landholdings or crops with a view to securing more credit than they would be otherwise eligible for;
- (b) those who had obtained loans for sugarcane, banana, orchard or plantation crops in conjunction with other crops provided the income from the former was 75 per cent or more of their gross agricultural income; and
- (c) those whose gross agricultural income was above Rs 5000, i.e., big farmers whose capacity to withstand frequent crop failures, in a comparative sense, could be deemed as much greater than others.

10.10 Assuming the repaying capacity of the defaulter eligible for relief at 58.33 per cent (60 per cent for the sake of

administrative convenience) of the value of gross produce, the nature and extent of relief suggested by the Overdues Study Team was as under:

- (i) Default under one loan —
The loan under default might be converted into a three-year rehabilitation loan.
- (ii) Default under two loans —
A short-term and a medium-term loan
A six-year rehabilitation loan might be granted which would accommodate the aggregate burden within the borrower's repaying capacity.
- (iii) Default under three loans—
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. Fifty per cent of the conversion loan (the earliest loan in point of time) might 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 might be re-scheduled as a seven-year loan.
- (iv) Default under four loans—
The contingency would arise when the calamity was for three successive years and the borrower was given conversion facilities in the first and second year but not in the third year and was, therefore, a defaulter in respect of not only two conversion loans but also a short-term loan and a medium-term loan, the latter two loans having been borrowed in the third successive year of natural calamity. The first conversion loan and 50 per cent of the second conversion loan might be written off by utilizing assistance from the Relief Fund. The balance of overdue loans might be re-scheduled as a seven-year loan.

10.11 Repayment of part of the principal amount under default was envisaged by the Overdues Study Team prior to the conversion of balance overdue amount into a medium-term loan. The Team recommended part repayment towards the principal amount under default, besides payment of interest in full, depending on the number of normal years that intervened during the period 1970-71 to 1972-3. The relief to non-wilful defaulters as suggested by the Overdues Study Team has been indicated in paragraph 10.10 above. It has also recommended that penal interest should be waived on all overdue loans eligible for inclusion in the rehabilitation programme.

Incidence of drought in Rajasthan

10.12 A statement showing the district-wise position of the number of villages affected by natural calamity in Rajasthan in each of the years 1968-9 to 1972-3, is given in Annexure 77. It will be seen therefrom that in 1968-9 scarcity conditions were widespread inasmuch as the *annewari* declared was below 6 annas in respect of over 90 per cent of the villages in the arid zone, over 70 per cent in the semi-arid zone and the tribal area and over 30 per cent in the non-tribal area.

The severity of drought was relatively less in 1969-70. In 1970-71 the crop conditions were near normal throughout the state. The position continued in 1971-2 in the districts of the non-tribal area and the semi-arid zone, but the number of villages with *annewari* below 6 annas in that year exceeded 40 per cent of the total in the tribal area and the arid zone. The scarcity conditions were widespread throughout the state in 1972-3. Besides, the crops in a large number of districts in the normal zone were heavily damaged in the year 1973-4 due to heavy rains, floods or severe cold wave.

Relief under stabilization arrangements

10.13 The Overdues Study Team which examined, inter alia, the delays in granting relief under the stabilization arrangements in the various states had observed that in Rajasthan there was a time lag of four to six months between the actual occurrence of natural calamity and the certification/declaration of *annewari* and a further delay of two to three months or even more on the part of credit institutions in completing other procedural formalities. In the context of denial of conversion loans, the Team observed as under :

In the case of Maharashtra, as reported by the Maharashtra Study Team, a sizeable part of the default in the state at the primary level was due to denial of stabilization loans. The position had been somewhat similar in quite a few other states also. This would be evident from the fact that quite a few central banks, especially in the states of Bihar, Rajasthan and Uttar Pradesh, did not even apply for any conversion limits from the Reserve Bank, although a sizeable percentage of villages in their areas was affected by natural calamity in 1971-2 and 1972-3. (page 137)

The fact that all those who approached for relief in a famine year did not receive relief under the stabilization arrangements in Rajasthan was established during the on-the-spot studies of 104 pacs (Please see Section II of Chapter IV).

10.14 Besides, a large number of borrowers affected by natural calamity may not have approached their society for conversion of their short-term loans because of their inability to pay interest on the loans due or because the society itself was dormant.

10.15 In the light of the famine conditions that affected different parts of Rajasthan during the period 1968-9 to 1973-4 and the observations made in paragraphs 10.13 and 10.14 above, we, in agreement with the Maharashtra Study Team and the Overdues Study Team, recommend 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 another. However, with a view to ensuring that the benefit of relief accrues only to those for whom it is intended and not to wilful defaulters, it will be

necessary to fix some objective criteria, in the manner suggested by the previous two Study Teams but with some variations to suit the local conditions for clearly defining a non-wilful defaulter.

Criteria for defining non-wilful defaulters

10.16 In Rajasthan, the crop conditions were normal in 1970-71 throughout the state as also in 1971-2 in twelve districts of the non-tribal area and five districts of the semi-arid zone. About forty per cent of the villages were affected by natural calamity in 1971-2 in nine districts comprising the arid zone and the tribal area. Thus, cultivators affected by natural calamity in 1968-9 and/or 1969-70 had, by and large, received the advantage of one or two normal years, i.e., in 1970-71 and/or 1971-2. The incidence of drought was widespread in 1972-3 throughout the state and the crops in seventeen districts in the normal zone were extensively damaged by heavy rains, floods or severe cold in 1973-4. We, therefore, recommend that all defaulters with cultivated holdings in villages affected by natural calamity in one or more years, i.e., where the *annevari* declared is 6 annas or less, during the three-year period 1971-2 to 1973-4 should be considered as non-wilful and eligible for relief under a rehabilitation programme provided their defaults occurred during the period October 1971 to June 1974 with the exception of the following cultivators:

- (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 obtained loans for sugarcane, banana, orchard or plantation crops 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 5000 per annum; and
- (d) those who are income-tax or agricultural income-tax assesseees.

10.17 While the exclusion of defaulters falling in categories (a) to (c) in the above paragraph is on the lines of the recommendations of the Overdues Study Team, we feel that disqualification as at (d) should be added on the lines of the recommendations of the Maharashtra Study Team with a view to denying relief to those who no doubt have small holdings but in actual fact are having non-agricultural income of taxable level and are relatively affluent.

Nature and extent of relief

10.18 The extent of relief may be the same as recommended by the Overdues Study Team (paragraph 10.10 above). Part payment towards the principal amount in default as also pay-

ment of overdue interest may also be insisted upon as suggested by the above Team if the year 1974-5 is a normal year for the cultivator to be covered by the rehabilitation programme. If the year 1974-5 is a calamity year, the overdue interest may be recovered in the subsequent year, i.e., 1975-6. Besides, as suggested by the Overdues Study Team, penal interest may be waived on all overdue loans eligible for inclusion in the rehabilitation programme. Accordingly, the nature and extent of relief suggested by us in this behalf will be as given in the following paragraphs.

10.19 The nature and extent of relief depends on the number and quantum of loans defaulted by a member. Loans borrowed for non-agricultural purposes should, however, be excluded. The relief required under different situations will 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 a three-year medium-term (rehabilitation) loan. The annual repayments in respect of this loan together with the 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. From the illustration given in Annexure 78, it will be seen that a six year rehabilitation loan will be required to accommodate within the repaying capacity, the aggregate burden in respect of these two loans as well as the short-term loan for current agricultural operations.

(iii) *Default under three loans*

Even if a member was granted conversion for the short-term loan in the first year of natural calamity, he might have been denied rephasing of such loan in the second successive year of natural calamity. In that case the default might be in respect of three loans, viz., a conversion loan, a short-term and a medium-term loan, the latter two having been borrowed in the second year of natural calamity. Since the burden is in respect of three loans, a longer period of repayment will be required. Besides, it will be seen from the illustration given in Annexure 79, that 50 per cent of the conversion loan, the earliest loan in point of time, has to be written off and the aggregate of the

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.

(iv) Default under four loans

If the calamity was for three successive years, default might have occurred if the borrower was not granted conversion for the short-term loan in the third year. Theoretically, therefore, the default could be in respect of four loans, viz., (1) short-term loan originally converted in the first year of natural calamity and subsequently rephased in the second year of natural calamity, (2) another short-term loan converted in the second year of natural calamity, (3) the third short-term loan not converted in the third year of calamity and (4) a normal medium-term loan. We have already seen that a part of the first conversion loan has to be written off when the default is in respect of three loans. Therefore, in the case of default under four loans, the write off has to be for (i) the first conversion loan and (ii) 50 per cent of the second conversion loan. If this is done, the balance of overdue loans can be re-scheduled as a seven-year loan as in Annexure 79.

10.20 The illustrations given above are in respect of defaulters other than big farmers. These are theoretical illustrations which assume maximum possible defaults under different situations. In a very large majority of cases default is not likely to be more than under one or two loans at the most (as indicated subsequently in paragraph 10.26), and can well be accommodated, without any write off, within the maximum period of seven years, as repayment of part of the principal under default is also envisaged under certain conditions. The big farmers, i.e., whose gross agricultural income exceeds Rs 5000 per annum have been totally excluded from the purview of the rehabilitation programme as indicated in paragraph 10.16.

Part payment of overdue loan as a precondition for relief

10.21 In most parts of the state the current year (1974-5) has been a normal year. One or two of the preceding three years might have been normal years in the case of some of the defaulters. Such of those as are eligible for inclusion under the rehabilitation programme, but have enjoyed the benefit of normal year or years during the three years preceding 1974-5 should be required to repay a part of the principal amount as

detailed below and then only the balance of overdue loans should be converted:

(i) If the year 1974-5 is a normal year, the defaulter should pay at least 25 per cent of the principal amount under default provided one or two of the preceding three years (1971-2 to 1973-4) were normal years. The aggregate of the payment so required in respect of principal together with the overdue interest should not, however, exceed 60 per cent of the value of gross produce. If it exceeds, 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. We have given in Annexure 80 the details of the part payments towards the principal of overdue loans that may be required to be made by the defaulter. It will be seen therefrom that if the default is in respect of two loans, he can repay 25 per cent of the amount under default as part payment in 1974-5 as the burden in respect of repayment of both the part principal and the overdue interest will be well within his repaying capacity. If the default is in respect of three loans, the part payment can be only up to 17.2 per cent of the overdue loans. The repayment of part of the principal will be further reduced to 12.2 per cent of the overdue loans if the default is in respect of four loans. In other words, the governing consideration should be that part repayment should be limited to either 25 per cent of the principal amount under default or the balance of repaying capacity available, after providing for payment of overdue interest in full, whichever is less. If part payment towards the principal amount in default is effected in 1974-5 on the lines indicated in Annexure 80, it will further be noted that the annual repayment schedule fixed for the rehabilitation loan indicated in Annexures 78 and 79 can be reduced by at least one year in all cases as part recovery effected can be more than the annual instalment or in such cases there may be either no need to write off at all or the write off can be reduced correspondingly. Thus, in the case of defaults in respect of three loans given in Annexure 79, there is no need to write off 50 per cent of the first conversion loan as part repayment by the defaulter will be 60 per cent of the short-term loan. Similarly, in the case of defaults under four loans where the write off needed is in respect of the first conversion loan and 50 per cent of the second conversion loan, the write off of the first conversion loan alone will be adequate as part repayment in that case also will be more than 50 per cent of the second conversion loan.

(ii) If the year 1974-5 is, however, a calamity year the defaulter need not be asked to repay any part of the overdue loan.

Relief in respect of overdue interest

10.22 The issue is whether the payment of overdue interest from the date of default to the date of granting of rehabilitation loan should be a condition for the relief. The size of the burden in this regard will depend on the number of loans under default and the ability to repay this will depend on the fact whether the year 1974-5 is a normal year or not. It has been worked out and indicated in Annexure 80 that the interest burden will form 33.33 per cent of the value of gross produce, if the default was in respect of two loans, 38.33 per cent for three loans and 40 per cent for four loans and as such can be paid. The defaulter shall, therefore, pay the overdue interest in full if the year 1974-5 is a normal year irrespective of whether the previous years were good or bad. If, however, the year 1974-5 is a calamity year, he need pay the overdue interest only in the subsequent year, i.e., 1975-6.

10.23 As all these are overdue loans, the societies may have charged penal interest. We recommend that 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 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.

Estimate of non-wilful default

10.24 On the basis of norms recommended for relief under the rehabilitation programme for non-wilful defaulters, an attempt has been made to make a rough estimate of the amount that will qualify for inclusion within the purview of this programme. Accordingly, in Annexure 81, estimates have been made district by district. We have made these estimates, in the absence of district-wise data about the incidence of drought in 1973-4, with reference to the overdues up to three years as on 30.6.73 at the level of pacs and the proportion of villages affected by natural calamity to the total number of villages in each of the three years 1970-71, 1971-2 and 1972-3. Here again as period-wise break-up of overdues at primary level as on 30.6.73 was not available district-wise, we have bifurcated them period-wise in the same proportion of the period-wise break-up of the overdues of the respective ccbs as on that date. These estimates indicate that non-wilful default may account for about Rs 2.60 crores forming 22 per cent of the total

overdues at 11.44 crores as on 30.6.73. The break-up of the above estimate zone-wise is as under:

Zone	Rs Crores		
	Overdues at primary level as on 30.6.73	Estimated non-wilful default	Percentage of col. 3 to 2
(1)	(2)	(3)	(4)
Normal			
(a) NTA	7.53	1.17	15
(b) TA	1.53	0.54	35
Arid	0.90	0.35	40
Semi-arid	1.48	0.54	36
Total	11.44	2.60	22

Financial arrangement

10.25 When, as a measure of relief, non-wilful defaults are converted into medium-term loans (rehabilitation loans) with a view to enabling the non-wilful defaulters to become eligible to receive fresh production credit from the primary societies, the ccbs will have to grant similar facilities to the societies as a bulk of the default at the primary level is borne by the central banks. This will mean that overdues in respect of short-term loans which generally form a major portion of the total overdues will be converted into medium-term loans or even long-term (seven-year) loans. As a result, the term lendings/investments of a ccb may far exceed its term resources. Besides, the involvement of a ccb in short-term agricultural loans out of its own resources will inevitably stand reduced and consequently the bank may find it difficult to maintain adequate non-overdue cover for its borrowings from the apex bank. To meet such a situation, the Overdues Study Team made the following recommendations:

... the Reserve Bank may take a liberal view of the share capital requirements of such of those central banks as are providing sizeable relief to non-wilful defaulters, since due to such relief a large number of members would become eligible for fresh credit and for sustaining the lending programme, and for making good the shortfall in term resources consequent to the conversion of short-term overdue loans into medium-term loans, the share capital base of the banks might need considerable augmentation. The period of retirement of share capital loan may, however, be limited to the period of repayment allowed for rehabilitation loans ... (page 239)

The state governments may also come to the rescue of the central co-operative banks wherever rehabilitation loans on a fairly large scale are required to be granted. The state governments, where their resources permit, may provide loans or loan-cum-deposits to the central co-operative banks for periods corresponding to the rehabilitation loans granted by them to the societies. (pages 149-150)

We endorse the above recommendations for implementation in this behalf in Rajasthan.

10.26 As regards relief by way of partial write off in the event of non-wilful defaults comprising three or four loans, the same are expected to be met by way of grants-in-aid to the pacs from the 'State Agricultural Credit Relief Fund'. For this purpose, the Overdues Study Team recommended that the 'State Agricultural Credit (Relief and Guarantee) Fund' might be called the 'State Agricultural Credit Relief Fund' and the same be earmarked for writing off loans under certain circumstances. The balance to the credit of this Fund in Rajasthan as on 31.3.72 was Rs 5.85 lakhs. Judging from the number of cases of defaults under three or four loans noticed during the course of on-the-spot studies of 104 functioning pacs, the need for extension of relief by way of partial write off to non-wilful defaulters in Rajasthan will be in a very few cases as may be seen from the table below:

Zone	No. of societies	No. of defaulters as on 30.6.73	No. of defaulters accounting for defaults under three or more loans
Normal			
(a) NTA	48	3383	122
(b) TA	20	1620	99
Arid	16	489	33
Semi-arid	20	754	29
Total	104	6246	283

Besides, the proportion of defaulters under three or four loans to total defaulters for the state as a whole may be far less than as observed in the case of 104 societies selected for the study as the select societies were functioning institutions and had, by and large, issued various types of loans unlike the societies in general. Further, not all such defaulters will be non-wilful on the basis of criteria suggested in paragraph 10.16. Thus, it can be concluded that extension of relief by way of partial write off in respect of defaulted amounts to non-wilful defaulters in cases of defaults under three or four loans, may not pose any problem from the financial point of view.

Follow-up action

10.27 The main purpose of recommending a rehabilitation programme for non-wilful defaulters is to ensure that their defaults are cleared and thereby they are in a position to obtain fresh finance in time from 1975-6 onwards. Quick action has, therefore, to be initiated for identifying such defaulters, ascertaining their defaults, determining their repaying capacity, the repayment to be made by them and also the period and instalments of the rehabilitation loans. This work

can be entrusted to small screening committees at the block level comprising concerned inspector of the central bank (apex bank in Jaisalmer District), a non-official and an experienced manager of a primary credit society in the area. The work of the screening committees may be supervised by the Assistant Registrar of Co-operative Societies of the district and the Executive Officer of the ccb. The RSCB can test check a few cases with a view to ensuring that the rehabilitation loans are sanctioned to genuine non-wilful defaulters after ensuring recovery of interest and part principal, as the case may be. The work will have to commence by May 1975 and completed before the end of June 1975. It will have also to be ensured that none of the wilful defaulters gets the benefit of the rehabilitation facilities intended for non-wilful defaulters.

10.28 The ccbs and the RSCB may have to review every year the progress in collection of dues from the non-wilful defaulters. Cases where defaults occur despite crop conditions being normal, will have to be viewed seriously and in such cases the rehabilitation loan should be foreclosed and the entire balance due from such defaulters be treated as overdue and coercive action launched for the immediate recovery thereof.

10.29 The rehabilitation programme is not a recurring programme. It is to be viewed as the final chance to institutions and individuals to clear the backlog of overdues, which can be deemed as non-wilful, so that the line of credit is opened for supporting agricultural development programmes. This being so, prompt relief will have to be provided to such class of defaulters if they are affected by natural calamities, in future. It is in this context, the need for adopting the recommendations of the Overdues Study Team regarding arrangements for provision of prompt and adequate relief from the stabilization funds in the event of crop failure, assume importance. We recommend that recommendations of the Overdues Study Team contained in Chapters III and IV of their report should be adopted by the co-operatives as also the GOR as suggested by the RBI.

Wilful defaults

10.30 As estimated earlier, over three-fourths of the overdues at the primary level as on 30.6.73 in Rajasthan represented wilful defaults. Besides, on-the-spot studies of 104 pacs revealed a number of cases of 'ghost' acreages, financing of defaulters, defaults by members on the managing committees and recovery by adoption of dubious methods. In view of this position, prompt and effective action will be necessary for

recovery of wilful defaults with a view to arresting and bringing down the level of overdues of co-operative credit institutions. A statement showing the position of awards obtained and those disposed of during 1972-3 and the number of pending awards/execution petitions in various districts of Rajasthan as on 30.6.73 is given in Annexure 82. It will be observed therefrom that the managements of societies were, by and large, reluctant to resort to coercive action even in cases where the defaults have been wilful. According to the practice obtaining in Rajasthan at present, on the intimation of default from a society the officer authorized (till 8.2.74, only Assistant Registrar of Co-operative Societies and Executive Officer of the bank belonging to the cadre of Assistant Registrar of Co-operative Societies and now district Collectors and Managers of ccbs also) under sections 117 and 118 of the Rajasthan Co-operative Societies Act, 1965 issues a notice for payment within 7 days to the defaulter and if no payment is received nor the notice is challenged, the award for recovery of the amount is issued. In case, an objection is raised by the defaulter, an arbitration case is filed in the court of the Assistant Registrar of Co-operative Societies. In actual practice, most of the cases have to be referred for arbitration which is time consuming. After the award is passed a demand notice is served on the defaulter to make payment within 7 days failing which his immovable and/or movable property can be attached and brought to auction. The Assistant Registrar acts as a recovery officer while the Loan Inspectors, Co-operative Extension Officers perform the duties of sale officers in addition to their normal duties. Obviously this results in delay in the disposal of awards. A statement showing the action taken for recovery of overdues during the year 1973-4 in eleven central banks is given as Annexure 83. In short, the coercive procedure in vogue in the state at present does not ensure prompt disposal of loan recovery cases and execution of awards.

10.31 In the above context, the Overdues Study Team had observed that lack of will and discipline among cultivators to repay was the principal factor responsible for the prevalence of overdues in the co-operatives. It has, therefore, suggested a series of additional legislative and administrative measures which can be adopted for ensuring prompt recovery of overdues and in arresting their upward trend. The measures suggested by the Team are given in Annexure 84. Some of the important measures are given below in brief:

(i) incorporation of a provision in the Co-operative Societies Act in terms of which the entire board of directors

of a central bank and the managing committee of a society should stand automatically disqualified if the amount of default and/or the number of defaulters exceeded a certain percentage, for a continuous period of two years;

(ii) incorporation of a provision in the Act on the lines of Section 101 of the Maharashtra Co-operative Societies Act 1960 (extract furnished in Annexure 85) empowering the Registrar to issue, even on his own motion, certificates of recovery of dues in respect of loans issued for the raising of crops, as arrears of land revenue and also of a provision enabling the central banks to initiate action on their own against the defaulter-members of primary societies if the latter were reluctant to do so;

(iii) strengthening the staff of the Department to ensure speedy disposal of arbitration cases and execution of awards (Our recommendations in this behalf are contained in Chapter XI on 'Administrative and Operational Arrangements');

(iv) recovery of dues through sale proceeds of agricultural commodities. (In this context, we specifically urge on the GOR to revive its proposal for ensuring automatic recovery through regulated markets/*mandis*);

(v) denial of fresh finance to defaulters and their sureties;

(vi) denial of voting rights in general meetings to defaulters and their sureties;

(vii) incorporating a provision in the Act to limit the membership of primary societies to only one adult member from a rural household;

(viii) setting up of a State Farming Corporation by the state government fully owned by it to counter the difficulties faced by the co-operative institutions while taking possession of and arranging the sale of lands brought to auction by bidding in the auctions for an amount which will settle the dues of the societies/ccb together with interest; and

(ix) the state governments should refrain from making any statements or passing any instructions to their officers which may give impression that repayment of the loans can be held back. Immediate action for the implementation of the recommendations at items (i) to (iv) and (viii) above is necessary on the part of the GOR. The RBI has advised all the state governments to give effect to the recommendations of the Overdues Study Team. We would urge on the GOR to implement these recommendations without any further delay.

10.32 We also suggest that the amendment to the State Act enabling the ccbs to initiate action on their own against defaulter members of pacs be extended to commercial banks as they will be taking up financing such societies. Besides, the proposed State Farming Corporation should help commercial banks also in realizing their dues in respect of agricultural loans issued by them directly or through the societies. Suitable provisions may be made in the relevant State Act for the purpose.

CONCLUDING REMARKS

10.33 Finally, we have to point out that, the suggestions made by us in earlier chapters to ensure institutional arrangements for provision of adequate credit in support of the state government's efforts for maximizing agricultural production, will not be fruitful if these institutions are saddled with heavy overdues. For the high levels of overdues have in the past led even sound institutions to stagnancy. The adoption of our suggestions in this chapter have, therefore, to be viewed as a package along with our recommendations on institutional arrangements and suitable action initiated for their implementation simultaneously.

CHAPTER XI

ADMINISTRATIVE AND OPERATIONAL ARRANGEMENTS

11.01 THE infrastructure suggested by us for providing agricultural credit in the state will not achieve the desired results unless it is supported by suitable administrative arrangements to ensure extensive use of credit for modernizing agriculture, effective supervision over the end-use of credit, prompt recovery of dues and finally coercive action against wilful defaulters. Some of these arrangements will be necessary within the credit structure while others in the Co-operative and other concerned departments of the state government. Besides, in the context of increase in the operations of agricultural credit institutions to the extent proposed by us, certain operational problems will also arise. In this chapter, therefore, we have considered them in some detail and given our recommendations. The chapter is divided into two sections, the first deals with administrative matters and the second with operational matters.

SECTION I

ADMINISTRATIVE ARRANGEMENTS

Secretaries of pacs

11.02 We have in the earlier chapters recommended certain institutional arrangements for meeting substantially, if not fully, the large credit gaps that exist in the state in the sphere of agricultural credit. These arrangements envisage for the commercial banks and the RSCB the role of cfas along with the ccbs. We envisage re-organization of the pacs in such a way as to have eventually about 5600 societies, each capable of reaching a loan business of at least Rs 2 lakhs and having a full-time paid secretary so as to ensure integration of credit with supplies of inputs and services needed by the farmers. It is essential that the services of the secretaries are available right from the time the re-organized societies come into existence and to ensure that these secretaries remain in the service of the societies. It is important that the business of each of the societies reaches the minimum level of Rs 2 lakhs before the end of the Fifth Five Year Plan, i.e., in the next four years ending on 31.3.79 so that the societies do not have to depend on external assistance for paying the salaries of the secretaries and meeting their other expenses. We have every reason to believe that with the kind

of response we expect from the commercial banks and the co-operative credit institutions and the active support of the state government, it should not be difficult for the societies to fulfil these expectations. However, while the minimum credit business of Rs 2 lakhs required for attaining viability will be reached in four years from 1975, the secretaries will have to be in position in the re-organized societies, if possible, right from that year itself. We have mentioned in Chapter IV that 3305 societies had full-time paid secretaries. The balance 2295 secretaries will have to be recruited and trained as quickly as possible. This may not be feasible as the recruitment of such a large number may not be possible and their training much more difficult in a single year. The programme may have, therefore, to be spread over to at least two years, i.e., 1975 and 1976. In this connexion the experience gained by the GOR in implementing the scheme of employment and training of managers of pacs under 'Half a Million Job Programme' during the year 1973-4 may be useful in undertaking the recruitment and training of the secretaries on the scale envisaged above. Salient features of the scheme are given in the following paragraph.

11.03 The scheme under 'Half a Million Job Programme' had proposed recruitment and training of 2000 managers. The candidates were selected by a district level committee constituted in each district and headed by the chairman of the concerned ccb. For the purpose of training, four additional centres were established under the supervision and control of the Co-operative Training Board and arrangements were made for conducting special courses of 15 days duration for a batch of 80 trainees in each course. Under the scheme, as against the target of 2000 managers, 1700 candidates could be selected of which only 1320 joined the societies. Of these, 1224 candidates received training before joining the societies and the remaining 96 joined without training. The district-wise position of the number of managers who joined the societies in 1973-4 and were in position as on 31.7.74 is given in Annexure 86. (None of the candidates was posted in Jaisalmer district). Information in respect of managers in position as on 31.7.74 was not available in respect of 9 districts. In the districts of Sirohi, Jodhpur and Nagaur all the managers who had joined in 1973-4 had left the job by 31.7.74. Almost similar position was observed in Bundi and Churu districts. The total expenditure on the scheme was of the order of Rs 9.27 lakhs, of which Rs 8.14 lakhs were spent for payment of stipend to the trainees.

Cost of secretaries

11.04 In the light of the above experience, the recruitment of about 1000-1200 secretaries for two years will have to be made with greater care to make sure that the selected candidates stick

to their jobs. It may even be necessary to insist on a bond from every candidate selected and sent for training and a cash security deposit on his appointment as secretary of a society. Assuming, therefore, that there will be 4455 societies with full-time paid secretaries as on 31.3.76 and 5600 societies as on 31.3.77, not all the 5600 societies which we have proposed will have to pay for their secretaries right from the year 1975. Further, some of them may be in position for half of each of the years 1975-6 and 1976-7. We may for the sake of calculating the total cost in a year assume that there may be:

- 3305 secretaries for the full year 1975 and
- 1150 for 6 months of 1975
- 4455 for the full year 1976 and
- 1145 for six months of 1976 and all the
- 5600 secretaries for the full year 1977.

If the total emoluments of a secretary are assumed at Rs 3000 in a full year, the expenditure on the secretaries will be as follows:

Year	Expenditure (Rs lakhs)
1975	116.40
1976	150.83
1977	168.00
1978	168.00

Cadre for secretaries

11.05 In the arrangements that obtain now, each society is treated as an independent entity for the purpose of meeting the cost of a full-time paid secretary. A managerial subsidy under the Plan schemes is available from the government for a period of three years on a tapering basis to a society appointing a paid secretary. With widely varying natural conditions and the financial position of the institutions providing agricultural credit, it will not be realistic to expect that each and every society will be able to develop its loan business to the level of Rs 2 lakhs in a short period of, say, one or two years for which managerial subsidy on a tapering basis is available. Some societies with an already high level of business and situated in a relatively developed agricultural area may be able to attain that level in two years or even less, whereas some others not so favourably situated may need four years to attain that level. Where each society is on its own in the matter of meeting the salary of the secretary, the societies belonging to the latter category will find it difficult to retain the secretary after a year or two when the income from business together with the reduced subsidy will be inadequate for meeting the cost of the secretary.

Such a situation is not conducive for the continuance of the full-time secretaries in the societies. This may have been one of the reasons why a number of secretaries recruited under the 'Half a Million Jobs Programme' left the societies soon. This is perhaps also the reason why the number of societies having full-time paid secretaries is low. The present arrangement under which each society is on its own may, therefore, have to make room for another in which it will be possible to pool the income from all the societies not only in one district, but all over the state, so that the more prosperous and affluent societies are made to bear the burden to some extent of the less developed ones. This will be possible if the secretaries of all the societies in the state belong to one common cadre and are paid from a common fund. All for one and one for all is an essential co-operative principle and we feel that a common cadre for the secretaries of pacs in the state will be an embodiment of that principle. Besides, creation of a common cadre will also ensure manning of institutions by qualified persons and will provide security of service and promotional opportunities to the employees guaranteeing their continuance in the employment.

11.06 A common cadre for secretaries of primary societies was introduced in Maharashtra in 1971 in each district under the control of what was known as District Supervision Co-operative Society. The income of each of the supervision societies was derived primarily from the fees levied on pacs at a given percentage of their maximum outstanding loans and to some extent from contributions from the central bank concerned. The whole arrangement was reviewed by the Evaluation Committee for Secretaries Caderization Scheme (Kore Committee) 1973 appointed by the Government of Maharashtra. The relevant recommendations of this Committee are given as Annexure 87 for ready reference. The Committee noted that each supervision society being independent of the other, there were some which had surpluses while others were unable to meet the cost of the secretaries from the income from the societies and the banks had to face deficits. The above arrangement according to the Committee did not allow the pooling of the resources. In the words of the Committee:

... it would have been in the fitness of things that surpluses arising from affluent districts should have been used to subsidise losses in lesser developed areas so as to balance out the differences in development in various areas and afford a better opportunity of a more balanced development. (page 15)

The Kore Committee suggested, therefore, the replacement of the district level cadre fund by a fund at the state level so that the deficits in one district could be met out of the surplus in another. The Committee's recommendations have since been accepted in Maharashtra and implemented by the government and the co-operatives. We would strongly recommend a similar arrangement for the secretaries of pacs in Rajasthan.

11.07 With the acceptance of the above suggestion, it is necessary to see whether the total cost of the secretaries as indicated in paragraph 11.04 can be met out of the fees levied on the societies on the basis of their loans to individuals. If the cost to the ultimate borrower is not to be very high, the fees will have to be reasonably low. We feel that there should be no difficulty in charging the societies towards the cost of a full-time paid secretary a fee of 1.50 per cent on the maximum of short and medium-term agricultural loans outstanding against individuals during the previous year. The societies are expected to operate on a margin of at least 2 per cent. In that case the balance of 0.50 per cent will be available to them for meeting the other expenses. With a view to facilitating recoveries, it will be better if the central banks recover the fees from the societies along with the loans issued to them. Since there is a difference of at least 10 per cent in the loans outstanding at the level of the societies and of the banks because of the internal resources of the societies and since the banks do not issue loans to societies in respect of their defaulter-members, there may be a gap of as much as 25 per cent in the loans issued by the banks to the societies and the loans outstanding of the latter against their individual members. Therefore, for the purpose of facility of collection, the fees may be levied at 1.75 per cent on the loans issued by the central bank to the societies for short and medium-term agricultural purposes during the year. We may now examine whether the income thus realized will be adequate to cover the annual costs estimated in paragraph 11.04 above and if that is not so, the manner in which the deficit may be made good.

11.08 In Chapter VI we have indicated that the loans issued by the ccbs to pacs during 1974-5 could be placed at Rs 35 crores as against their estimated outstandings against individual members of Rs 45 crores at the end of June 1975. The latter figure was expected to rise to Rs 95 crores in 1978-9 at the rate of Rs 12 crores per annum, beginning 1975-6. In addition, the commercial banks are likely to provide Rs 25 crores through pacs. Thus the 5600 pacs may have outstanding loans of Rs 120 crores by the end of 1978-9 as under:

Year	Source		
	Co-operative banks	Commercial banks	Total
1975-6	57	6	63
1976-7	69	12	81
1977-8	82	18	100
1978-9	95	25	120

On the basis of the above outstanding loans and the assumption that the loans issued by banks would be lower than the former by 25 per cent, the loans issued to primary societies year by year and the income from fees at 1.75 per cent will be as under:

Rs Crores		
Year	Loans issued	Income
1975-6	47	0.83
1976-7	61	1.07
1977-8	75	1.31
1978-9	90	1.58

11.09 It will be seen from the above that the income from the fees levied on the above scale will not be sufficient to meet the costs as estimated in paragraph 11.04 in any year. We recommend that the gap may be made good partly by the financing banks and partly by the state government, the former's contribution being limited to 0.25 per cent of the loans issued by them during the year to the societies and the balance by the government. On this basis the respective shares of the societies, the banks and the government will be as under:

Rs Lakhs					
Year	Total cost	Contribution from			Total
		Societies	Banks	Government	
1975-6	116.40	82.25	11.75	22.40	116.40
1976-7	150.83	106.75	15.25	28.83	150.83
1977-8	168.00	131.25	18.75	18.00	168.00
1978-9	168.00	157.50	22.50	...	180.00

However, the commercial banks financing pacs in pursuant to our recommendations may, instead of making a contribution to the fund at the rate of 0.25 per cent of loans issued by them to the societies, recover from the latter a fee for transfer to the fund at 2 per cent of the loans issued by them to the societies provided, to compensate for the extra burden on the societies, the banks lend to the societies at a rate of interest which is lower by 0.25 per cent than the rate they would have otherwise charged to the societies.

11.10 Thus on the scales of contributions suggested by us, the caderization scheme will not only become self-sufficient and independent of government assistance but there will be surplus in the last year of the Fifth Plan. The government may have to make a provision in the Plan for Rs 69.23 lakhs to meet their share in the scheme. The self-sufficiency in the last year of the Plan will obviously depend on the projected lending programmes being achieved. For this purpose it will be necessary

to ensure the appointment of a full-time paid secretary for each of the societies, which is vital for expanding the effective coverage to include small and marginal farmers in particular, improving the quality of loans, providing services, supervizing the end-use of credit and above all for timely recovery. The outlay incurred in the initial years on the appointment of full-time paid secretaries will be justified by the achievements in the years to come. If, for some reasons the progress in the loaning does not materialize, we suggest that the state government may come forward to assist the societies for some more time or for larger amounts than assumed, instead of allowing the operations of the societies to degenerate for want of the services of a full-time paid secretary.

State and District Cadre Societies

11.11 The arrangements suggested above are on the lines already in vogue in Maharashtra. Keeping that model in view we recommend broadly as follows for Rajasthan:

- (i) The state government may constitute a state cadre of staff for providing every re-organized society an independent and full-time paid secretary. The cadre will consist of secretaries newly appointed and trained and also of those who have been screened and found suitable from among the secretaries who are already in the employ of the societies.
- (ii) A State Cadre Co-operative Society and a District Cadre Co-operative Society for each district with constitution and functions outlined below may be organized for the administration of the cadre.
- (iii) Contributions at the rate of 1.75 per cent of the loans borrowed by a society during the year from the cfa (2 per cent in the case of borrowings from commercial banks) may be recovered from the former and credited to the State Caderization Fund to be maintained by the RSCB.
- (iv) The central banks and the RSCB where it is acting as a cfa will contribute at the rate of 0.25 per cent of the short and medium-term loans issued by them to the societies. Their contributions will be credited to the above Fund.
- (v) The cost of the paid secretaries will be a charge on the above Fund.
- (vi) It may be necessary to amend the Co-operative Societies Act to facilitate the constitution of the state and district cadre societies, the employment of all the secretaries by the former society and the contributions to the Fund by the financing banks and beneficiary societies. The byelaws of the banks and the societies may also need amendments.

- (vii) Although the secretaries will be the employees of the state society, they may not ordinarily be transferred outside their respective districts.
- (viii) The constitution of the board of management of the State Cadre Co-operative Society may be as under :
- | | |
|---|---|
| (1) Chairman, RSCB | <i>Ex-officio
Chairman</i> |
| (2) RCS, Rajasthan .. | <i>Ex-officio
Vice-Chairman</i> |
| (3) Two non-officials from amongst the directors representing ccbs from the divisions other than the one represented by the chairman, to be nominated by the RSCB | <i>Members</i> |
| (4) Two representatives of commercial banks to be nominated by GOR | <i>Members</i> |
| (5) MD, RSCB | <i>Ex-officio
Member-
Secretary</i> |
- (ix) The constitution of the board of management of the District Cadre Co-operative Society may be as under :
- | | |
|---|---|
| (1) The Chairman of the ccb | <i>Ex-officio
Chairman</i> |
| (2) The Deputy Registrar/Assistant Registrar of Co-operative Societies of the district | <i>Ex-officio
Vice-Chairman</i> |
| (3) Two directors on the board of directors of the ccb representing pacs to be nominated by the board of that bank .. | <i>Members</i> |
| (4) Two representatives of the pacs in the district other than those who are members of the board of the bank* | <i>Members</i> |
| (5) A nominee of the RSCB | <i>Member</i> |
| (6) Two representatives of commercial banks of which, one will be the lead bank of the district* | <i>Members</i> |
| (7) The Manager, ccb .. | <i>Ex-officio
Member-
Secretary</i> |

*The members at Sr. Nos. 4 and 6 will be nominated by government.

- (x) The state society will formulate rules for the selection, appointment, punishment, etc., of the secretaries and give general directions to the district societies which shall be binding on them. The management of the Fund will also be the duty of the state society.
- (xi) The district society may control appointment, transfers, etc., of the secretaries within the district and manage that portion of the Fund which is made available to it by the state society. The former will have to work within the directions given by the latter. The district society may screen the existing paid secretaries in the district to assess their suitability to join the new cadre.
- (xii) The transfers of secretaries attached to the societies financed by commercial banks will be effected with the concurrence of the respective commercial bank. If a commercial bank finds it necessary to appoint a better qualified and more highly paid secretary for any society financed by it, the bank may seek prior approval of the state level society and, if such approval is given, the secretary will be treated as an ex-cadre employee and the concerned society will be outside the purview of the kaderization scheme till such secretary continues with the society.
- (xiii) The executive powers for day-to-day administration of the state as well as district society will vest in the member-secretary of the concerned society. However, removal and dismissal of employees and inter-district transfers will be made by the board of management of the state society on the recommendation of the board of management of the district society.
- (xiv) The secretariat of the district society will be under the control of the Member-Secretary.
- (xv) Three to four employees may be provided to the secretariat by the concerned ccb. Their salaries may be met by the concerned banks at least up to 1978-9, but thereafter can be met from the Fund. The office of the secretariat will be located in the concerned ccb for which it may not recover any rent. The stationery, etc., will be a charge on the Fund.
- (xvi) The contributions recovered from the societies should be passed on by the central bank/commercial bank either to the account of the district society with the concerned central bank or the Fund with the RSCB according to the instructions of the state society.

- (xvii) In the matter of evaluation of the work of the secretary of a primary society annual confidential report or a special report recorded by the board of management of the primary society shall be a primary document. 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 the 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 district society 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.
- (xviii) The central banks may sanction with the approval of the state society cash credit accommodation to the district societies for payment of monthly salary bills of the secretaries, if there is a short-fall in the funds to the credit of district societies.

Arrangements for training

11.12 With a view to equipping the secretaries to discharge their various responsibilities efficiently, it is necessary to have training courses for them of a longer duration, say, 3 months. The facility for training may be extended also to those secretaries who are already in the employment of the pacs who have not been trained but have been screened and found suitable.

Avenues for promotion

11.13 The arrangement for training will equip a secretary for his job and the creation of a 'common cadre' suggested by us in paragraph 11.11 will create a sense of security in his mind. However, this will not be enough attraction for an employee to stick to the job unless he has prospects of promotion. We would, therefore, suggest exploring the possibility of adopting more than one grade in suitable time scale for the secretaries, by classifying the societies into two categories depending on their business turnover as under:

Grade	Eligibility of a primary society to have a secretary in the grade
II	Primary society having not more than Rs 2 lakhs of loans outstanding and Rs 1 lakh of other business
1	Primary societies having plan outstanding (short and medium-term) between Rs 2 lakhs and Rs 5 lakhs and turnover of other business below Rs 10 lakhs

If this is done then it will provide for avenues of better time scale within the cadre itself. Besides, with a view to giving him opening for furthering his career, secretaries may be made eligible for promotion/appointment as assistant inspectors in the central banks subject to their fulfilling the educational qualifications for the post. In this connexion, we understand that a Committee On Common Cadres of the services of co-operative institutions appointed by the GOR sometime in 1966 under the Chairmanship of Shri Shobha Ram, a member of our Team, had reportedly suggested integration of services of the secretaries of pacs and assistant inspectors of ccbs. Our recommendation is in conformity with the suggestion of the Committee On Common Cadres. Besides, with a view to attracting talented persons in the employment of pacs, we suggest 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 service as secretaries.

Personnel for large-sized societies in tribal areas

11.14 While discussing the institutional arrangements for tribal areas in Chapter VII we have recommended establishment of large-sized multi-purpose societies disbursing not only agricultural loans but also providing loans to tribals for their social needs, undertaking distribution of inputs, domestic requirements and arranging for marketing of agricultural and forest produce. We have suggested that these societies, to start with, may be organized on an experimental basis in six blocks from the four tribal districts (Sirohi district is excluded) so as to have a comparative assessment of their performance. We have recommended that each such society will be served by three full-time paid employees in addition to the secretary. The three employees are expected to provide guidance to the tribals in agriculture and allied activities like dairy, poultry, etc. These three employees can be taken from the different departments of the state government dealing with these activities so as to draw on their expertise for the benefit of the society. The cost of these three employees may be met by the GOR. Keeping in view the complexity of the organization of such a society and more onerous responsibilities, we suggest appointment of a person as secretary with higher qualifications as also higher emoluments. If this warrants taking a person from outside the cadre of secretaries, this may be done, the GOR bearing the extra cost involved over and above that which will be met out of the fees collected in proportion to the loans issued. The state government may provide for this expenditure in their Tribal Sub-Plan.

Special Recovery Officers

11.15 While discussing the arrangements for coercive action for recovery in Chapter X we have referred in paragraph 10.30 to the present arrangements in vogue in Rajasthan and observed that these do not ensure prompt disposal of loan recovery cases and execution of awards. The main reason is that the Executive Officer of a central bank, Loan Inspectors, etc., who are empowered under the Act to attend to such cases have to do so in addition to their regular work in the bank/Department and have not, therefore, been able to do justice to the recovery work which is more unpleasant and also time consuming. The question of the appointment of special recovery officers for prompt execution of the co-operative decrees has, therefore, to be considered from the point of effective action against wilful defaulters and keeping down the level of overdues. The strength of such officers will depend on the number of cases to be attended to by them and hence it becomes necessary to make a rough estimate of the number of decrees that these officers will have to execute in the coming years. The number of defaulters at the level of pacs as on 30.6.74 is 3.77 lakhs. Assuming that the proportion of the number of wilful defaulters to the total defaulters corresponds to the estimated proportion of wilful defaults to total defaults, about three-fourths of the estimated number of total defaulters or roughly 2.75 lakhs can be deemed as wilful defaulters. In a large number of these cases coercive action will be necessary. Presently, the number of cases covered by coercive action is not large. This is because, the managements of the societies are reluctant to resort to such a step, but with the implementation of the measures suggested for recovery of overdues, particularly adopting of the procedure for summary disposal of loan recovery cases as in Maharashtra and the vesting of powers in higher financing agencies to proceed against the individual defaulters of primaries directly, the number of cases referred for coercive action will sharply increase and correspondingly there will be an increase in the awards due for execution. On a rough estimate, we feel that at least 50 per cent of the total number of wilful defaults will come up to the execution stage in the next two to three years. Already the meagre number of awards due for execution is not being promptly handled by the concerned staff mainly because they are busy with their normal routine. In such circumstances, if no special arrangements are made for the execution of awards, the financing institutions will lose faith in coercive action and this may give rise to a feeling of helplessness among the lending agencies, destroy their confidence and thus eventually

lead to shrinkage of credit facilities. In the light of this position we consider it absolutely essential that a cadre of special recovery officers should be created by the GOR on the lines of arrangements existing in Maharashtra.

11.16 In Maharashtra, Revenue Officers of the rank of Tehasildars/Naib Tehasildars are drafted to constitute the cadre of special recovery officers. These officers are placed on duty with each central bank specifically for executing the decrees of the co-operatives. The number of officers to be posted in each district is decided by the concerned central bank with reference to the number of awards for execution. The bank then makes its proposal in this behalf to the Co-operation Department. After scrutiny and approval of the proposal, the Co-operation Department with the help of the Revenue Department makes arrangements for posting the officers with the banks. In fact, once the officers are posted, they continue with the banks year after year although their strength is reviewed every year. The salary of these officers is first met by the government. At the end of every financial year, a district-wise review is made to assess the short-fall between the recovery charges credited by these officers to the government treasury and the expenditure on their salaries, etc. If the recovery charges do not cover their salaries and travelling allowance, etc., the shortfall is met by the concerned central bank. But since the strength of these officers is decided by the bank itself, the recovery charges generally cover the salaries, allowances, etc., of these officers. The office accommodation, vehicle, stationery, etc., and the services of a peon are provided by the concerned central bank. Thus, the Maharashtra system is self-supporting and can be adopted with advantage in Rajasthan.

11.17 In Maharashtra, on an average, one recovery officer is posted for handling execution of 300 awards involving about Rs 1.50 lakhs annually and in that case his salaries, etc., can be met from the recovery charges. In the case of Rajasthan, however, the average size of loan is less than one-half of the Maharashtra average and, therefore, posting of a special recovery officer will be economic if he is to handle about 750 cases involving the recovery of about Rs 1.50 lakhs. Besides, the services of these special recovery officers may be made available to the commercial banks for recovery of their dues. The deficit in the cost of recovery officers, if any, may be borne by the concerned central bank and the commercial banks financing societies in the district in proportion to the amounts recovered by the recovery officers for the respective agencies. Alternatively, the commercial banks may form a consortium for the purpose of posting special recovery officers for recovery of their dues and share the deficit, if any.

11.18 The quick execution of awards greatly helps in creating a favourable climate for prompt repayments which is so essential for arresting the rising trends and levels of overdues. The problem of overdues in Rajasthan is acute. A solution to this problem is a must for ensuring quick development of the business of the agricultural credit institutions which we have envisaged during the next four years. We recommend, therefore, that a cadre of special recovery officers by drafting the officers of the rank of Assistant Registrar of Co-operative Societies should be created on the lines indicated above with a view to ensuring prompt recovery of dues covered by coercive action.

Key Personnel for central banks

11.19 Our assessment in the earlier chapters has shown that almost all the ccbs in the state will have to make concerted efforts to reach the level of loan business of at least Rs 2 crores each so as to function as a viable unit and ensure further development to fulfil the role assigned to them in meeting adequately the credit needs of agricultural production. Sustained growth of an institution depends very much on the personnel at the helm of its affairs for it is they who translate the policies of their managements and the state government into practice. The competence of key personnel in a central bank is an important factor to ensure its development.

11.20 It has long been recognized that the manager, the Chief Accountant and the Executive Officer would form the key personnel in a central bank. In Rajasthan, managers of some of the bigger ccbs are on deputation from the Co-operative Department while those in other central banks are in their own employment. We understand that the need for deputing government officials of the rank of the Deputy Registrar to some big banks as their managers arose as the managerial efficiency in these banks was observed to be far from satisfactory. The Chief Accountants, or to be precise the officials in charge of maintenance of accounts, as they are not necessarily designated as Chief Accountants, are the employees of the concerned banks. Barring a few small banks, their Executive Officers are departmental officers of the rank of Assistant Registrar, on deputation. Consequently, the powers of appointment, transfer, punishment, etc., in respect of these officers continue to be vested in the Co-operative Department. Similarly, they have no avenues of promotion in the concerned bank or the co-operative banking sector as these take place on the basis of their service rules in their parent department. The control over these officers by the Department inevitably results in frequent changes in the incumbents to these posts

and adversely affects the smooth functioning of the banks. The same is true as regards the managers on deputation from the Co-operative Department. Thus, it is likely that the existing key personnel of the ccbs find it difficult to get actively involved in the progress of the institutions for which they work. In such a situation the need for common cadre of key personnel for the ccbs in our opinion, is imperative.

11.21 The above position is well recognized by the concerned authorities in the state government and also by the state co-operative bank. It is for this reason that a Committee On Common Cadres was appointed by the GOR as referred to by us in paragraph 11.13 above. However, no follow-up action appears to have been taken. The question has to be viewed from another angle. If these key personnel are to be effective and efficient, they necessarily have to be well qualified and experienced and, therefore, well paid. The smaller ccbs functioning in comparatively less developed districts need them the most but cannot afford to maintain them. It is for this reason that it is not possible for the state government to provide its officers to the smaller banks. From this angle also, creation of a 'common cadre of key personnel' for central banks appears a necessity.

11.22 The most suitable agency to maintain such a cadre is obviously the state co-operative bank. The bank can create a fund, say, 'Key Personnel Cadre Fund' to meet the establishment costs of the common cadre. The cadre should comprise two grades, viz., Grade I for Managers and Grade II for Chief Accountants/Executive Officers. Assuming that even the district offices of the RSCB, in which it will function as a cfa will have the above key personnel, the number of officers required will be 26 in Grade I and 52 in Grade II. Making due allowance for the leave reserves, the strength may have to be 30 in Grade I and 60 in Grade II. At the total cost of Rs 1500 per officer in Grade I and Rs 1000 per officer in Grade II per month, the total annual expenditure for maintaining the common cadre will be Rs 12.60 lakhs, say, Rs 13.00 lakhs.

11.23 For meeting the above expenditure, the RSCB may collect contributions to the 'Key Personnel Cadre Fund' from all ccbs and its district offices at the rate of 0.25 per cent per annum on the short-term agricultural loans borrowed by the latter from it. In 1974-5, the short-term agricultural loans issued by the RSCB are estimated to touch the level of Rs 35 crores and it is expected that in the next few years the annual growth may be of the order of Rs 12 crores. On this basis

the total contributions recoverable during the next four years and the expected deficits will be as under :

Year	Expected level of short-term agricultural loans issued by the apex bank	Total contributions to 'Common cadre fund' @ 0.25% of col. (2)	Annual expenditure for maintaining the common cadre	Rs Lakhs
				Deficit (-)/ Surplus(+)
(1)	(2)	(3)	(4)	(5)
1975-6	47,00.00	11.75	13.00	-1.25
1976-7	59,00.00	14.75	13.00	+1.75
1977-8	72,00.00	18.00	13.00	+5.00
1978-9	85,00.00	21.25	13.00	+8.25

Thus, the contributions receivable in the 'Key Personnel Cadre Fund,' can be expected to cover the cost of maintaining the cadre excepting in the first year when the deficit will be around Rs 1 lakh. The RSCB may meet the deficit in the fund. The RSCB can meet this deficit as its profits were around Rs 15 lakhs until 1972-3 which had increased to Rs 26.35 lakhs in the year 1973-4. If the anticipated increase in the business materializes, the bank may even reduce the fees from 0.25 per cent of the loans to a percentage which will meet the cost of the cadre. The charge should not be made to give to the bank an additional source of income.

11.24 The personnel needed in the common cadre will not be immediately available. For this purpose, to start with, the posts may be filled by selection from amongst the existing officers of the central/apex banks, and/or by throwing the posts open to departmental officers including senior inspectors with experience as also to audit staff of suitable level. The short-fall, which will be sizeable initially, may be filled by taking Deputy/Assistant Registrars and officers of corresponding level from the audit wing of the Co-operative Department on deputation. Simultaneously, a suitable number of young people with good academic background may be recruited on a 75:25 basis from outside and amongst the staff of the co-operative banks as management trainees in the common cadre for the next three years and their proper training ensured so that on completion of their probation period of, say, two years they can replace the deputationists in the course of the next three to five years.

11.25 We understand that a beginning has already been made in the recruitment of management trainees by the RSCB and at present they have two such trainees under training. Assuming that 30 such trainees are required to fill in the existing

gap, a phased programme of their recruitment spread over three years may be drawn. If then management trainees are recruited in each of the years 1975-6, 1976-7 and 1977-8 and the period of probation and training in each case is kept at two years, the number of management trainees will be 10 in 1975-6, 20 in 1976-7, 20 in 1977-8, 10 in 1978-9 and nil in 1979-80. If their annual emoluments during the training period are assumed at Rs 10000 per trainee, the cost will be Rs 1 lakh in 1975-6, Rs 2 lakhs in 1976-7 and 1977-8 and again Rs 1 lakh in 1978-9, i.e., a total of Rs 6 lakhs. We recommend that the cost may be shared equally between the GOR and the RSCB. The efficiency of the co-operative banking structure should be also the concern of the state government as the structure is an important instrument for the development of agriculture in the state.

11.26 The cadre for the key personnel of the ccbs recommended by us will have to be appointed and maintained on the staff of the RSCB. While there may be a separate Key Personnel Cadre Committee appointed to administer the cadre, the staff will have to be appointed by the apex bank as the proposed Committee will not have a separate legal entity as an employer. The problem can be solved by establishing a separate co-operative society for the purpose like the State Cadre Co-operative Society we have suggested for the secretaries of pacs. Alternatively, this society itself can be entrusted to look after the cadre for the key personnel of the ccbs. We, however, do not think that either of the step is necessary or desirable and think that the best solution lies in making the key personnel cadre a part of the staff of the RSCB itself.

11.27 The powers relating to selection, appointment, transfer, punishment, etc., of the officers of the key personnel cadre may be vested in a State Key Personnel Cadre Committee to be nominated by the state government. The constitution of the committee can be as under :

- | | |
|--|---------------------------|
| (i) Chairman, RSCB | — <i>Chairman</i> |
| (ii) Special Secretary to the GOR, Co-operative Department | — <i>Member</i> |
| (iii) RCS, Rajasthan | — <i>Member</i> |
| (iv) Two directors of the RSCB representing the ccbs, to be nominated by the former bank | — <i>Members</i> |
| (v) MD, RSCB | — <i>Member-Secretary</i> |

11.28 We do not think that the appointment of key personnel from the cadre maintained by the apex bank will mean any encroachment on the autonomy of the ccbs. The officers will be borne on the staff of the apex bank but will have to work under the immediate control of the boards of directors of cen-

tral banks. Professionalization in the management of banks has assumed considerable importance now and we feel that the best way of achieving it is through a cadre maintained by the apex bank which itself is a federation of the central banks. The constitution of the cadre will be in the interest of the personnel themselves who will have better promotional opportunities with a wider field for employment. We, therefore, strongly recommend that the state government and the banks should take early action to constitute the cadre on the lines suggested by us. It may be necessary to give a legal framework for this purpose by amending the Co-operative Societies Act.

Inspectors/assistant inspectors in central banks

11.29 Various committees in the past have suggested that financial supervision over affiliated societies should be the responsibility of the ccbs. In this connexion, the relevant observation of the Overdues Study Team is quoted below:

... We, therefore, endorse the view expressed by the various committees cited in the earlier paragraph that financial supervision should be the responsibility of the central co-operative banks and hence the control over supervisory staff should vest in the banks... Unless this is done, the managements can rightly disown responsibility for the poor performance in the recovery of dues. In fact, a complaint is often made that supervisors not working under the direct control of the managements cannot be disciplined by them to co-operate in the timely recovery of dues from primary credit societies and their members. (page 161)

In Rajasthan the Assistant Registrar is the district officer in charge of the Co-operative Department. Below him, there are inspectors posted at the block level designated as Co-operative Extension Officers and below them are the assistant inspectors entrusted with the responsibility of exercising supervision over pacs. The control of the assistant inspectors was transferred to the ccbs in 1965 and they have since then been working under the control of the Executive Officers of the central banks who in turn, in many cases, are government officers on deputation. Between the two, there are loan inspectors in each bank. Most of the loan inspectors in the central banks are on deputation from the Co-operative Department. While the concerned central bank pays the salaries of the loan inspectors with deputation allowance, the salaries of assistant inspectors are paid by the state government, but their T.A., D.A., for the tours undertaken are borne by the concerned ccb.

11.30 The loan inspectors being in most cases on deputation, do not work under the control of the concerned central banks inasmuch as the powers relating to their appointment, transfer, punishment, etc., are vested in the state government. The transfer of operational control in respect of assistant inspectors to ccbs is nominal inasmuch as the above position existed in their case also.

11.31 The recruitment of inspectors/assistant inspectors is done by the state government. A large number of sanctioned posts of assistant inspectors are lying vacant as can be seen from the position in respect of four banks in October 1974 given below :

Name of the bank	Assistant Inspectors		Average effective charge of societies per Assistant Inspector
	Sanctioned strength	In position	
Banswara	12	6	38
Dungarpur	12	8	23
Udaipur	26	17	33
Chittorgarh	13	8	39

Thus, the average charge of societies per assistant inspector is above 20 in Dungarpur bank and well above 30 in the case of the other three banks. Even if the sanctioned strength of the assistant inspectors is in position, the charge of societies per assistant inspector works out to above 15 in the case of Banswara, Udaipur and Chittorgarh banks. The short-fall in the strength is stated to be due to the inability of the state government to provide adequate number of assistant inspectors.

11.32 There is yet another aspect connected with the practice of providing supervisory staff to the banks by the state government which needs consideration. The loan inspectors are mostly employees of the state government on deputation with the respective banks and their salaries, inclusive of deputation allowance, compare unfavourably with the salaries drawn by the banks' employees in the corresponding grade since the employees of the banks are entitled to dearness allowance linked to the cost of living index. In fact, the clerical staff of the banks is, by and large, drawing higher emoluments *vis-a-vis* those drawn by the loan inspectors. The disparity in the case of assistant inspectors who are not entitled to a deputation allowance is more pronounced. Above all, the supervisory staff provided by the Department being not in the regular cadre of the banks, and also transferable to other districts, have no prospects of promotion in the concerned ccb. The above position has resulted in creating a sense of frustration among them which may be the main reason for general laxity in supervision over the societies.

11.33 A similar situation as indicated above obtained in Gujarat over a decade ago. However, in order to vest in the central banks effective control over the field staff, the concerned staff was transferred to the banks and the extra expenditure incurred by the central banks as a result of such a transfer was met by the state government by providing subsidy for the

first three years. This arrangement, if introduced in Rajasthan will not prove burdensome to the ccbs as their business is expected to rise substantially in the coming years. We recommend, therefore, that the entire inspectorial staff, i.e., loan inspectors and assistant inspectors should be transferred to the cadre of the respective ccbs with a view to vesting direct control over them in the managements of the banks. While doing so, inspectors/assistant inspectors may be given an option to revert to their parent department, if they so desire. Such a step will not only involve the said staff in the development of the bank, but also ensure effective financial supervision over the affiliated societies.

State co-operative bank

11.34 We have recommended that the RSCB should assume the role of a cfa in two districts in addition to Jaisalmer district. As indicated in Chapter I, its role in Jaisalmer district could be deemed as insignificant, although stagnancy of almost all the societies in the district is the major cause therefor. But such a situation is not likely to continue for long as we have suggested a massive programme for the re-organization of the primary structure all over the state. In view of this position, we suggest that the RSCB should convert the head office of each of the two erstwhile ccbs, viz., Dungarpur and Sirohi as a district office and arrange to open new branches in addition to the existing branches of the transferor banks with a view to catering effectively to the needs of affiliated societies and facilitating mobilization of deposits. Similar action may also be taken in the case of the existing branch of the RSCB in Jaisalmer district. As we have indicated earlier, three key personnel from the common cadre will have to be posted in each such district. These officers should not be burdened with routine banking matters but should be required to devote more of their time for developmental and promotional aspects.

11.35 With the RSCB undertaking the role of a cfa in three districts including Jaisalmer and with the expected stepping up of the loan business in these districts as also in the case of other ccbs, it will be necessary for the RSCB to strengthen and tighten its supervision over them. We, therefore, recommend that as suggested in Chapter II the RSCB may open its regional offices, to start with at Jodhpur and Udaipur and later at Bikaner and Kota. The regional officers should pay regular visits to the central banks/district branches of the RSCB and carry out their regular inspections and ensure observance of financial discipline on their part.

11.36 We have recommended in paragraph 11.34 above that head offices of the erstwhile ccbs in Dungarpur and Sirohi as also the branch of the RSCB at Jaisalmer may be converted

into district offices of the RSCB. At the same time with a view to ensuring expeditious disposal of credit limit applications from the co-operative institutions in the respective districts suitable powers will have to be delegated to local people by the apex bank in this behalf. In this connexion we suggest that for the purpose of sanctioning such limits on the usual terms and conditions as also to ensure involvement of local non-official leadership to a certain extent in the working of the district offices, a small advisory committee of five members consisting of two non-officials may be formed. The other members may be the Assistant RCS of the district, officer-in-charge of the proposed regional office of the area and the officer-in-charge of the district office who will also be the convenor.

Co-operative Department

11.37 We have suggested creation of the posts of special recovery officers in the various cbs. This recommendation has been made to ensure that high levels of overdues should not prove an obstruction to the implementation of the credit plan proposed by us. Simultaneously, it will be necessary to post an officer at the district level under the control of the RCS to supervise and co-ordinate the recovery work. In Maharashtra a separate post of an Assistant Registrar of Co-operative Societies (Recovery) has been created in each district. From the above viewpoint we suggest a similar arrangement in Rajasthan also for consideration of the state government. The work of disposal of loan recovery cases should be vested in the Assistant Registrar (Recovery) who should transfer the awards passed to the Special Recovery Officers promptly for execution.

Arrangement for audit

11.38 Audit of accounts of a society at least once a year is a statutory responsibility of the RCS. To assist the Registrar in this behalf there is an audit cell in his office headed by the Chief Auditor who is a senior officer of the Rajasthan Accounts Service and is posted by the Finance Department of the GOR. All the powers of the Registrar under the Act in regard to the audit of accounts of the apex, central and primary societies are delegated to the Chief Auditor who is assisted by special auditors of the rank of Assistant Registrars. The posts of special auditors are filled by direct recruitment as also by promotion from amongst the inspectors of co-operative societies of the audit as well as the executive wings. The posts of special auditors and assistant registrars of co-operative societies are inter-changeable. Special auditors conduct test audits of societies and their duties are mainly of a supervisory

nature. The state is divided into eight zones and each zone is under the charge of a special auditor. The special auditors are assisted by Inspectors of Audit who are required to audit the accounts. These posts are also filled in either by promotion of assistant inspectors or by direct recruitment.

11.39 Due to increased activities of the apex societies, district level societies/banks, the government have introduced a system of concurrent audit with a view to detecting and rectifying promptly the irregularities which might have been committed by the institutions. The concurrent audit in the apex bank as well as the ccbs is done by the Inspector of Audit (grade I). Although the Rajasthan Co-operative Societies Rules provide for the audit of accounts by chartered accountants, etc., approved by the Co-operative Department, this has not been given effect to in practice.

11.40 The rates of audit are given below:

1 *Primary Agricultural Credit Societies*

- Nil for first Rs 5000 of the working capital
- 1/4 per cent for the next Rs 10,000 of the working capital
- 1/10 per cent for the next Rs 10,000 of the working capital
- 1/20 per cent for the next Rs 25,000 of the working capital
- 1/30 per cent for the next Rs 50,000 of the working capital
- 1/75 per cent for the next Rs 50,000 of the working capital
- 1/100 per cent for the rest of the working capital

N.B. The amount of audit fee is subject to a minimum of Rs 15 and maximum of Rs 150

2 *Apex and Central Co-operative Bank*

- Rs 50 for the first Rs 1.00 lakh of the working capital
- Rs 40 for the next Rs 1.00 lakh or part thereof of the working capital
- Rs 30 for the next Rs 1.00 lakh or part thereof of the working capital
- Rs 20 for the next Rs 1.00 lakh or part thereof of the working capital
- Rs 15 for the rest of the working capital

N.B. The amount of audit fee is subject to a maximum of Rs 700 and Rs 600 in respect of apex bank and central co-operative bank respectively

It is reported that the audit staff is inadequate and, therefore, the audit work is not attended to promptly. The Department finds it difficult to strengthen the staff as the present audit fees are reportedly not adequate to meet the expenditure on the audit establishment. The ceilings on the audit fees and the scales appear to be somewhat low and need revision in view of the rise in prices and costs. We have not examined this matter in detail as it does not directly relate to our terms of reference. We, however, recommend that this may be done independently. We also suggest that audit of some institutions may be entrusted to chartered accountants who can be approved for the purpose by the Chief Auditor. We would emphasize,

however, the need for timely audit of the co-operative credit agencies, particularly when we have envisaged a rapid expansion of their business. If this requires strengthening of the audit staff, there seems to be no reason why a substantial part of the increased cost should not be borne by the co-operatives themselves.

Personnel in Registrar's office

11.41 Most of the recommendations made by us in this report are to be implemented by the RCS and he has further to ensure the implementation of other recommendations also. We are aware that this will obviously increase his responsibilities substantially. This will, therefore, necessitate strengthening the Registrar's office at the head-quarters with a suitable complement of senior officers and supporting staff to enable him to discharge his onerous responsibilities. We, however, do not make any specific recommendations in this regard but would urge on the government that the matter may be given careful consideration.

SECTION II

OPERATIONAL ARRANGEMENTS

11.42 Our analysis will not be complete without consideration of certain operational matters which have a bearing on our terms of reference. Our views on these matters are contained in the following paragraphs.

Interest margin

11.43 During our discussions with the officials and non-officials from the various regions of the state, a suggestion was made that we should consider the question of sharing of interest margins by the three-tiers of the co-operative credit structure. In Maharashtra, a margin of 3 per cent is retained at the primary level in respect of short-term agricultural loans, 1.75 per cent at the central bank level and 0.25 per cent by the apex bank. This is in conformity with the principle that the highest margin should be available to the organization at the lowest level. This is partially true in Rajasthan also inasmuch as the margin retained at the primary level at present is 2 per cent, at the level of central banks 1.81 per cent and at the apex level 1.19 per cent, exclusive of the recent interest tax burden. However, the primary societies provided with a paid secretary are required to part with three-fourths of the margin available to them to the district supervision fund. The central banks and the state co-operative bank are contributing at the rate of 0.25 per cent and 0.19 per cent respectively to

this fund. Thus, the effective margin available to the central banks and the state co-operative bank works out to 1.56 per cent and 1.00 per cent respectively.

11.44 In the light of the above position the question is whether any one of the institutions should forgo a portion of its margin in favour of any of the other two tiers. We have already proposed that the primary societies should contribute at the rate of 1.75 per cent of the loans borrowed by them from central banks to the 'state caderization fund' to be created for supporting a cadre of secretaries of the primaries. This in effect means parting with a margin of not more than 1.50 per cent on all the loans outstanding against individual members as the former are generally 75 per cent of the latter as indicated earlier. The present margin of 2 per cent will thus leave 0.50 per cent to the societies on all the outstanding loans which will come to Rs 1000 only on the total loan business of Rs 2 lakhs for meeting the other expenditure on audit fees, board and general meetings, rent, stationery, postage, etc. No account need be taken of the liability to pay dividend on shares after meeting the obligations towards reserves as these are expected to be met out of the earnings on the owned funds for which the society does not have to incur any cost. Even then the amount of Rs 1000 may not be considered adequate to meet the expenditure on the items listed above and hence we feel that the margin that is allowed at present to the societies may be raised from 2 per cent to $2\frac{1}{2}$ per cent so that the society gets an extra income of Rs 2000 when the loan business reaches Rs 2 lakhs. In all the above calculations, the income from the non-credit activities which the societies are expected to undertake has been ignored because the experience generally is that this income is just adequate to meet the extra expenditure the society may have to incur in engaging additional staff on part-time or whole-time basis.

11.45 The central banks in Rajasthan are having relatively insignificant non-agricultural loan business (which gives higher income to compensate for the lower rates charged on agricultural loans) *vis-a-vis* the position obtained in Maharashtra and yet the banks in the latter state are enjoying a margin of 1.75 per cent on their short-term agricultural loan business. The central banks in Rajasthan, therefore, have a *prima facie* case for even a higher margin than their counterparts in Maharashtra. We, however, suggest a margin of 2 per cent inclusive of 0.25 per cent contribution they are expected to make to the caderization fund.

11.46 The RSCB is retaining a margin of 1.19 per cent out of which it contributes 0.19 per cent towards the cost of secretaries of pacs, etc. We have not envisaged any such contribution

in our proposal in this behalf. Further, we feel that the bank may be able to cut further in its net margin of 1 per cent by at least 0.25 per cent and retain a margin of 0.75 per cent on its advances to central banks for the following reasons. Two more central banks are to be merged with it as per our recommendations. The Kerala Study Team had calculated saving of 0.25 per cent if all the central banks in the state were merged with the apex bank. A similar saving should be possible in the case of the RSCB in respect of business from the districts where it will be functioning as a cfa. We have also recommended government contribution to share capital at the rate of Rs 10 lakhs per central bank merged. This will augment the bank's income automatically. Further, the short-term agricultural loans provided by it directly or through its branches are expected to rise at the rate of Rs 12-13 crores per annum. Taking into account all these aspects a reduction in the margin by 0.25 per cent should not result in any drastic fall in the bank's income and profitability. We will have, however, no objection to the bank charging a penal rate of interest at 1 per cent above the normal rate on all defaulted amounts. Besides, the bank will be free to pass on the incidence of the central tax on interest up to 1 per cent on all loans to central banks.

11.47 We recommend, therefore, that the normal margin retained (exclusive of interest tax liability) should be 0.75 per cent at the level of the RSCB, 2 per cent at the level of the ccbs and 2.50 per cent at the level of primary societies. The aggregate margins will thus be 5.25 per cent over and above the existing effective lending rate of 7 per cent on short-term agricultural loans from the RBI. Thus the rate to the ultimate borrower may be as much as 12.25 per cent exclusive of the burden they may have to bear of the central tax on the state co-operative bank. The rate to the farmer on short-term loans will be thus about 13.25 per cent and on medium-term loans 13.75 per cent inclusive of the tax. The lending rate to the ultimate borrower will thus be higher by 0.25 per cent than what is being charged at present which we do not consider as unjustified as this is necessary to ensure the efficiency of the co-operative credit structure at all levels.

Deposit mobilization

11.48 We have indicated in Chapter VI that the share of the co-operatives, i.e., excluding the commercial banks, in meeting credit needs of short-term agricultural production for the state as a whole will rise by 30.5 per cent, i.e., from 17 per cent in 1973-4 to 47.5 per cent in 1978-9. For achieving the increase envisaged every ccb will have to make earnest efforts to mobilize

additional deposits at a rate much higher than hitherto so as to be in a position to absorb overdues and improve their capacity to raise funds from the higher financing agencies. Normally for a lending programme of Rs 1 crore, a central bank should have owned funds of Rs 15 lakhs and total deposits of Rs 40 lakhs so as to ensure that after setting apart about one-third of the deposits for maintaining optimum liquid assets, its own involvement in the loan business is around Rs 40 lakhs or 40 per cent of the total loan business. The involvement of the central banks in Rajasthan out of their internal resources in short-term agricultural loans outstanding against societies is, however, low *vis-a-vis* the all-India position. As on the last Friday of December 1973, while such involvement in the case of all central banks in the country was 48 per cent, the same in the case of central banks in Rajasthan was lower at 26 per cent. The banks in Rajasthan have, therefore, to go a long way in deposit mobilization to maintain their involvement in the short-term agricultural loans at 40 per cent particularly when such loans are to increase from Rs 35 crores at present to Rs 95 crores in 1978-9. Besides, a central bank is expected to meet not only the short-term agricultural credit needs but also the medium-term agricultural and other non-agricultural credit needs of affiliated societies. Experience has shown that if a bank is to serve adequately the various sectors of co-operative activity in addition to meeting the short-term agricultural credit needs, it may be necessary for it to mobilize deposits twice the amount it may have to find for sustaining the short-term agricultural credit business. To continue with the above example, for attaining a business of Rs 100 lakhs in short-term agricultural loans, the bank may have to mobilize deposits of the order of Rs 80 lakhs so that after allowing for statutory and optimum liquid assets at 35 per cent, the loanable deposits will amount to Rs 52 lakhs of which Rs 40 lakhs may be invested in short-term agricultural loans and the balance of Rs 12 lakhs in loans for other purposes.

11.49 On the basis of the above assumptions, we have attempted an estimate of the deposits that each ccb and the RSCB for the districts where it is to function as a cfa will have to mobilize to support the short-term agricultural credit and other business in the year 1978-9. The short-term agricultural loan business of a central bank in the state is put at 90 per cent of the level of such business which the primaries, other than those that are to receive accommodation from the commercial banks, are expected to handle in 1978-9. The

position in this behalf, district-wise, is shown in Annexure 88. The Annexure also indicates the following:

- (i) the size of deposits needed to attain the level of short-term agricultural credit,
- (ii) the size of the total deposits needed to support, in addition, the other activities in the co-operative sector,
- (iii) the annual growth rate to be maintained to reach the level of deposits under (i) above, and
- (iv) the annual growth rate to be maintained to reach the level of deposits under (ii) above.

While each central bank must strive hard to achieve the higher of the two growth rates, it must at least maintain the lower growth rate to ensure that the affiliated primary societies handle in 1978-9 the projected level of short-term credit business. The Annexure referred to above includes also the estimates for the Jaisalmer, Dungarpur and Sirohi districts wherein the RSCB will be functioning as a cfa.

11.50 From Annexure 88 it will be observed that the RSCB can manage to ensure adequate involvement at least in short-term credit business in the districts of Dungarpur, Sirohi and Jaisalmer from out of the deposits mobilized in the respective districts by maintaining annual growth rates of less than 20 per cent in the case of Dungarpur and Sirohi districts and of 28 per cent in Jaisalmer district. Of the remaining twenty-three ccbs, four banks, viz., Ajmer, Jhalawar, Kota and Udaipur can, by 1978-9, reach the ideal level of total deposits to support all types of loans by maintaining annual growth rate of 25 per cent or below in each case. Eleven other banks can ensure adequate involvement in short-term credit business by maintaining annual growth rate of less than 20 per cent in each case but all of them will have to strive to achieve growth rates between 25 per cent and 40 per cent to support other types of activities. These banks are Alwar, Bharatpur, Bhilwara, Bundi, Ganganagar, Jaipur and Pali (NTA), Banswara and Chittorgarh (TA), Bikaner (AZ) and Jodhpur (SAZ). We have to emphasize that these banks must make an all-out attempt to mobilize deposits at the higher rate with a view to supporting adequately not only the short-term agricultural loan business but also other type of loans. Two other banks, viz., Tonk and Sikar can hope to support the projected short-term credit business by maintaining annual growth rate of around 30 per cent. The Sawai Modhopur bank, however, will have to achieve a growth rate of 39 per cent annually for this purpose alone. The commercial banks have maintained in the last few years a deposit growth at 15 per cent annually. Many co-operative banks have succeeded in achieving a higher growth rate at 20 per cent. Although, the growth rate

needed in the case of almost all the central banks in Rajasthan has to be of a much higher order, we feel that this is not impossible of achievement. This is largely because of the fact that in most cases the base itself is very low.

11.51 This leaves out five banks, viz., Barmer, Churu, Jalore, Jhunjhunu and Nagaur. These banks will have to maintain a growth rate between 43 and 58 per cent if the affiliated primaries are to meet 60 per cent of the short-term credit needs by 1978-9. This seems to be a very tall order. In view of this, we have already indicated in Chapter IX that the pacs in these districts may not be in a position to take up their short-term business to the projected level by 1978-9 for want of adequate support from the concerned central banks. It is for this reason that we have recommended in Chapter III that these banks may be allowed to continue even if they maintain annual growth rate of at least 25 per cent in mobilizing additional deposits so as to handle a short-term credit business of at least Rs 150 lakhs in the case of Barmer and of Rs 100 lakhs in the case of Churu, Jalore, Jhunjhunu and Nagaur banks. The performance of these banks will be under constant review as recommended by us in Chapter III and any short-fall in their achieving the expected level of performance will justify their amalgamation with the RSCB as proposed by us.

11.52 The deposits of the RSCB had increased by 19 per cent in 1971-2 and also in 1972-3 and by 24 per cent in 1973-4. This rate of growth was comparable to that of the commercial banks. But it has to be noted that the level of deposits of the bank at the end of 1970-71 was as low as Rs 3.40 crores. The RSCB will have to shoulder a greater responsibility in the context of the large growth of short-term agricultural credit envisaged by us for the state as a whole. Besides, it has to function as a cfa in three districts. We recommend, therefore, that the bank should maintain an annual growth rate of at least 20 per cent in its deposits not only in the city of Jaipur but also in the three districts in which it is to function as cfa.

11.53 We have in the above paragraphs observed that the state and central co-operative banks will have to make concerted efforts in increasing their deposits and build up their internal resources to sustain the increased loan business expected of them during the Fifth Five Year Plan period. The primary responsibility in this behalf must rest with the banks themselves. It is important in this context for the banks to realize first of all that they cannot hope to meet the aspirations of the farming community whom they are expected to serve depending primarily on borrowings from the state

co-operative bank and the Reserve Bank. We have, therefore, tried to bring home this point to the managements of the banks by giving an indication of the levels of deposits which each bank will have to attain if it has to meet the short-term agricultural credit and other needs as projected for it in the last year of the Fifth Plan. We would, therefore, emphasize first the need for a change in the approach of the managements to this aspect and once this is accomplished, they have to apply themselves to the task in a systematic manner. The most important thing in this context is to improve the image of the banks as true banking institutions providing not only a variety of deposits to attract different types of depositors but also a variety of banking facilities and services, e.g., collection of bills, inland remittances, safe deposit vaults, etc. Further, the banks will also have to show a greater aggressiveness in their branch expansion programmes. They have to throw their net over an extensive area to catch the deposits from the public. Finally, it goes without saying that the staff of the banks will show the greatest respect and courtesy to the depositing public, because in these days of keen competition among the banks for deposits from the public, the courtesy and service which may not cost anything at all go a long way towards attracting the depositors and retaining their custom.

11.54 While the banks have to do their best in mobilizing the deposits of the public by improving the quality of their services, we think that the state government can help considerably in improving the image of the banks in the public eye. We are referring in this context in the next paragraph to the urgency of extending the facility of deposit insurance to the deposits with the co-operative banks. The responsibility of the government cannot, however, be considered to be over by passing the necessary legislation. The public image will improve not merely by bringing the co-operative banks within the purview of the DIC. The support of the government has to be more positive in that they should recognize the co-operative banks for receiving deposits from the public corporations and semi-government and government bodies. The image of these banks in the public eye cannot be bright if the government themselves are not prepared to recognize them for the purpose of receiving deposits from the institutions and bodies under their control. We understand that there are several restrictions, statutory and administrative, on these institutions keeping their funds with the state and/or central banks. It is reported that the GOR have since passed orders removing some of the disabilities and we are confident that the state government will remove expeditiously the constraints and restraints in this behalf because in the expansion of deposit resources of the

co-operative banks lies the hope for the rapid expansion of agricultural production credit and in turn for increasing agricultural production in the state.

Deposit insurance

11.55 The co-operative banks in the state are at disadvantage *vis-a-vis* the commercial banks in the matter of mobilization of deposits, as the deposits of the latter banks have the benefit of the facility of deposit insurance provided by the DIC. Extension of this facility to cover the deposits of co-operative banks will greatly help the efforts of these banks in the field of deposit mobilization. The RBI has already advised the state government the amendments that are necessary to the State Co-operative Societies Act so that the co-operative banks in the state can be deemed as 'eligible banks' under the Deposit Insurance Act and the insurance cover extended to their deposits. We understand that the matter is under the consideration of the Government. We urge the government to expedite action for amendment of the State Act on the lines indicated by the RBI so as to ensure that the facility of deposit insurance is extended to co-operative banks in the state as early as possible and their programmes for the mobilization of deposits are given the needed support.

Lending policies

11.56 As pointed out in Chapter IV, the on-the-spot studies of pacs taken up at our instance reveal that many ccbs have adopted only two scales of finance, one for single crop areas and the other for double crop areas. In the 'Manual on Production-Oriented System of Lending' published by the RBI, it has been suggested that the ccbs should adopt a separate scale of finance for each of the crops grown in their area. It has been proposed therein that the scale of finance for each crop should have two components, i.e., 'A' component to be disbursed in cash and 'B' component to be released in the form of inputs. The components should be fixed taking into account the cultivation expenses for the crop provided care is taken to ensure that the 'A' component does not exceed one-third of the value of average gross produce. In essence it has to be ensured that the cultivation of a crop does not suffer on account of inadequate finance nor over-finance is sanctioned for such cultivation as in either case it is likely to lead to defaults. While in view of the conditions obtaining in Rajasthan it may not be worthwhile to adopt scales of finance separately for each of the low-value food crops like Bajra, Maize and Jowar, we emphasize the need for the central banks adopting separate scale of finance for each of the high-value crops like sugarcane, vegetables, etc., and also for the high yielding *rabi* crops. The necessary lead in this

regard will have to be provided by the RSCB. Simultaneously, we suggest that the ccbs, including the proposed district offices of the RSCB, should maintain a suitable register for indicating the crop-wise short-term agricultural loans issued by them to the societies. This information will enable the managements to know whether the credit needs of the important crops in the district are being met and, if not, re-orient their lending policies suitably in a periodical review.

11.57 We observe that the central banks in the state are, by and large, not evincing adequate interest in the disbursement of medium-term loans for agricultural purposes. Such loans help a cultivator in enlarging his productive assets and in turn the production from his holdings. We suggest that the state and central banks should give due attention to meeting the medium-term agricultural loan requirements, particularly for identifiable productive purposes. As a beginning the RSCB may undertake a survey to locate the areas, particularly in command areas of the canal irrigation projects, where the lendings for identifiable productive purposes can be undertaken on a large scale.

11.58 The studies of pacs undertaken at our instance have indicated that there was a general laxity in supervision over the indebted societies resulting in inadequate scrutiny of credit limit statements, non-maintenance of up-to-date land registers as also resort to dubious methods for recovery of dues, etc. This is indicative of the managerial inadequacies. In this connexion, we have already suggested streamlining the administrative arrangements for management of societies and supervision over them. Here we will like to emphasize that our suggestion regarding the transfer of services of loan inspectors and assistant inspectors to the concerned central banks may be given immediate effect with a view to making effective the supervision arrangements over the indebted institutions. For that purpose it may also be necessary to increase the strength of loan inspectors/assistant inspectors in a phased manner so as to ensure that not more than fifteen societies are under the charge of an assistant inspector and the work of not more than two/three assistant inspectors is controlled by a loan inspector. The bank should take disciplinary action against the erring staff responsible for malpractices of the nature indicated above.

Review of action on the recommendations

11.59 Finally, we recommend that to review the progress in implementation of the various recommendations a high-power state level committee should be set up by the GOR. Besides reviewing the progress, this committee may also resolve the problems that may arise from time to time in the implementation

of the recommendations. The important items for periodical review should be (i) working of the ccbs, (ii) re-organization of primary credit structure, (iii) progress in the issue of agricultural finance by both, co-operative and commercial banks, (iv) setting up of special type of societies in the tribal areas, (v) financing of sheep breeding activities and marketing arrangements for sheep products and (vi) establishment of common cadres of personnel at various levels. The Chief Secretary to the GOR may be the Chairman of the state level committee and its other members may include representatives of the Reserve Bank's ACD and the Department of Banking Operations and Development, the Joint Secretary in the Union Ministry of Agriculture and Irrigation (Department of Rural Development), the Chairman—RSCB, a representative of the commercial banks financing agriculture through pacs in the state, the Agricultural Production Commissioner, the Special Secretary, Co-operative Department, and the RCS, Rajasthan. The RCS may be the convener of the committee.

CONCLUDING OBSERVATIONS

11.60 We have endeavoured to draw in the eleven chapters of this report a blueprint for institutionalizing the provision of agricultural credit in Rajasthan with a view to ensuring that at least 60 per cent of the credit requirements of short-term agricultural production in the state in 1978-9 are met by viable pacs with active financial support from the co-operative and commercial banks. It has been often emphasized that what is important to the cultivator is the timeliness and adequacy of credit. Without either of these, he is driven to moneylenders resulting in dual allegiance on his part which is detrimental to the interests of the credit institutions. We, therefore, regard the implementation of our directions for re-organization and revitalization of the co-operative credit institutions at the base level as the first and foremost need as any hesitancy in this regard will, despite best of efforts in other directions, perpetuate the legacy of the past, viz., the hold of private agencies resulting from the crisis of confidence of the cultivators in the credit institutions of their own.

11.61 This should not be, however, taken to mean that our other recommendations are of lesser importance. For, without adequate financial support from, and closer supervision by, the superstructure, the primaries though revitalized/re-organized may again revert to stagnancy in which they are at present. Each of our recommendations should, therefore, be viewed as complementary to each other and all our recommendations should be considered for implementation as a package. The experience of other committees in the past has shown that

recommendations which either involve financial commitments on the part of the government or do not have popular response, are by-passed or diluted before implementation. The lack of financial and administrative assistance from the government and adequate legislative support to the infrastructure envisaged by us will undoubtedly cause a sense of frustration among those responsible for creation of such a structure. This should not happen at any cost as otherwise the enthusiasm for ensuring development will weaken. We, therefore, urge on the non-official leadership controlling the state and central banks, the officials involved in the movement and the concerned authorities in the state government to carefully weigh each of our recommendations, keeping in view the integrated approach, chalk out a time-bound programme and ensure its implementation wholeheartedly.

SUMMARY OF RECOMMENDATIONS

Chapter I—Agricultural situation in the state

1 Agriculture in Rajasthan especially in the western part is a struggle against inhospitable nature on account of unfavourable natural factors like poor soils, scanty and erratic rainfall, poor irrigation facilities and such other inadequacies. From the view point of geophysical and climatic conditions with which the prospects for the development of agriculture are closely linked, the state can be divided into three zones, viz., the normal zone (17 districts), the arid zone (4 districts) and the semi-arid zone (5 districts). Further, taking into account the concentration of the tribals and the need to adopt a special approach to deal with their problems, the seventeen districts in the normal zone can be sub-divided into two groups, viz., the non-tribal area (12 districts) and the tribal area (5 districts).

2 The average size of holdings is small in the tribal area, medium in the non-tribal area but large in the semi-arid zone and the largest in the arid zone. Although the cropping pattern in the state is dominated by low-value foodgrain crops the trend seems to be in the direction of high-value crops like high yielding wheat, groundnut and cotton which has a bearing on credit requirements. Besides irrigational and agricultural development programmes have been initiated for extension of canal irrigation, maximum conservation of water resources, adoption of suitable dry farming techniques and other modern methods of cultivation, development of mixed farming and arresting the advance of the desert. These efforts for maximizing agricultural production in turn call for adequate credit support from credit institutions operating in the state.

Chapter II—Rajasthan State Co-operative Bank

3 The Agricultural Credit Stabilization Fund maintained by the RSCB stood at Rs 201.22 lakhs on 30.6.74. Stabilization arrangements have special significance to Rajasthan as large parts of the state are susceptible to frequent droughts and famines. The ccbs have to ensure a minimum involvement of 15 per cent in the conversion loans supplemented by assistance from the stabilization fund of the apex bank so as to be eligible to draw on the National Agricultural Credit (Stabilization) Fund maintained by the RBI, whenever such a need arises. In this context the RSCB will have to take steps to build up its stabilization fund to the level of Rs 314 lakhs by 1978-9.

4 The RSCB's deposits are no doubt increasing progressively, but their present level cannot be considered adequate to sustain a higher lending programme which is essential in the context of the various programmes of development of agriculture and allied activities envisaged in the Fifth Plan. The bank should, therefore, aim at 20 per cent annual growth rate in the deposits so that they may reach the level of Rs 15 crores in 1978-9, i.e., the last year of the Fifth Plan. For this purpose, the bank has to look primarily to the ccbs as feeders for its deposits and, therefore, involve itself actively in the deposit mobilization by the ccbs. We strongly recommend that the RSCB should pay special attention to this aspect and supervise the action on the part of the ccbs in the direction of mobilizing deposits in their areas.

5 The RSCB's dependence on external borrowings for its lending programmes has been somewhat excessive which makes its position vulnerable in the years of scarcity. The bank should aim at keeping its borrowings to less than 60 per cent of the total loans and advances by ensuring the growth of its deposits annually as much as proposed by us above.

6 With a view to strengthening supervision over the central banks and other indebted institutions, we recommend that the RSCB may establish regional offices in a phased manner. Priority may be given for opening such offices at Jodhpur and Udaipur with a view to supervising and guiding the operations of the institutions in the comparatively less developed areas. The other two regional offices may be opened at Bikaner and Kota to control and guide the credit institutions operating in the areas of the two command area development projects in the state.

7 The share of the less developed areas, i.e., the arid and semi-arid zones and the tribal area, in the business of the RSCB was about one-fourth of its total loan business. The development of business of an apex institution is conditioned by the financial strength of the lower two tiers viz., the ccbs and the pacs and hence the RSCB as an apex institution should accept the situation as a challenge and shoulder greater financial and administrative responsibility in improving the operational efficiency and internal resources of the institutions in these areas.

Chapter III—Central Co-operative Banks

8 In the matter of justification for continuance of a ccb, the most important consideration is that of viability and allied with it is the question of efficiency of the central bank. Banks which are not likely to attain viability within a reasonable period and are also inefficient may probably not continue to function as independent entities but make room for other institutional agencies.

9 More than a decade ago, the erstwhile SAC suggested that a viable central bank should have minimum loan business of Rs 1 crore and working capital of about Rs 1.20 crores. Since then 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 leading to increase in the costs of operation. Taking these aspects into account but simultaneously considering the poor achievements of banks in Rajasthan, we feel that a ccb in the state may be deemed to be viable if its loans outstanding exceed Rs 150 lakhs and potentially viable if the loans exceed Rs 100 lakhs.

10 The Kerala Study Team is of the view that besides the consideration of viability, a ccb can justify its claim to continued existence if it satisfies the three criteria, viz., (i) adequate mobilization of resources, (ii) responsiveness to local needs, and (iii) better recovery performance. We have made an attempt to translate the three broad criteria mentioned above into some objective criteria for assessing the relative performance of the central banks in Rajasthan by rating the banks with reference to ten major aspects of their business. The marks allotted are higher as the performance of the banks is better. All the indicators have been assumed to be equally important, although some of them are more important than others justifying different weights to different indicators. We, however, feel that the rating may be rough index of the relative performance of the different banks in the state.

11 Ten central banks, viz., Banswara, Dungarpur and Sirohi (TA), Barmer, Bikaner and Churu (AZ) and Jalore, Jhunjhunu, Nagaur and Sikar (SAZ), with 20 per cent or less marks can be rated as inefficient.

12 While strictly speaking the above ten banks, eight of which are not even potentially viable as per the norms adopted by the Fifth Plan Working Group, may be deemed to have no justification to continue, some allowance can be made for the existing low level of achievement and adverse natural conditions prevailing in some parts of Rajasthan and their cases considered sympathetically. Assuming that the banks in question will have to mainly depend on short-term agricultural loan business for attaining viability as the other types of business may be, in their cases, negligible the cases of the ten central banks for continued existence may be examined on the basis of the following:

- (i) Whether there is potential in the district for the bank to reach a level of business of Rs 150 lakhs assuming that not more than 50 per cent of the short-term credit requirements in the district could be met by the concerned bank.

- (ii) Whether the deposits with the bank will reach the level of Rs 60 lakhs at the end of 1978-9 (assuming an annual growth rate of 25 per cent) necessary to sustain a credit business of Rs 150 lakhs.
- (iii) Whether the deposits will reach at least Rs 40 lakhs at the end of 1978-9 for sustaining a credit business of Rs 100 lakhs.

13 In our opinion, Dungarpur and Sirohi central banks are unlikely to attain the level of business of Rs 150 lakhs necessary to function as viable units, in view of the lack of adequate potential in the districts they serve and have, therefore, no justification to continue. We therefore, recommend that these two banks may be amalgamated with the RSCB. However, in order to ensure that the latter bank is not laden with any unrealizable assets of the amalgamated units, it should take over on an 'outright' basis only the realizable assets and equivalent liabilities of the central banks. The unrealizable assets of the central banks should be taken over on 'collection' basis and corresponding liabilities repaid on *pro-rata* basis. The amalgamations on the lines suggested can be brought about by amending sections 16 and 17 of the Rajasthan Co-operative Societies Act suitably. We, therefore, recommend that the GOR may take action to amend the act to facilitate the amalgamations and consult the Reserve Bank before drawing up a scheme of amalgamation on the proposed lines.

14 We suggest that the managements of the Banswara, Barmer, Bikaner and Sikar central banks should make concerted efforts towards mobilization of additional deposits so as to ensure an annual growth rate of 25 per cent as also for increasing the level of their loan business to Rs 150 lakhs in 1978-9 and later to Rs 200 lakhs. The state government may review the position of these banks in 1978-9 to decide whether any or all of them had justified their existence. The cases of banks which fail to reach the desired level of business in 1978-9 may be considered for amalgamation with the RSCB on the lines proposed in recommendation number 13.

15 We understand that the concerned authorities in the state government and of the RSCB are formulating jointly a programme for deposit mobilization by the central banks with a view to enabling these institutions to handle a higher level of business during the year 1975-6, with special attention to such banks as had meagre business. In view of this position, it may not be difficult for Jalore and Nagaur central banks to ensure an annual growth rate of 25 per cent in their deposits. For the same reason, we would allow Churu and Jhunjhunu central banks a continued existence on the presumption that special efforts will be made in their cases to ensure that each bank achieves a level of deposits of Rs 40 lakhs by 1978-9. We, therefore, recommend that the managements of the Churu

central bank from the arid zone and the Jalore, Jhunjhunu and Nagaur central banks from the semi-arid zone should make concerted efforts for mobilization of additional deposits so as to ensure that the total deposits of each bank reach the level of at least Rs 40 lakhs by 1978-9. Simultaneously, steps may be taken to progressively increase the level of loan business of each of the four banks to Rs 100 lakhs in 1978-9. While arrangements for providing the needed guidance to these banks may be made on the lines suggested in the next recommendation, the GOR may, as suggested in recommendation number 14, review the position of these banks in 1978-9 with a view to initiating action for amalgamation with the RSCB of such banks as fail to achieve the expected level of business.

16 The matter of achieving improved performance cannot be left entirely to the managements of the Churu, Jalore, Jhunjhunu and Nagaur central banks. Special attention will have to be bestowed on them and necessary guidance provided from time to time. Appointment of an administrator by the state government for each of these four banks after superseding their boards of directors is not favoured as such a step will result in depriving the involvement of local support which is very necessary for these banks to achieve an improved performance. We, therefore, recommend that the GOR may nominate as a director the MD of the RSCB on the boards of each of these four banks to guide them in their affairs. Consequently, the GOR may withdraw its administrator and arrange for vesting the management of the Nagaur central bank in an elected board of directors.

17 With a view to toning up the operational efficiency of the above four banks, we recommend that the services of suitable officers of the RSCB should be placed at the disposal of these banks to function as key officers and the bank may also agree to meet their cost.

18 The RSCB should apply its mind to issues like recruitment of some additional staff and training the existing personnel so that it will be equipped to shoulder the additional responsibility once decisions to amalgamate the Dungarpur and Sirohi banks with it and to participate in the managements of the Churu, Jalore, Jhunjhunu and Nagaur banks, are taken.

19 As a compensation for the loss of income from the loan business of Rs 50 lakhs, we recommend that the GOR may contribute Rs 15 lakhs each to the share capital of the Churu, Jalore, Jhunjhunu and Nagaur banks by borrowing from the Reserve Bank's LTO Fund. This should give them a minimum income of Rs 1 lakh per annum assuming that at least Rs 10 lakhs out of it remain in their business. We recommend fur-

ther that the contribution should be made in lump sum in one year and that for this purpose the RBI may consider relaxing its normal conditions governing the grant of loans from its LTO Fund.

20 We recommend that the RBI may consider sanctioning limits to the RSCB for financing societies in the districts of Dungarpur and Sirohi against government guarantee. Further, the GOR may make an additional contribution of Rs 20 lakhs to the share capital of the apex bank by borrowing from the LTO Fund. Simultaneously, the RSCB should make special efforts to take the level of loans in these relatively backward districts to at least Rs 100 lakhs in each case by 1978-9; if not more.

21 The efficiency of eight other central banks with rating between 20 per cent and 35 per cent, viz., Bhilwara, Bundi, Jaipur, Jhalawar, Pali, Sawai Madhopur and Tonk from the non-tribal area and Jodhpur from the semi-arid zone, would have to be toned up considerably if they have to justify their continued existence. Five of these banks, viz., Bundi, Pali, Sawai Madhopur, Tonk and Jodhpur, had a loan business of less than Rs 150 lakhs each. The scope of business for them, as evidenced by the large credit gaps, is considerable. There is no reason why they should not be able to take the level of the loans to over Rs 250 lakhs by 1978-9. If they fail to reach even Rs 200 lakhs in that year, we suggest that their performance should again be reviewed so as to determine whether it would be advisable to merge any one of them with the RSCB.

22 Our above recommendations are in keeping with the authoritative views of the All-India Rural Credit Review Committee as well as the Banking Commission and, therefore, we hope that they will be accepted by all concerned without any reservation and implemented as quickly as possible.

Chapter IV—Primary Agricultural Credit Co-operative Societies

23 The study in depth of nineteen pacs undertaken at our instance to ascertain the reasons for low coverage of cultivating families and lower borrowing membership, reveals that small farmers with holdings below 5 acres as also *harijans* and *girijans* have, by and large, not been encouraged to join the society of their area as members. This confirms the findings of similar studies conducted elsewhere that even the co-operatives whose primary objective is to help men of small means or the neglected sections of the community, tend to give attention to the more affluent sections of the society. The RBI insists on at least 20 per cent of the borrowings from the apex bank to be advanced as loans to small farmers. The proportion may

have to be fixed for each society individually, taking into account the relative importance of small farmers, *harijans* and *girijans* in the area of its operations.

24 The above study as also on-the-spot studies of 104 pacs in the state have brought out that the extent of coverage of rural families in the area of a society is closely linked to its ability to provide credit facilities with inputs and services and that the societies with independent full-time paid secretaries serve the clientele and the needs of their area better *vis-a-vis* the societies with part-time or honorary secretaries. The Fifth Plan Working Group has recommended that a society to be able to employ a full-time paid secretary should have a minimum credit business of Rs 2 lakhs. The above recommendation of the Working Group has been reiterated by the GOI and the ACB. It is now agreed that the pacs in every state should be so re-organized as to have ultimately only societies as have a potential loan business of at least Rs 2 lakhs. We are in full agreement with the above decisions and would urge on the government and the non-official co-operative opinion in the state to co-operate wholeheartedly in their implementation.

25 The poor achievements of the pacs in Rajasthan are indicative of the fact that the societies in the state may have a wider jurisdiction than their counterparts in the relatively more developed states like Gujarat and Maharashtra so that their number is kept down to a level which will ensure viability for each of the societies. We recommend, therefore, that a society in the normal zone may have within its jurisdiction approximately 2000 hectares of land under cultivation and a society in the arid and semi-arid zones approximately 5000 hectares. A much wider coverage has been suggested for the societies in the latter zones, because of the admittedly poor agricultural prospects in them.

26 On the basis of the above norms, the excess number of societies in majority of the districts in the state comes to 2395 and the short-fall in three districts aggregates 422, most of the short-fall being accounted for by the Ganganagar district. For the state as a whole the optimum number of societies will be 5768 as against the existing number of 7741 which includes 2236 dormant societies. The number and the percentage of dormant societies have varied from year to year. Dormancy may not necessarily mean that the societies have to be taken into liquidation. We, therefore, feel that in the programme of re-organization of societies which may be drawn up keeping in view the above broad guidelines, the dormant societies may not necessarily be taken into liquidation. It is only such of them as have their owned funds eroded completely or as have very

low borrowing membership that may be left out and marked for liquidation. The others may be retained if their area of operation conforms to the norms indicated above or amalgated with a neighbouring society to make the total area conform to the norms suggested by us.

27 Three districts can, as per the norms suggested by us, have a total of 422 additional societies. We feel that as far as possible no new societies may be organized in these districts during 1975-6 and 1976-7 except perhaps in RCP area. The question may be reviewed in 1977-8.

28 In drawing the plans of re-organization in other districts, it would be better to make an assessment block-by-block and identify the societies to be retained taking into account the cropped area, their geographical location and their financial position. A study similar to the above has been conducted in four districts of Karnataka by an officer of the RBI which may make the findings of the study available to the GOR for guidance in the matter.

29 The whole process of re-organization need not be postponed till the societies which may have to go out of existence, are taken into liquidation as that is a very time consuming process. In this connexion, we endorse the recommendation made by the Overdues Study Team that the better alternative is to allow such societies a slow and natural extinction. Such societies should be denied fresh credit by central banks and the area of an adjoining society extended to cover their area for meeting the credit requirements of non-defaulters and new members from the area.

30 The figure of optimum number of societies at 5768 arrived on the basis of rough norms adopted by us need not be taken as the firm and final figure. The block-wise examination which we have proposed will give the correct figure. In view of the urgency of the matter, we recommend that the examination should be accorded the highest priority by the government and the co-operative banks so that the blueprint for action is ready for the whole state latest by December 1975.

31 We emphasize that the achievement of the minimum level of business by the societies will not be possible unless they are given a wider area of operation proposed by us and unless, in particular, the societies have a trained full-time paid secretary.

32 We recommend that each one of the re-organized societies may receive government contribution to its share capital at the rate of Rs 10000 per society, if it has not received such contribution. As at the end of June 1974, the societies in the state had received government contribution to share capital

amounting to Rs 2.16 crores. Assuming that the number of societies to be retained is 6000, the balance contribution will come to Rs 3.84 crores. We recommend that the GOR should make the necessary provision in their budgets for 1975-6 to 1977-8 for the amount so that in the last year of the Plan all the societies will have received the required contribution. We also recommend that the RBI may sanction corresponding loans to the GOR out of its LTO Fund.

33 In view of the need for each society having a full-time paid secretary we recommend that about 1000 secretaries may be recruited and trained annually in the next two years or so. Besides, to ensure that the secretaries take sustained interest in their work and maintain efficient standards, they will have to be provided with avenues for improving their prospects.

34 The re-organized societies proposed by us will be multi-purpose in character and their operations. Additional functional societies for disbursement of credit for activities allied to agriculture will create problems of security and adversely affect the prospects of multi-purpose societies attaining viability as quickly as possible. Apart from this, there will be the question of the functional credit societies themselves becoming viable. In the light of conditions obtaining in Rajasthan, we recommend that in future no separate functional credit societies be organized for dairying, etc., and that those that may have been organized already be merged with re-organized multi-purpose pacs.

35 From the view point of improving the viability prospects of the re-organized pacs, we recommend that they may handle long-term agricultural credit so that they get one more line of business and avenue for income. A beginning can be made to give effect to the recommendation which was also made by the T. A. Pai Group, as also by the ACB, by entrusting the responsibility for long-term credit to as many societies as possible in the areas of the 13 pldbs in the state which have little prospect of becoming viable.

36 For the above purpose, only societies re-organized on the lines suggested by us will obviously have to be selected. Besides, the managers of the societies will have to be given the necessary training. We suggest that the GOR may examine the whole question further in consultation with the RRSBVB.

Chapter V—Agricultural Finance by Commercial Banks

37 The commercial banks operating in Rajasthan have a wide network of rural and semi-urban branches. Their success in the mobilization of deposits even from the less developed districts in the state is praiseworthy. The lower credit-deposit

ratios in respect of most of the districts and also for the state as a whole indicate that there is scope for these banks to expand their loan portfolio within the state without drawing on funds from elsewhere. In the predominantly agricultural state like Rajasthan where the co-operative credit structure is weak, we feel that the commercial banks have a very large scope in the sphere of agricultural credit.

Chapter VI—Credit Potential and Future Lines of Development

38 The Fifth Plan Working Group estimated the credit needs for sa0 for the entire country at Rs 3000 crores in 1978-9 on the basis of Rs 250 per hectare for irrigated lands and Rs 125 per hectare for dry lands. Large parts of Rajasthan, especially the arid, semi-arid and tribal districts, account for low-value food crops. We, therefore, suggest that the most appropriate norms in respect of the unirrigated lands in the arid and semi-arid districts and the six districts of Ganganagar, Jaipur, Pali, Dungarpur, Sirohi and Udaipur should be as under:

Districts	Norm in respect of unirrigated lands per hectare
Ganganagar, Jaipur and Pali (NTA), Dungarpur, Sirohi and Udaipur (TA), and Jalore (SAZ)	Rs 100
Barmer, Bikaner, Churu and Jaisalmer (AZ), Jhunjhunu, Jodhpur, Nagaur and Sikar (SAZ)	75

In respect of the unirrigated areas in the remaining 11 districts as also all irrigated areas, the norms suggested by the Working Group may apply.

39 On the above basis, the total short-term credit requirements for the state work out to Rs 193.60 crores or, say, Rs 190 crores. The area under irrigation in the state is expected to go up by about 5 lakh hectares by 1978-9. Besides, if the price increase of fertilizers is taken into account, the estimate of credit potential in 1978-9 may as well exceed Rs 270 crores. However, we have, on a conservative basis, placed the same at Rs 200 crores only.

40 Since defaulters cannot be financed by any alternative credit agency and they will be entitled for fresh short-term loans at least to the extent of their defaults after the same are cleared, the pacs in the state can be deemed to have met short-term credit requirements in 1973-4 to the extent of the aggregate of short-term loans issued during 1973-4 and the overdues in respect of such loans as on 30.6.73. On this basis, the pacs in the state can be deemed to have met short-term credit needs

to the extent of Rs 33 crores or 17 per cent of the existing credit potential at Rs 190 crores in 1973-4. The relevant amount and percentage are expected to rise to Rs 45 crores and 24 respectively in 1974-5.

41 The above tempo of development can be maintained if the measures suggested by us subsequently for tackling the problem of overdues and for improving the image and operational efficiency of the co-operative credit institutions, are implemented. We suggest, therefore, that the managements of the co-operative credit institutions, particularly of the state and central banks and the concerned authorities of the state government should together strive to achieve an annual growth of about Rs 12 crores in short-term lendings by the institutions so that they may meet the short-term credit needs to the extent of Rs 95 crores in 1978-9, i.e., Rs 50 crores over and above the level of Rs 45 crores expected to be reached in 1974-5.

42 Even after the realization of the above target, the share of the co-operatives in meeting short-term credit needs will rise from 17 per cent in 1973-4 to 47.5 per cent of the credit potential at Rs 200 crores in 1978-9 leaving a large credit gap to be filled. The only other institutional source available is that of the commercial banks and we feel that they will have to be involved to a much greater extent than at present.

43 During the years 1973 and 1974, the commercial banks maintained an annual growth rate of over 17 per cent in mobilization of additional deposits in Rajasthan. Assuming a growth rate of at least 15 per cent per annum the banks may be able to mobilize additional deposits of the order of about Rs 182 crores by the end of June 1978. Out of this they may be in a position to allocate additional Rs 52 crores for priority sectors by 1978-9. We suggest that of this additional amount of Rs 52 crores, the banks may invest about 50 per cent, or at least Rs 25 crores, in meeting the short-term credit needs of farmers through pacs in the state.

44 Thus, in our opinion, the co-operative credit institutions at primary level in the state with financial assistance from the co-operative and commercial banks together should be, by the end of the Fifth Plan, in a position to meet short-term agricultural credit needs to the extent of Rs 120 crores or 60 per cent of the credit requirements at Rs 200 crores. Their efforts would have to be pursued thereafter for filling the remainder of the credit gap.

45 The T. A. Pai Group suggested that in future the commercial banks might, instead of opening rural branches below the *mandi* level, consider operating through farmers service societies/

re-organized viable pacs. The GOI have since accepted the suggestion. The representatives of the commercial banks operating in Rajasthan also wholeheartedly welcomed the proposal of financing pacs in select compact areas. We recommend, therefore, that the scheme of financing of pacs by the commercial banks should be extended to Rajasthan so that the banks can take up their short-term lendings for agricultural production through this medium to the level of Rs 25 crores by the end of the Fifth Plan, i.e., in 1978-9. The RBI has issued detailed guidelines to commercial banks for financing pacs. We expect the commercial banks, the co-operative banks, the societies and the RCS to bear them in mind in the transfer and financing of the societies by the commercial banks.

46 For extending credit support of Rs 25 crores through pacs by 1978-9 as proposed above, the branches of the commercial banks are expected to adopt about 10 viable primary societies each in a compact area having a potential loan business of about Rs 20 lakhs, i.e., roughly Rs 2 lakhs per society. This means the commercial banks will have to adopt about 125 such areas in the state by 1978-9. We suggest that roughly 30-40 areas may be selected annually during the next three/four years commencing from 1975-6.

47 For carving out areas for ceding to the commercial banks, we propose that all blocks with credit gaps exceeding Rs 60 lakhs in amount and in percentage (of the credit potential) 75, may be selected for introduction of the scheme of financing pacs by the commercial banks. The extent of influence of the commercial banks in the above blocks may be as under:

- (a) Where the credit gap exceeds Rs 160 lakhs, to the extent of Rs 60 lakhs which could be handled through three branches in the block.
- (b) Where the gap exceeds Rs 110 lakhs, but is less than Rs 160 lakhs, to the extent of Rs 40 lakhs which could be handled by two branches in the block.
- (c) Where the gap exceeds Rs 60 lakhs, but is less than Rs 110 lakhs, to the extent of Rs 20 lakhs which could be handled by one branch in the block.

48 The number of blocks in category (a) are 13, in category (b) 14 and in category (c) 65, i.e., in all 92 blocks in 23 districts. The scheme may not be introduced in the remaining three districts, viz., Dungarpur and Udaipur (TA) and Jaisalmer (AZ), as the amount of credit gap is below Rs 60 lakhs in each block in these districts. Similarly, we suggest that the Kota district may

be excluded from the purview of the scheme as it has only one block with a credit gap exceeding Rs 60 lakhs. Thus, the total number of branches of commercial banks that could be entrusted with the responsibility in the state will be 131 in 91 blocks of 22 districts—39 in category (a), 28 in category (b) and 64 in category (c). At the rate of Rs 20 lakhs per branch, the credit potential will be Rs 26.20 crores out of a total of Rs 200 crores estimated on the *ad hoc* basis in recommendation 39 above.

49 Of the 22 districts in which the scheme is proposed for introduction, the required number of branches of commercial banks are not available in five districts, viz., Ganganagar, Barmer, Jalore, Jodhpur and Nagaur. The short-fall is to the extent of 19 branches in 14 blocks. We recommend that in these blocks, the Reserve Bank's Department of Banking Operations and Development may allocate suitable centres to the commercial banks for opening the required number of branches so as to ensure the introduction of the scheme in all the identified 91 blocks in the state by 1978-9. In the next one or two years, the scheme can be introduced in blocks where the branches of commercial banks already exist.

50 The actual allocation of areas in each block should be done in the District Level Committee in which both the commercial and co-operative banks may be represented. The Collector of the district may act as Chairman. The allocation should be placed before the State Level Committee for ratification. Once the allocation is finalized no one should be allowed to alter it unilaterally.

51 Our recommendations would enable the commercial banks to lend through pacs in 91 blocks out of a total of 232 blocks in the state. Even in the 91 blocks, the banks would cover not the entire area of the block, but only a portion. Thus the commercial banks will be free to lend directly to farmers in a substantial portion of the state and we expect that with the removal of the several difficulties in the way of direct lending with the passing of the legislation on the lines recommended by the Talwar Committee, their role will expand considerably in future. The short-term loans presently advanced by the commercial banks are very meagre and are less than Rs 1 crore. We feel that it may not be difficult for the banks to step up this figure to Rs 10 crores considering the vast areas where they will be providing agricultural loans directly to the farmers. Even in these areas, i.e., other than the areas in the 91 blocks in which they will be financing the pacs, the commercial banks may, if they so desire, provide finance through pacs in additional compact areas provided the areas are selected in consultation with the state government and

with the approval of the state and district level committees. If this additional finance of Rs 10 crores is made available by the commercial banks, the total short-term credit provided through the commercial and co-operative banking systems will amount to Rs 130 crores or roughly two-thirds of the credit potential estimated at Rs 200 crores by 1978-9.

52 We recommend that the commercial banks may not as far as possible lend directly to farmers residing within the jurisdiction of the societies financed by them. Such of these farmers who are already receiving credit facilities may be persuaded to join the society of the area within a reasonable period of time after which the financial accommodation to them may even be stopped if they do not want to join the society.

53 We have proposed amalgamation of the Dungarpur and Sirohi banks with the RSCB. We recommend that the RCS should initiate necessary steps so as to ensure that the Dungarpur and Sirohi banks are amalgamated with the RSCB and the branches of the former banks function as the branches of the latter bank. The whole process should be completed as early as possible, preferably before the end of June 1976. Simultaneously, we recommend that the RSCB should take steps for training of the staff of the ccbs to be taken over by it and, if necessary, arrange for the recruitment and training of the additional staff so as to ensure that the offices/branches of the transferor banks are manned by efficient personnel to handle additional responsibilities devolving on them. Similar action would be necessary in respect of its branch at Jaisalmer.

54 We recommend that the RBI may consider permitting the RSCB to open its branches in the districts of Dungarpur and Sirohi as also in the district of Jaisalmer.

55 We suggest that the RSCB should not overburden itself with new responsibilities and, therefore, recommend that during the next 3-4 years the bank should not enter into other areas for financing the pacs by-passing the concerned ccbs.

Chapter VII—Problems of and Institutional Arrangements for Tribals

56 A major factor contributing to the slow economic progress of tribals is the inadequate development of institutional arrangements for provision of credit, supplies and services to them. With a view to finding a solution in this behalf, a study was undertaken at our instance to determine the problems of tribal areas and of institutions functioning in such areas in

Rajasthan. The special features of the tribals in the state as revealed by the study are as under:

- (i) All the twenty-two identified tribal blocks are geographically in a contiguous and compact area in the hilly terrain of southern Rajasthan.
- (ii) The tribals are not migratory.
- (iii) Most of them are landholders. Ninety per cent of the economic activities of the tribals relate to agricultural operations.
- (iv) The recent degradation of the forests in the tribal area has seriously cut down the income of tribals from minor forest produce.
- (v) The tribals, by and large, are not engaged in subsidiary occupations like cattle breeding and sheep and goat rearing. The latter activity is not being undertaken due to the considerations of status. They derive their subsidiary income mainly from wages as casual labourers in the off season.
- (vi) The moneylender or moneylender-cum-merchant/trader, viz., the *Mahajan* or *Kalal* plays a key role in the economic life of the tribals. The basic necessities of life like foodgrains, cloth and shelter are often obtained by them from him in exchange of their produce. The tribals also approach him for cash loans to meet the cost of social functions like child birth, marriage, etc., or purchase of ornaments.

The study thus brought out the necessity for an institutional structure at the base level which can extend credit, supply seeds, fertilizers and other inputs as also consumer goods to tribals, undertake marketing of their agricultural produce and persuade them to undertake subsidiary occupations like cattle breeding and sheep and goat rearing. Besides, the base level institution should be capable of undertaking activities like contracts for collection of wood, fodder and other minor forest produce with a view to providing employment during the off season.

57 In the draft Sub-Plan for the Tribal Areas (1974-9) prepared by the GOR, the indebtedness of tribals to moneylenders has been estimated on an average at Rs 600 per tribal household. The study revealed that the tribals approach the moneylender or trader-cum-moneylender for all types of credit requirements including for social obligations as also for purchase of domestic requirements like foodgrains, cloth, etc. The loans carry exorbitant rates of interest. The repayment is mostly insisted in the form of agricultural produce which

is valued at a price far below the ruling market price. Thus the tribal can hardly manage to pay the interest and consequently there is no repayment towards the principal amount.

58 The study brought out clearly that the credit and marketing institutions operating in the tribal area of Rajasthan are so weak as to offer practically no resistance to the exploitation the tribals have been subjected to by the moneylenders or moneylenders-cum-traders.

59 A co-operative society exclusively for tribals has to be ruled out firstly because it will affect adversely the process of integration of the tribals with the main stream of the society and secondly the existing pacs will have difficulty in becoming viable units if their business is confined to non-tribals if the latter are small minority in the total population of the area. On the other hand, if the society is exclusively for tribals, it will have difficulty in attaining viability. From the social as well as economic point of view, therefore, it will be preferable to have only one unit catering to the needs of all the people in the area, i.e., both tribals and non-tribals. However, it may be necessary to provide for a majority of the tribals on the managing committee of the society as also for their being elected to the posts of Chairman/Secretary/Treasurer of the society. Besides, it should be possible to confine certain benefits and privileges to the tribals, e.g., capital subsidies, preferential rate of interest, etc.

60 Tribals generally have restricted alienable rights in the land and as the records of lands in tribal areas are poorly maintained, the land development banks have not been able to provide enough credit to tribals. Besides, it will be better if a comprehensive view of the credit needs of the tribal-farmers is taken with a view to tailoring the periods of the loans for the different purposes according to the total income and repaying capacity of the tribal. It follows logically, therefore, that a co-operative society in the tribal area should handle long-term loans along with short-term and medium-term loans. We feel that it will be advisable for the RRSBVB to by-pass pldbs and route the long-term loans through the *Adimjati Seva Samiti* (whose organization is proposed later) treating it as primary bank. Simultaneously, immediate steps are necessary on the part of the GOR for updating the land records in the tribal area, in particular of the blocks proposed to be covered by the *Adimjati Seva Samitis*.

61 A co-operative society in the tribal area must take note of the needs and obligations of the tribals and devise methods of operation which will minimise or obviate the need to approach the moneylender or moneylender-cum-trader/mer-

chant. At the same time, it should be recognized that no institution can hope to meet extravagance in domestic expenditure or in the various types of ceremonies. The realization to be modest in such expenditure can come through education and reforms in social practices which cannot be the responsibility of credit agencies. The burden of responsibility in this behalf has to be shouldered by the state government in the tribal or social welfare departments and also by social organizations which devote themselves to the economic and social uplift of the tribals.

62 The above society should have a consumer stores wing to deal with not more than a dozen essential items required by the tribals. This will not only ensure control over the stocks but also keep the investment of funds to the minimum besides ensuring a quick turnover of the funds. The credit limit for the purpose can be to the extent of the 'A' component (cash component) under the crop loan system. If 'A' component in the scale of finance is Rs 100 per acre, the tribal borrower may not be advanced in cash more than Rs 25 and the balance may serve as his entitlement to purchase consumer goods from the society. This sort of supply of credit in kind should be treated as credit for agricultural operations and be reimbursable from the credit limit sanctioned by the RBI for short-term agricultural purposes. While this will be possible only in respect of tribals who are cultivating land, in the case of a mere labourer, the society has to think of such consumption credit out of its own resources as supplemented by the ccb or the commercial bank. Individual limits for non-agriculturists will have to be fixed cautiously and it may be advantageous to require an agriculturist to stand surety to such borrowers.

63 The possibility of institutionalizing the present tribal custom of mutual help—*Narota* as is known among the adivasis of Rajasthan—should be explored in so far as expenses in connexion with social obligations in birth, marriage, etc., are concerned. The tribal can be saved from going to the moneylender or merchant for the purpose, if the society itself has the necessary arrangements to accommodate him. The society may give him loan at a certain multiple of the amount to the credit of his thrift deposit account on which an attractive rate of interest could be allowed. 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. While the provision of refinance to the society for the purpose should be regarded as a legitimate responsibility of the cfa, no refinance will be available from the RBI as this will not be a purpose recognized under the RBI Act.

64 It is contended that unless the tribal is set free first from the clutches of the moneylender, it will be futile to expect any improvement in his economic condition. But the problem is not peculiar to tribals only as other backward sections of the society are also indebted to moneylenders/merchants. Any measures to write off the debts of tribals or to re-schedule them may not achieve the desired results as the moneylender will have his own ways of recovering them as he has in securing the rate of interest he wants on the loans he advances despite restrictions imposed by the moneylending legislation. There is also no guarantee that a tribal freed from his existing debts will not indulge in extravagance and incur fresh debts. The real solution of the problem lies in raising the level of income of the tribal primarily from agriculture and allied activities and from minor forest produce as also in bringing about certain social reforms.

65 The co-operative society for the tribals should, therefore, integrate credit with supplies of inputs of modern agriculture, arrange technical guidance to facilitate adoption of modern methods of cultivation by the tribal and also the marketing of minor forest produce as well as the products of his agriculture and other allied activities. The cumulative effect may be to increase the incomes of the tribals which will not only provide the necessary wherewithal to pay off the existing debts but obviate the need to resort to borrowing from the moneylender, particularly when the society arranges to provide domestic requirements as also loans for meeting the outlay on social functions. Thus, we suggest that the society should undertake the following important activities and functions amongst others:

- (i) provision of short, medium and long-term credit for agricultural purposes ;
- (ii) provision of inputs of agriculture like seed, fertilizer, insecticide, agricultural implements and machinery ;
- (iii) provision of essential domestic requirements like food-grains, cloth, salt, sugar, vegetable oil, kerosene, matches, tobacco, etc., against the members' entitlement under the cash component of the scale of finance or against a limit specifically sanctioned for meeting their 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 members' thrift deposits collected continuously;
- (viii) undertaking where possible forest or other labour contracts which will provide employment and additional income to members;
- (ix) mobilization of deposits from members and others; and
- (x) undertaking such other activities which are incidental to the above functions.

66 The society of the above type will have to serve a much wider area of operations so that the business generated from 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 provide technical guidance, handle agricultural inputs and consumer goods and market agricultural and minor forest produce. We suggest that it may be advisable to have a society which is bigger than a society considered viable as per the standards suggested by us but not as big as to cover the whole block as has been envisaged in the draft Sub-Plan for the Tribal Areas. The ideal jurisdiction of such society may be about 10000 rural population (2000 families) or 4000 hectares of land so that the effective coverage at 40 per cent may be 800 borrowing members owning and cultivating together about 1600 hectares of land. A coverage of 40 per cent can reasonably be reached within a period of 4 or 5 years ultimately taking the loan business to Rs 10 lakhs.

67 We are of the view that the future pattern of re-organization of the societies in the tribal belt in the state may be in the direction of the societies with jurisdiction and functions as above and, therefore, suggest that about forty such special type of societies may be organized in a phased manner over the next three years commencing from 1975-6 at the rate of 10-15 societies per annum in six blocks, two each from the districts of Banswara and Dungarpur, and one each from the districts of Udaipur and Chittorgarh. For the purpose of identification, these societies may be called *Adimjati Seva Samitis* or 'Tribal Service Societies'. Organization of such societies in other blocks of the tribal belt may be taken up after 1978-9, i.e., after watching the results. However, for these blocks, there will have to be a minimum programme and, therefore, efforts should be made to revitalize such of the existing societies as will be able to reach a loan business of at least Rs 2 lakhs and within the competence and capacity of a full-time manager each such society may undertake first three functions listed in recommendation 65 above.

68 We have recommended organization of special type of societies with area of less than a block in the tribal area mainly to (i) obviate the need for the society to open branches which in turn will help to solve the problem of finding the necessary trained staff and (ii) minimize the problems of amalgamation and liquidation of the existing societies. At the same time, with the increase in business, even such a society may eventually find it necessary to open branches. But we presume that the aspects of economy and managerial competence will be given due consideration before the branches are opened. Thus, there can be flexibility regarding the special society in the tribal area having branches or serving a larger area. If, therefore, the concerned authorities in the state government are confident of tackling the problems of managerial competence and amalgamation/liquidation of the existing societies, we have no objection to the GOR organizing the block-level society proposed in the draft Sub-Plan for one or two tribal blocks provided each society has at least 10 branches and a full complement of trained staff to serve the members effectively.

69 We recommend that due allowance must be made for the longer gestation period needed by a society meant to serve the tribal community and the continuance of the staff subsidy almost indefinitely, if that becomes necessary. The minimum staff proposed by us for the *Adimjati Seva Samiti* should not be reduced merely on the ground that the society cannot sustain that staff strength. Similarly, the strength of staff in the remaining societies in the tribal area may have to be on a more liberal basis than the societies in the non-tribal areas.

70 The *Adimjati Seva Samiti* proposed by us is to take up variety of functions which will not be possible unless it has a fairly satisfactory capital base. It is unrealistic to expect a tribal to contribute adequately to the share capital of the society. Even for his own borrowings he may contribute only 5 per cent towards the share capital. As in the case of the SFDA, the Tribal Development Authority, by whatever name called, may grant loans to individual tribals to enable them to contribute to the share capital of the society. Alternatively, the state government may participate in the share capital of the *Adimjati Seva Samitis* by borrowing from the LTO Fund. Keeping in view the existing pattern of share capital contribution, we feel that the state government may have to be somewhat liberal in their contribution to the share capital of the societies meant primarily for the tribals. Correspondingly, the RBI may also take a more sympathetic view of the needs of these societies in dealing with the applications of the state government for loans from the LTO Fund.

71 As regards the institutional set-up at the higher levels we feel that it will be advisable to have two or more distinct organizations undertaking the functions of credit on the one hand and supply and marketing on the other hand, although at the base level there will be only one institution undertaking both the credit and non-credit activities. The higher level credit institution should be in a position to undertake all banking functions including acceptance of deposits from the public, otherwise it may have to rely solely on outside borrowings. Further, it is not advisable to combine banking and trading at the higher level.

72 Of the 22 blocks with heavy concentration of tribal population, only 10 are served by a primary marketing society each. But the business of these societies as also the district level marketing societies operating in the tribal area relates to the distribution of fertilizers and sugar and that business, in most cases, is also meagre. In view of this position the existing marketing organizations operating in the tribal area in the state cannot be counted upon to provide adequate support to the *Adimjati Seva Samitis*/viable primary societies in their non-credit business. We, therefore, recommend organization of a Tribal Development Corporation for the tribal area in Rajasthan to co-ordinate and support the non-credit business of the primary societies like the provision of inputs of agriculture and domestic consumption goods and marketing of agricultural and forest produce. The Corporation should be registered under the Co-operative Societies Act and its membership may be open to the marketing and primary societies operating in the tribal area. The Corporation should function as a commercial organization. It may open branches at suitable centres or operate through the existing marketing societies to serve effectively the affiliated primary societies. The GOR should provide the requisite financial and administrative support to the Corporation.

73 Development of tribals may be viewed as an integrated project, the execution of which has to be carefully planned and supervised to the minutest detail and for this purpose it will be advisable to set up a Tribal Development Authority for each district from the tribal area whose responsibility it should be to draw up a programme of action and supervise its implementation. The Authority can be registered under the Societies Registration Act and the government grants and subsidies may be routed through it. It should have a whole-time Executive Director with the minimum supporting technical and other staff. On its governing council, besides the various departments of the state government, various credit and other business organizations should be represented.

The entire expenditure of the Authority will have to be borne by the state government for which provision should be made in the Tribal Sub-Plan.

Chapter VIII—Problems of and Institutional Arrangements for Drought-Prone Areas

74 Agriculture proper in the arid and semi-arid zones will continue to be unstable so long as suitable dry farming techniques are not developed. From the view point of viability of primary credit institutions operating in the arid and semi-arid zones steps are, therefore, necessary for stabilizing and upgrading the economy of farmers by inducing them to take up suitable ancillary occupations and ensuring adequate credit and other necessary support therefor. Sheep breeding is an important activity which can help substantially in stabilizing and increasing the income of farmers, particularly belonging to the economically weak category in the state.

75 With a view to suggesting institutional arrangements for credit for sheep breeding and goat rearing activities in the state and for organized marketing of wool and mutton a study was undertaken at our instance. The study revealed that there is a demand for loans for purchase of sheep units and that the co-operative credit agencies are keen to take up the activity provided adequate reimbursement for the purpose becomes available from the RBI, and institutional arrangements are guaranteed for organized marketing not only to effect recoveries but also to assure a fair return to the farmer. However, it is reported that there is already an over exploitation of grazing areas and, therefore, the policy in respect of loans for purchase of sheep units should not result in increasing the sheep population. The credit support may be in respect of quality or high-yielding stock. We suggest, therefore, that the district level credit agency should draw its annual lending programme for the purpose in close collaboration and consultation with the concerned District Sheep and Wool Officer of the Directorate of Sheep and Wool.

76 The flock owners from the arid and semi-arid zones, by and large, face the problem of fodder during November to June when there is failure of rains which is quite frequent. In the event of such calamity they need finance either for purchase of fodder, etc., or alternatively some cash assistance to migrate the sheep flock temporarily. A short-term finance for a period of say 8 months can be considered to the sheep breeders who are required to migrate their flocks.

77 A medium-term loan of Rs 3000 for purchase of sheep unit can be repaid in five annual instalments out of the income generated from the sheep unit purchased by the farmer. The

repayment of medium-term loan may not be insisted in equal annual instalments, but the total burden can be in an ascending order proportionate to the increase in the gross income of the breeder. As for security of loan, we are of the view that medium-term loans for purchase of sheep upto Rs 3000 may be extended to economically weak farmers without insistence on mortgage or charge on land on the basis of joint and several liability of a group of not less than 5 farmers. The facility to take a term loan of that order to a farmer who is prepared to mortgage his land should, however, continue.

78 We have considered a multi-purpose society as a better alternative to functional credit society. Besides helping to solve the problem of the borrower in offering security to different institutions, the financing of sheep breeding business will help widen the effective coverage of the pacs, improve their business and prospects of viability. As regards the district level institutions, the pacs can obtain financial accommodation from the concerned central bank or a branch of the state co-operative bank/commercial bank, as the case may be.

79 The institutional arrangements for marketing of wool may be undertaken by combining the organization and expertise already available under the government scheme with the experience of cotton marketing, particularly in Broach district of Gujarat. The jurisdiction of a wool marketing society will have to be wider, as the quantity of wool produced in each district in Rajasthan is much lower than that of cotton produced in the Broach district. We, therefore, suggest that to ensure viability, the sheep and wool marketing society in Rajasthan may serve the whole district.

80 Such a society will need strong capital base. The owned funds of the society may have to be of the order of Rs 7 lakhs. The membership may be kept open to the state government, the pacs, other co-operative institutions and individual sheep breeders in the district. Initially, the state government may have to contribute bulk of the share capital. Since on the organization of the marketing society, the government scheme for purchase of wool will be withdrawn from the district, the budget provision made in that behalf for the district can perhaps be diverted for contributing to the share capital of the marketing society.

81 The managing committee of the marketing society may be nominated for the first two years. The chairman of the society can be an officer of suitable rank from the Sheep and Wool Directorate and the Deputy/Assistant Registrar of Co-operative Societies and the Manager of the central bank may be among the directors. Other directors should be sheep farmers representing the affiliated primary societies. The MD

may be an officer on deputation from the Directorate. The state government may place on deputation such other minimum staff from the Sheep and Wool and Co-operative Departments as is necessary to ensure efficient functioning of the society.

82 Collection of wool can be made by the existing extension centres of the Directorate and as the staff attached to these centres is at present engaged in the purchase of wool for about four months in a year, one-third of the annual salary of the staff of the centres may, therefore, be reimbursed by the marketing society to the state government. The marketing society can, in addition, open its own purchase centres in a phased manner. Good working primary societies with godown facilities may be authorised to collect wool. The society may maintain mobile grading units.

83 The collection of wool should not be on an outright purchase basis. On tendering the wool, the farmer may be entitled to an advance say up to 75 per cent of the market price of the wool. The society may arrange to ensure quick turnover by resorting to bulk sales to single parties or holding auctions as often as necessary. On realization of sale proceeds, the society should be entitled to certain commission on turnover for meeting its management and other expenses. The balance of sale proceeds may be distributed as the final payment to the farmers.

84 The first and final payments may be made through the primary societies even to non-borrowers and non-members to ensure that the benefits accrue to the sheep farmers only. The primary societies can be permitted to make adjustments from the payments towards loan dues.

85 The marketing society may deduct compulsorily 3 to 5 per cent of the total sale proceeds towards deposits which may be utilized in its own business. These deposits may be allowed to be adjusted towards the provision of fodder or premixed feed which the society may arrange. Sheep farmers for whom temporary migration of the flock is inevitable, may be allowed withdrawal of their deposits in part or full at the time of migration.

86 A Mortality Fund may be created and the marketing society may make another nominal deduction, say, at 1 per cent of the sale proceeds for the purpose. This fund may be maintained by the central bank. The bank itself can make small contribution to the fund annually out of its distributable profits. The state government may sanction grants-in-aid on matching basis to the credit of the fund which may be drawn upon to provide partial or full relief in the repayment of medium-term loan instalment/s of a sheep farmer who is

affected by large-scale mortality of his sheep flock (at least to the extent of 50 per cent) not on account of mis-management but because of occurrence of an epidemic. On receipt of application, the central bank may arrange for an on-the-spot enquiry by a team comprising the concerned inspector of the bank and extension officer of the Directorate. The extent of relief may be decided on the basis of the enquiry report.

87 A similar procedure as in the case of wool can be adopted for collection and sale of animals to be disposed of for mutton purposes. The disposal of animals will have to be by transporting live animals for sale in the markets at Delhi, Ahmedabad and Bombay until such time a slaughter house is established, the establishment of which, for obvious reasons, cannot be considered until the district level marketing societies for various districts stabilize their position.

88 The RBI may consider extending financial accommodation for purchase of sheep units in respect of all sheep farmers.

89 The RBI may be approached for reimbursement facilities through the normal channel, viz., the state and central banks, for financing collection, grading and marketing of sheep and wool by the district marketing societies.

90 The GOR may consider sanctioning management subsidy to the marketing society or alternatively place the staff on duty and bear their salaries initially for the first three years.

91 In view of the non-availability of an infrastructure in the case of goat rearing activities, we offer no suggestions regarding institutional credit arrangements for financing goat rearing.

92 We recommend that the GOR and the RSCB may provide broad guidelines and induce the ccbs operating in the arid and semi-arid zones to identify areas and explore the possibility of dispensing credit for sheep breeding on the lines suggested by us.

93 We suggest that a beginning may be made for institution-izing marketing by organizing district level sheep and wool marketing societies for two/three districts from the arid and semi-arid zones. Involvement of the pacs in the arrangements for marketing of sheep products and their close liaison with the proposed district marketing society is very necessary and should on no account be overlooked.

Chapter IX—Block-wise Plan of action for reorganization of primary co-operative credit structure

94 In drawing the final plan of action for re-organization of societies, the actual number of societies to be retained in an area would depend not only on the cropped area, but also on the potential business of at least Rs 2 lakhs to be reached in

1978-9. At the same time, an account has to be taken of such factors as facility of communications and the financial position and operational efficiency of the concerned societies.

95 Of the 232 blocks in the state, 175 blocks have excess societies, i.e., more than the number of societies that should exist, on the basis of the optimum cropped area to be covered by each society. If the number of institutions is related to the projected level of short-term business, the number of blocks with excess societies will be 181, i.e., six more than on the above basis.

96 The 181 blocks with excess societies may be classified in two categories, viz., (a) blocks wherein the number of dormant societies is less than the number considered excessive in each block and (b) blocks in which the number of dormant societies is more than the number of societies which is considered excessive. On these basis 123 blocks fall in category (a) and 58 in category (b).

97 In respect of blocks in category (a) the re-organization of primary structure may be on the basis of weeding out first all the dormant societies on the assumption that they are evenly distributed over the entire block and thereafter some non-viable/marginally functioning societies. In the case of such of these blocks as do not have a single dormant institution, the societies to be retained 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 have to be weeded out. Similar procedure may be adopted in other blocks in which, apart from the dormant institutions, some non-viable/marginally functioning institutions may have to be dispensed with.

98 In the case of blocks in category (b), dormant societies equivalent approximately to the number of excess societies in each case may have to be weeded out and the remaining dormant societies revitalized. If none of the dormant societies can be revitalized, it may be necessary to organize new societies. The same principle may apply in respect of the two other blocks wherein the existing number of societies equal the number of societies that can be supported by the blocks and a majority of the former are, however, dormant.

99 We recommend that the concerned ccbs and the Assistant Registrars of Co-operative Societies should jointly draw a plan with reference to a map for the area of each block showing the location of the existing societies including the dormant ones and that of the societies to be retained with their respective jurisdiction. The necessary guidance in this regard may be provided by the RSCB and RCS.

100 Forty-nine blocks in the state can support 923 additional societies on the basis of loan potential. Besides, 514 dormant societies in these blocks will have to be revitalized. However, the need for organization of new societies in these blocks will largely depend on the credit support that may be forthcoming to the pacs in the area from the concerned ccbs. It is likely that such credit support may not forthcome in 17 blocks of the districts of Barmer, Churu, Jalore and Nagaur at least till the end of Fifth Five Year Plan. These 17 blocks account for 332 additional societies. Insofar as these blocks are concerned, we recommend that the existing number of societies in each block may be deemed as adequate and that the efforts for re-organization may be restricted to revitalization of the existing dormant societies to the extent possible by 30 June 1977.

101 In the case of remaining 32 blocks, the question of organizing 591 new societies in these blocks in the next four years cannot be ruled out as the concerned ccbs can, with strenuous efforts, manage to render the necessary credit support to primary societies in their respective districts. However, even in the case of these 32 blocks, we would suggest that during the first one or two years, efforts may be directed towards revitalizing the existing dormant societies and the question of organizing additional societies may be considered thereafter depending on the increase in the support from the cfas.

102 On the above basis, the number of societies that may emerge in the state in 1978-9 will be 5668, i.e., 6000 on the basis of projected level of credit business at primary level in 1978-9 for the state as a whole less 332. Besides, organization of special types of societies in six tribal blocks in pursuant to our recommendations will reduce the number of societies in these blocks by 37 (12 in Banswara district, 10 in Chittorgarh district, 10 in Dungarpur district and 5 in Udaipur district). We suggest, therefore, that the programme of re-organization of the primary credit structure should be pushed through with vigour to reduce the number of pacs from 7741 as on 30.6.74 to 5631 (5668—37) or, say, about 5600 by 1978-9 all over the state inclusive of the special societies in the tribal belt.

103 In Rajasthan steps have already been initiated for organization of a farmers service society with jurisdiction of less than a block in Kotri block of Bhilwara district. The society is proposed to be financed by the Bank of Baroda. We recommend that the state government may initiate steps to organize at least three more farmers service societies in the state, one each in the non-tribal area and the arid and semi-arid zones. Organization of such a society in the tribal area

may not be necessary as we have proposed special types of societies for the tribals. We have already recommended that in 91 blocks in the state the commercial banks may be invited to finance pacs. Since none of the central banks in the state has been paying a dividend of 5 per cent or more, the proposed farmers service societies will have to be organized in the blocks in which the commercial banks will be invited to finance pacs. Organization of farmers service societies in the state may be an integral part of the programme of re-organization of primary credit structure suggested by us.

104 With a view to ensuring completion of programme of re-organization in good time, we would urge on the GOR to adhere to the following time schedule:

- (i) Identification of societies to be weeded out should be completed by 31.12.75 by the RCS in consultation with the concerned cbbs. After obtaining approval of the state government to the programme, necessary instructions to the concerned institutions should be issued by the Registrar by that date.
- (ii) The societies so identified should be allowed six months time, i.e., 1.1.76 to 30.6.76, to go into voluntary liquidation.
- (iii) If the societies fail to even initiate action within the stipulated time, the Co-operative Department should use their statutory powers to bring about the required re-organization and central banks should deny fresh finance to such institutions.
- (iv) The entire programme of re-organization including revitalization of dormant institutions, where necessary, should be completed by 30.6.77.
- (v) The question of organization of additional societies, wherever warranted, should be considered during the year 1977-8 and, if necessary, in 1978-9.
- (vi) The organization of special societies in six tribal blocks should be taken up in a phased manner from 1975-6 onwards and completed in three years, i.e., by 30.6.78.

Chapter X—Overdues in Co-operative Credit Institutions

105 Credit institutions depending on borrowings from outside in the form of loans or deposits cannot hope to take rapid strides towards meeting the credit gaps unless they can sustain the confidence of the outside creditors by their satisfactory record of recovery of the dues. The smooth flow of the credit channel can get blocked by overdues some of which may be for reasons beyond the control of the borrowers. While

there may be a case on the one hand to provide relief, even though delayed, to such defaulters as had not received earlier the conversion facility under stabilization arrangements and, therefore, could be deemed as non-wilful, on the other hand it is necessary to pursue relentlessly action for recovery against those whose defaults are wilful.

106 We recommend a programme of rehabilitation by way of relief in respect of short and medium-term agricultural loans for non-wilful defaulters, not only to rehabilitate such defaulters, but also to re-open the line of credit to the co-operative credit institutions. It is estimated that non-wilful defaults in the state may account for about Rs 2.60 crores forming 22 per cent of the total overdues at the primary level at Rs 11.44 crores as on 30.6.73.

107 All defaulters with cultivated holdings in villages affected by natural calamities in one or more years, i.e., where the *annevari* declared is 6 annas or less, during the three-year period 1971-2 to 1973-4 should be considered non-wilful and eligible for relief under the rehabilitation programme provided their defaults occurred during the period October 1971 to June 1974 with the exception of the following cultivators:

- (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 obtained loans for sugarcane, banana, orchard or plantation crops 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 5000 per annum; and
- (d) those who are income-tax or agricultural income tax assessees.

108 The nature and extent of relief that may be extended to the non-wilful defaulters is indicated below:

(i) *Default under one loan*

The loan under default may be converted into a three-year medium-term (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 repaying capacity of a borrower.

(iii) *Default under three loans*

Fifty per cent of the conversion loan, the earliest loan in point of time, may be written off and the aggregate of the balance of this loan and the remaining two loans may be rescheduled as a seven-year loan.

(iv) *Default under four loans*

The first conversion loan and fifty per cent of the second conversion loan may be written off. The balance of overdue loans may then be re-scheduled as a seven-year loan.

109 Such of the non-wilful 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 1974-5 should be required to repay a part of the principal amount as below and then only the balance of overdue loans should be converted.

- (i) If the year 1974-5 is a normal year, the defaulter should pay at least 25 per cent of the principal amount under default provided one or two of the preceding three years 1971-2 to 1973-4 were normal years. The governing consideration should be that repayment should be limited to either 25 per cent of the principal amount under default or the balance of repaying capacity (60 per cent of the value of gross produce) available, after providing for payment of overdue interest in full, whichever is less.
- (ii) If the year 1974-5, however, is a calamity year, the defaulter need not be asked to repay any part of the overdue loan.

110 The defaulter should pay the overdue interest in full if the year 1974-5 is a normal year irrespective of the previous years being good or bad. If, however, the year 1974-5 is a calamity year, he need pay the overdue interest only in the subsequent year, i.e., 1975-6.

111 Penal interest should be waived on all overdue loans eligible for inclusion in the rehabilitation programme.

112 When, as a measure of relief, non-wilful defaults are converted into medium-term loans (rehabilitation loans) the short-term overdues which generally form a major portion of the total overdues will be converted into medium-term or even long-term (seven-year) loans. As a result, the term lendings/investments of a ccb may far exceed its term resources. This will inevitably reduce own involvement of a ccb in short-term loans and consequently the bank may find it difficult to

maintain adequate non-overdue cover for its borrowings from the apex bank. To meet such a situation we endorse the recommendations of the Overdues Study Team in regard to taking a liberal view by the RBI of the share capital requirements of such banks and the period of retirement of the share capital linked to the period of repayment of rehabilitation loans as also the state government providing loans to the ccbs for periods corresponding to the rehabilitation loans.

113 The relief by way of partial write off in the event of non-wilful defaults comprising three or four loans are expected to be met by way of grant-in-aid from the 'State Agricultural Credit Relief Fund'. The number of defaulters under three or four loans may be far less and not all such defaulters will be non-wilful on the basis of criteria suggested by us. It can, therefore, be concluded that extension of relief by way of partial write off may not pose any problem from the financial point of view.

114 Quick action has to be initiated with a view to providing relief to the non-wilful defaulters as well as fresh finance for the year 1975-6. This work can be entrusted to the small screening committees to be set up at the block level comprising concerned inspector of the central bank, a non-official and an experienced manager of a primary society in the area. The work of these committees may be supervised by the Assistant RCS of the district and the Executive Officer of the ccb. The RSCB can test check a few cases with a view to ensuring that the rehabilitation loans are sanctioned to genuine non-wilful defaulters after ensuring recovery of principal and interest, as the case may be.

115 The ccbs and the RSCB may review every year the progress in collection of dues from the non-wilful defaulters. Cases where defaults occur despite crop conditions being normal, will have to be viewed seriously and in such cases the rehabilitation loan should be foreclosed and the entire balance due from such defaulters be treated as overdue and coercive action launched for the immediate recovery thereof.

116 The rehabilitation programme is not a recurring programme and is to be viewed as the final chance to institutions and individuals to clear the backlog of overdues, which can be deemed as non-wilful. This being so, prompt relief will have to be provided to such class of defaulters if they are affected by natural calamities in future. The recommendations of the Overdues Study Team regarding arrangements for provision of prompt and adequate relief contained in its Chapters III and IV should, therefore, be adopted.

117 Simultaneously, prompt and effective action will be necessary for recovery of wilful defaults with a view to arresting and bringing down the level of overdues of co-operative credit institutions. In this connexion a series of additional legislative and administrative measures have been suggested by the Overdues Study Team which may be implemented without any further delay for ensuring prompt recovery of overdues and in arresting their upward trend.

118 The recommendation of the Overdues Study Team regarding amendment to the State Act enabling the ccbs to initiate action on their own against defaulter members of pacs may be extended to commercial banks as they will be taking up financing such societies. Besides, the proposed State Farming Corporation, establishment of which has been recommended by the Overdues Study Team, should assist commercial banks in realizing their dues in respect of agricultural loans issued by them directly or through the societies and suitable provisions may be made in the relevant State Act for the purpose.

119 The adoption of our recommendations for tackling the problem of overdues are to be viewed as a package along with our recommendations on the institutional arrangements and suitable action initiated for their implementation simultaneously.

Chapter XI—Administrative and Operational Arrangements

120 We have proposed re-organization of pacs in the state in such a way as to have eventually about 5600 societies. It is essential that the services of a full-time paid secretary are available right from the time the re-organized societies come into existence. At present there are 3305 societies in the state each of which is served by a full-time secretary. Thus, the balance 2295 secretaries will have to be recruited and trained as quickly as possible. The programme may be spread over at least two years, i.e., 1975 and 1976. The recruitment of about 1000 to 1200 secretaries for the next two years will have to be made with care to ensure that the selected candidates stick to the job. It may even be necessary to insist on a bond from every candidate selected and sent for training and cash security deposit on his appointment as secretary of a society. Assuming, therefore, that there will be 4455 societies with full-time paid secretaries as on 31.3.76 and 5600 societies as on 31.3.77, the expenditure on the secretaries may be as follows:

Year	Rs Lakhs Expenditure
1975	116.40
1976	150.83
1977	168.00
1978	168.00

121 With widely varying natural conditions and the financial position of the institutions providing agricultural credit, it will not be realistic to expect that each and every society will be able to develop its loan business to the level of Rs 2.00 lakhs in a short period of one/two years for which managerial subsidy on a tapering basis is available. The present arrangement under which each society is on its own may, therefore, have to make room for another in which it will be possible to pool the income from all the societies not only in one district, but all over the state so that the more affluent and prosperous societies are made to bear the burden of maintaining independent secretaries, to some extent, of the less developed ones. This will be possible if the secretaries of all the societies in the state belong to one common cadre and are paid from a common fund. We recommend for introduction in Rajasthan a common cadre for secretaries of pacs in the state on the lines of the arrangement in vogue in Maharashtra wherein the district level cadre funds have been recently replaced by a state level fund so that the deficit in one district can be met out of the surplus in another.

122 On the basis of the projected outstanding loans at the primary level and the income from fees at 1.75 per cent of the loans issued to the societies by the cfas, the total income for the state as a whole is expected to be as under:

<u>Year</u>	<u>Income</u>	Rs Crores
1975-6	0.83	
1976-7	1.07	
1977-8	1.31	
1978-9	1.58	

Thus the income from the fees levied will not be sufficient to meet the cost as estimated in recommendation 120 above in any year. We recommend that the gap may be made good partly by the financing banks and partly by the state government, the former's contribution being limited to 0.25 per cent of the loans issued by them during the year to the societies and the balance by the state government. However, the commercial banks financing pacs in pursuant to our recommendations may, instead of making a contribution to the fund at the rate of 0.25 per cent of loans issued by them to the societies, recover from the latter a fee for transfer to the fund at 2 per cent of the loans issued by them to the societies provided, to compensate for the extra burden on the societies, the banks lend to the societies at a rate of interest which is lower by 0.25 per cent than the rate they would have otherwise charged to the societies. On this basis, the government may have to make a provision in the Plan for Rs 69.23 lakhs to meet their share in the scheme till the scheme becomes self-

sufficient in 1978-9. The self-sufficiency of the scheme in that year will obviously depend on the projected lending programmes being achieved. If, for some reasons, the progress in the loaning does not materialize, we suggest that the state government may come forward to assist the societies for some more time or for larger amounts than assumed, instead of allowing the operations of the societies to degenerate for want of the services of a full-time paid secretary.

123 As regards the management of the cadre of secretaries as also the state caderization fund, we have proposed the organization of district cadre co-operative societies and a state cadre co-operative society with functions and constitution of their boards of management as detailed in paragraph 11.11 of Chapter XI.

124 With a view to equipping the secretaries to discharge their various responsibilities efficiently, it is necessary to have training courses for them of a longer duration, say, three months. The facility for training may be extended to those secretaries who are already in the employment of the pacs and who have not been trained but have been screened and found suitable.

125 The creation of a common cadre as proposed by us will create a sense of security in the minds of the secretaries. However, this will not be enough attraction for an employee to stick to the job unless he has prospects of promotion. We, therefore, suggest exploring the possibility of adopting more than one grade in suitable time scale for the secretaries, by classifying the societies into two categories depending on their business turnover. Besides, with a view to giving them an opening for furthering their career even outside the cadre, the secretaries may be made eligible for promotion/appointment as assistant inspectors in the central banks subject to their fulfilling the educational qualifications for the post. Further, with a view to attracting talented persons in the employment of pacs, we suggest 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 services as secretaries.

126 We have suggested organization of special type of societies, to start with, on an experimental basis in six tribal blocks in the state and each such society may be served by three full-time paid employees in addition to the secretary. The cost of other three employees may be met by the GOR. Keeping in view the complexity of the organization of such a society and more onerous responsibilities we suggest appointment of a person as secretary with higher qualifications as also higher emoluments. The extra cost of such a secretary will have to be borne by the

GOR. The state government may provide for this expenditure in their Tribal Sub-Plan.

127 We have placed the total number of wilful defaulters in the state roughly at 2.75 lakhs. With the implementation of the measures suggested for recovery of overdues, particularly adopting the procedure for summary disposal of loan recovery cases as in Maharashtra and vesting powers in the higher financing agencies to proceed against individual defaulters of primaries directly, the number of cases referred for coercive action may sharply increase and correspondingly there will be an increase in the awards due for execution. On a rough estimate, we feel that at least 50 per cent of the total number of cases of wilful defaults will come to the stage of execution of awards in the next two to three years. Already the meagre number of awards due for execution is not being promptly handled by the concerned staff mainly because they are busy with their normal routine. In the light of this position, we consider it absolutely essential that a cadre of special recovery officers should be created by the state government on the lines of the arrangement existing in Maharashtra. However, in Rajasthan the posting of a special recovery officer will be economic if he is to handle about 750 cases involving the recovery of about Rs 1.50 lakhs. We recommend, therefore, that a cadre of special recovery officers by drafting the officers of the rank of Assistant Registrar of Co-operative Societies, should be created with a view to ensuring prompt recovery of dues covered by coercive action. The services of the special recovery officers may be made available to the commercial banks for recovery of their dues. The deficit in the cost of recovery officers, if any, may be borne by the concerned central bank and the commercial banks financing societies in the district in proportion to the amounts recovered by the recovery officers for the respective agencies. Alternatively, the commercial banks may form a consortium for the purpose of posting special recovery officers for recovery of their dues and share the deficit, if any.

128 We envisage that almost all the ccbs will have to make concerted efforts to reach the level of loan business of at least Rs 2 crores so as to function as a viable unit and ensure further development to fulfil the role assigned to them in meeting adequately the credit needs of agricultural production. Sustained growth of an institution depends very much on the personnel at the helm of its affairs for it is they who translate the policies of their managements and the state government into practice. The existing key personnel of the central banks in the state in most cases find it difficult to get actively involved in the progress of the institutions for which they work as, by and large, they are on deputation from the state government and

consequently have no avenues of promotion in the concerned bank or the co-operative banking sector. In such a situation, the need for common cadre of key personnel for the ccbs in our opinion is imperative. If these key personnel are to be effective and efficient they necessarily have to be well qualified and experienced and, therefore, well paid. The smaller ccbs functioning in comparatively less developed districts need them the most, but cannot afford to maintain them. From this angle also, the creation of a common cadre of key personnel for ccbs, appears a necessity. We suggest that the most suitable agency to maintain such a cadre is the state co-operative bank. The cadre should comprise two grades, viz, Grade I for Managers and Grade II for Chief Accountants/Executive Officers. Even the district officers of the RSCB, in which it will function as a cfa should have the key personnel from this cadre.

129 For meeting the expenditure of the common cadre of key personnel, we suggest that the RSCB may collect contributions to the 'Key Personnel Cadre Fund' from all the ccbs and its district offices at the rate of 0.25 per cent per annum on the short-term agricultural loans borrowed by the latter from it. The contributions received in the fund can be expected to cover the cost of maintaining the cadre excepting in the first year when the deficit will be around Rs 1 lakh. We recommend that the RSCB may meet this deficit from its present income.

130 The personnel needed in the common cadre will not be immediately available. We, therefore, suggest that to start with the posts may be filled in by selection from amongst the existing officers of the central/apex banks and/or by throwing the posts open to departmental officers including senior inspectors with experience as also to audit staff of suitable level. The short-fall, which may be sizeable initially, may be filled by taking Deputy/Assistant RCSs and officers of corresponding level from the audit wing of the Co-operative Department on deputation.

131 Simultaneously, a suitable number of young people with good academic back-ground may be recruited on a 75:25 basis from outside and amongst the staff of the co-operative banks as management trainees in the common cadre for the next three years and their proper training ensured so that on completion of their probation for, say, two years, they can replace the deputationists in the course of the next three to five years. This will involve an additional cost of about Rs 6 lakhs. We recommended that the cost may be shared equally between the GOR and the RSCB.

132 While there may be separate key personnel cadre committee appointed to administer the above cadre, we suggest that the personnel in the cadre should be a part of the staff of the RSCB itself. The functions and constitution of the key personnel cadre committee may be as indicated in paragraph 11.27 of chapter XI.

133 We strongly urge on the state government and the state and central co-operative banks to take early action to constitute the cadres as proposed by us. It may be necessary to give a legal framework for this purpose by amending the Co-operative Societies Act.

134 The supervisory staff provided by the Department being not in the regular cadre of the ccbs, and are also transferable to other districts, have no prospects of promotion in the concerned ccb. This, as also the lower salary of the staff *vis-a-vis* those in the regular employment of the banks, has created a sense of frustration among them which may be the main reason for the general laxity in supervision over the societies. We recommend, therefore, that the entire inspectorial staff, i.e., loan inspectors and assistant inspectors should be transferred to the cadre of the respective ccbs with a view to vesting direct control over them in the managements of the banks. While doing so, inspectors/assistant inspectors may be given option to revert to their parent department, if they so desire. Such a step will not only involve the said staff in the development of the bank, but also ensure effective financial supervision over the affiliated societies.

135 We suggest that the RSCB should convert the head office of each of the two ccbs, viz., Dungarpur and Sirohi, proposed to be amalgamated with it, as its district office and arrange to open new branches in addition to the existing branches of the transferor banks with a view to catering effectively to the needs of affiliated societies and facilitating mobilization of deposits. Similar action may be taken in the case of the existing branch of the RSCB in Jaisalmer district.

136 With a view to ensuring expeditious disposal of credit limit applications from the co-operative institutions in the above three districts, we suggest that for the purpose of sanctioning such limits on the usual terms and conditions as also to ensure involvement of local non-official leadership to a certain extent in the working of the district offices, a small advisory committee of five members consisting of two non-officials may be formed. The other members may be the Assistant RCS of the district, the officer-in-charge of the proposed regional office of the RSCB in the area and the officer-in-charge of the bank's district office who may also be the convenor.

137 We suggest that it will be necessary to post an officer at the district level under the control of the RCS to supervise and co-ordinate the recovery work. We recommend that a separate post of an Assistant RCS (Recovery) may be created in each district. The work of disposal of loan recovery cases should be vested in this officer who should transfer the awards passed to the special recovery officers promptly for execution.

138 Although the Rules under the Co-operative Societies Act provide for the audit of accounts by chartered accountants, etc., approved by the Department, this has not been given effect to in practice. We suggest that the audit of some institutions may be entrusted to chartered accountants who can be approved for the purpose by the Chief Auditor. We also emphasize the need for timely audit of the co-operative credit agencies, particularly when we have envisaged a rapid expansion of their business. If this requires strengthening the audit staff, there seems to be no reason why a substantial part of the increased cost should not be borne by the co-operatives themselves.

139 Most of our recommendations may have to be implemented or their implementation ensured by the RCS. This will necessitate strengthening the Registrar's Office at headquarters with a suitable complement of senior officers and supporting staff to enable him to discharge his onerous responsibilities. We have, however, not made any specific recommendation in this regard but would urge on the government that the matter may be given careful consideration.

140 We recommend that the normal interest margin retained (exclusive of interest tax liability) should be 0.75 per cent at the level of the RSCB, 2 per cent at the level of the ccbs and 2.50 per cent at the level of primary societies. The aggregate margins will thus be 5.25 per cent over and above the existing effective lending rate of 7 per cent on short-term agricultural loans from the RBI. Thus the rate to the ultimate borrower inclusive of the tax liability will be above 13.25 per cent in respect of short-term loans and 13.75 per cent on medium-term loans. The lending rate will thus be higher by 0.25 per cent than what is being charged at present which we do not consider as unjustified as this is necessary to ensure the efficiency of the co-operative credit structure at all levels.

141 For achieving the projected level of business, every ccb will have to make earnest efforts to mobilize additional deposits at a rate much higher than hitherto so as to be in a position to absorb overdues and improve their capacity to raise funds from the higher financing agencies. We have to emphasize that all the ccbs must make an all out attempt to mobilize deposits at the higher growth rates proposed by us with a

view to supporting adequately not only the short-term agricultural loan business but also the other types of loans. Although the growth rate needed in the case of almost all the ccbs has to be of a much higher order *vis-a-vis* the growth rate required to be maintained by the commercial banks, we feel that this is not impossible of achievement largely because in most cases the base itself is very low. We would, however, emphasize that the most important thing in this context is to improve the image of the banks as true banking institutions providing not only a variety of deposits to attract different types of depositors, but also a variety of banking facilities and services. Further, the banks will have to show a greater aggressiveness in their branch expansion programmes. Above all, the staff of the banks will have to show the greatest respect and courtesy to the depositing public as these go a long way towards attracting the depositors and retaining their custom.

142 The image of the ccbs in the public eye cannot be bright if the state government themselves are not prepared to recognize them for the purpose of receiving deposits from the institutions and bodies under their control. We understand that there are several restrictions, statutory and administrative, on these institutions keeping their funds with the state and/or central banks. It is reported that the GOR have since passed orders removing some of the disabilities and we are confident that the state government will remove expeditiously the constraints and restraints in this behalf because in the expansion of deposit resources of the co-operative banks lies the hope for the rapid expansion of agricultural production credit and in turn for increasing agricultural production in the state.

143 We urge the state government to expedite action for amendment of the State Act on the lines indicated by the RBI so as to ensure that the facility of deposit insurance is extended to co-operative banks in the state as early as possible and their programmes for the mobilization of deposits are given the needed support.

144 While in view of the conditions obtaining in Rajasthan it may not be worthwhile to adopt scales of finance separately for each of the low-value food crops, we emphasize the need for the ccbs adopting separate scale of finance for each of the high-value crops as also for the high-yielding *rabi* crops. The necessary lead in this connexion will have to be provided by the RSCB.

145 We suggest that the ccbs including the proposed district offices of the RSCB should maintain a suitable register for indicating the crop-wise short-term agricultural loans issued by them to the societies. This information will enable the managements to know whether the credit needs of the important crops in the district are being met and, if not, re-orient their lending policies suitably in a periodical review.

146 We feel that the state and central banks will have to give due attention to meeting the medium-term agricultural loan requirements, particularly for identifiable productive purposes. As a beginning, the RSCB may undertake a survey to locate the areas, particularly in the command areas of the canal irrigation projects, where the lendings, for identifiable productive purposes can be undertaken on a large scale.

147 We suggest that the state/central banks should take disciplinary action against the erring staff responsible for malpractices like book adjustments, 'ghost' acreages, financing of defaulters, etc.

148 A high power state level committee may be set up by the GOR to review the progress in implementing the various recommendations and also in resolving the problems that may arise from time to time. The Chief Secretary to the GOR may be the chairman of the committee and its other members may include representatives of the ACD and the Department of Banking Operations and Development, the Joint Secretary in the Union Ministry of Agriculture and Irrigation (Department of Rural Development), the Chairman—RSCB, a representative of the commercial banks financing agriculture through pacs in the state, the Agricultural Production Commissioner, the Special Secretary, Co-operative Department and the RCS, Rajasthan as convenor.

149 We regard the implementation of our recommendations for re-organization and revitalization of the co-operative credit institutions at the base level as the first and foremost need. This should not be, however, taken to mean that our other recommendations are of a lesser importance. For, without adequate financial support from, and closer supervision by, the superstructure, the primary societies though revitalized/re-organized may again revert to a stagnancy in which they are at present. Each of our recommendations should, therefore, be viewed as complementary to each other and all our

recommendations be considered for implementation in a package. We, therefore, urge on the non-official leadership controlling the state and central banks, the officials involved in the movement and the concerned authorities in the state government to carefully weigh each of our recommendations, keeping in view the integrated approach, chalk out a time-bound programme and ensure its implementation wholeheartedly.

Chairman : C. D. Datey

Members : G. S. Shaktawat
Shobha Ram
R. C. Sood
V. I. Rajagopal
B. K. Zutshi
D. Aurora
R. Srinivasan
P. N. Khanna

Member-Secretary : R. R. Pradhan

Mount Abu

30 April 1975

ANNEXURES

ANNEXURE 1

District-wise Position of rural and urban Population as also the Population of Scheduled Tribes

District	Population			Popula- tion of Scheduled Tribes
	Rural	Urban	Total	
Thousands				
Normal Zone				
(a) TIA				
1 Ajmer	716	432	1148	15
2 Alwar	1264	127	1391	111
3 Bharatpur	1285	205	1490	44
4 Bhilwara	939	116	1055	98
5 Bundi	387	98	485	87
6 Ganganagar	1164	230	1394	2
7 Jaipur	1736	746	2482	276
8 Jhalawar	563	59	622	64
9 Kota	869	275	1144	166
10 Pali	862	108	970	46
11 Sawai Madhopur	1051	142	1193	270
12 Tonk	517	109	626	71
Sub-total	11353	2647	14000	1250
(b) TA				
13 Banswara	621	34	655	477
14 Chittorgarh	847	98	945	185
15 Dungarpur	499	31	530	338
16 Sirohi	348	76	424	91
17 Udaipur	1582	222	1804	607
Sub-total	3897	461	4358	1698
Arid Zone				
18 Barmer	719	56	775	45
19 Bikaner	336	237	573	4
20 Churu	616	259	875	4
21 Jaisalmer	143	24	167	7
Sub-total	1814	576	2390	60
Semi-arid Zone				
22 Jalore	638	30	668	53
23 Jhunjhunu	767	162	929	16
24 Jodhpur	785	368	1153	24
25 Nagaur	1107	155	1262	2
26 Sikar	865	178	1043	26
Sub-total	4162	893	5055	121
Total	21226	4577	25803	3129

ANNEXURE 2***Classification of Districts in the State according to Principal Zones***

Zone	Name of District
Normal Zone	
(a) NTA	1 Ajmer
	2 Alwar
	3 Bharatpur
	4 Bhilwara
	5 Bundi
	6 Ganganagar
	7 Jaipur
	8 Jhalawar
	9 Kota
	10 Pali
	11 Sawai Madhopur
	12 Tonk
(b) TA	13 Banswara
	14 Chittorgarh
	15 Dungarpur
	16 Sirohi
	17 Udaipur
Arid Zone	18 Barmer
	19 Bikaner
	20 Churu
	21 Jaisalmer
Semi-arid Zone	22 Jalore
	23 Jhunjhunu
	24 Jodhpur
	25 Nagaur
	26 Sikar

ANNEXURE 3

District-wise Position of average Size of Holding and Percentage of Holdings and Areas to State total

District	Average size of holding (hectares)	Percentage to state total	
		Holdings	Area
Normal Zone			
(a) NTA			
1 Ajmer	2.95	4.42	2.39
2 Alwar	2.41	5.83	2.58
3 Bharatpur	2.25	7.88	3.25
4 Bhilwara	2.80	5.47	2.81
5 Bundi	3.67	1.68	1.13
6 Ganganagar	8.96	4.26	6.99
7 Jaipur	3.93	6.82	4.96
8 Jhalawar	3.51	2.82	1.81
9 Kota	4.27	3.95	3.09
10 Pali	5.14	4.15	3.91
11 Sawai Madhopur	2.80	5.17	2.66
12 Tonk	4.46	3.05	2.49
Non-tribal area	3.75	55.50	38.07
(b) TA			
13 Banswara	2.53	2.56	1.19
14 Chittorgarh	3.27	4.18	2.51
15 Dungarpur	2.13	2.15	0.84
16 Sirohi	3.22	1.76	1.04
17 Udaipur	1.37	8.15	3.27
Tribal area	2.57	18.80	8.85
Arid Zone			
18 Barmer	19.71	2.85	10.28
19 Bikaner	22.01	1.29	5.20
20 Churu	14.72	2.73	7.37
21 Jaisalmer	25.14	0.56	2.53
Arid zone	18.63	7.43	25.38
Semi-arid Zone			
22 Jalore	8.95	2.56	4.18
23 Jhunjhunu	4.72	2.71	2.35
24 Jodhpur	12.82	3.67	8.63
25 Nagaur	8.52	4.75	7.42
26 Sikar	4.67	3.57	3.06
Semi-arid zone	8.11	17.26	25.64
27 Colonisation area	1.10	1.01	2.06
State	5.45	100.00	100.00

ANNEXURE 4
District-wise Position of Area and Production of Principal Crops in 1972-3

Area in '000 Hectares
Production in '000 Tonnes

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District	Food Crops																	
	Bajra		Jowar		Maize		Wheat		Barley		Rice		Gram		Tur		Others@	
	Area	Produ- ction	Area	Produ- ction	Area	Produ- ction	Area	Produ- ction	Area	Produ- ction	Area	Produ- ction	Area	Produ- ction	Area	Produ- ction	Area	Produ- ction
(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)	(6a)	(6b)	(7a)	(7b)	(8a)	(8b)	(9a)	(9b)	(10a)	(10b)
Normal Zone																		
(a) NTA																		
1 Ajmer	59	22	99	2	50	13	21	21	23	23	—	—	4	2	—	—	17	..
2 Alwar	168	77	22	10	13	5	94	168	46	70	—	—	140	126	5	4	11	2
3 Bharatpur	146	98	28	12	—	—	152	236	23	31	6	2	127	166	4	1	15	12
4 Bhilwara	1	..	20	2	125	111	46	40	30	25	—	—	9	4	—	—	9	1
5 Bundi	—	—	47	26	24	30	76	82	7	8	11	11	38	19	—	—	6	2
6 Ganganagar	143	47	6	2	1	1	203	283	55	32	15	30	444	261	—	—	85	8
7 Jaipur	284	153	30	6	26	12	95	142	90	122	—	—	60	40	3	1	123	22
8 Jhalawar	3	1	137	73	38	36	43	44	1	1	3	2	22	13	3	1	13	4
9 Kota	2	..	187	91	19	21	176	195	4	4	8	15	94	55	—	—	22	32
10 Pali	164	16	38	1	28	12	45	53	20	21	—	—	9	6	—	—	20	..
11 Sawai																		
Madhopur	136	69	53	27	4	2	103	120	30	33	6	3	92	56	2	..	36	12
12 Tonk	38	14	123	19	25	16	59	45	30	28	—	—	32	10	—	—	8	3
Sub-total	1144	497	790	271	353	259	1113	1429	359	398	49	63	1071	758	17	7	365	98
(b) TA																		
13 Banswara	—	—	3	1	75	71	15	15	1	1	40	9	14	8	10	3	23	3
14 Chittorgarh	—	—	48	23	103	129	74	84	4	4	3	1	18	6	2	1	28	12
15 Dungarpur	1	..	1	..	54	41	13	13	2	1	29	5	7	4	2	1	19	5
16 Sirohi	43	4	4	..	21	18	22	26	3	3	—	—	2	1	2	..	27	1
17 Udaipur	1	..	21	3	194	142	33	32	22	23	15	2	4	2	3	1	24	2
Sub-total	45	4	77	28	447	401	157	170	32	32	87	17	45	21	19	6	121	23

(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)	(6a)	(6b)	(7a)	(7b)	(8a)	(8b)	(9a)	(9b)	(10a)	(10b)	
Arid Zone																			
18	Barmer	1174	99	3	..	—	—	13	15	1	1	—	—	1	..	—	—	29	2
19	Bikaner	232	1	1	..	—	—	—	—	—	—	—	—	—	—	—	—	269	12
20	Churu	459	35	—	—	—	—	1	1	2	1	—	—	50	8	—	—	419	19
21	Jaisalmer	110	NA	1	..	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Sub-total	1975	135	5	—	—	—	14	16	3	2	—	—	51	8	—	—	717	33
Semi-arid Zone																			
22	Jalore	386	60	1	..	—	—	45	53	2	2	—	—	7	5	—	—	38	3
23	Jhunjhunu	226	21	1	..	—	—	11	16	10	13	—	—	21	4	—	—	118	7
24	Jodhpur	641	15	18	..	—	—	22	24	1	1	—	—	—	—	—	—	175	4
25	Nagaur	554	95	84	5	1	1	17	18	9	10	—	—	—	—	—	—	283	18
26	Sikar	263	37	—	—	—	—	17	23	17	31	—	—	9	7	—	—	125	4
	Sub-total	2070	228	104	5	1	1	112	134	39	57	—	—	37	16	—	—	739	36
	Total	5234	864	976	304	801	661	1396	1749	433	489	136	80	1204	803	36	13	1942	190

@ Includes small millets, *kharif* and *rabi* pulses.

ANNEXURE 4 (Contd.)

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District	Sesamum		Rape & Mustard		Linseed		Ground-nut		Sugar-cane		Chillies		Cotton		Tobacco		Others +	
	Area	Produ-	Area	Produ-	Area	Produ-	Area	Produ-	Area	Produ-	Area	Produ-	Area	Produ-	Area	Produ-	Area	Produ-
	(11a)	(11b)	(12a)	(12b)	(13a)	(13b)	(14a)	(14b)	(15a)	(15b)	(16a)	(16b)	(17a)	(17b)	(18a)	(18b)	(19a)	(19b)
Normal Zone																		
(a) NTA																		
1	27	1	—	—	—	—	26	1	..	6	2	1	16	9	—	—	—	—
2	7	2	80	58	—	—	1	..	1	16	—	—	—	—	1	1	1	2
3	4	..	80	62	1	..	18	15	4	109	2	1	—	—	—	—	1	1
4	22	2	—	—	1	..	25	16	2	69	1	..	36	24	1	..	1	1
5	7	1	1	1	4	1	1	..	5	265	1	..	—	—	—	—	—	—
6	—	—	44	38	—	—	—	—	6	288	—	—	160	177	—	—	1	1
7	21	1	10	5	—	—	39	14	1	16	2	1	—	—	1	1	1	..
8	3	..	—	—	9	2	10	7	1	47	2	1	25	11	—	—	1	..
9	5	..	—	—	31	9	4	2	1	35	2	1	—	—	—	—	1	3
10	124	5	3	2	—	—	2	1	—	—	3	..	13	10	—	—	—	—
11	10	1	24	9	3	1	25	17	1	37	2	1	—	—	—	—	—	—
12	11	1	2	1	2	..	16	6	1	55	1	..	5	4	—	—	—	—
Sub-total	241	14	244	176	51	13	177	79	23	943	18	6	255	235	3	2	7	8
(b) TA																		
13	2	..	—	—	—	—	8	4	1	32	1	..	35	20	—	—	1	..
14	12	2	—	—	3	1	45	31	3	117	2	1	23	16	1	1	2	1
15	3	..	—	—	—	—	—	—	1	34	1	..	5	4	—	—	—	—
16	17	1	7	5	—	—	1	..	—	—	—	—	1	1	—	—	1	1
17	11	2	—	—	1	..	16	5	6	221	3	1	14	8	1	..	2	..
Sub-total	45	5	7	5	4	1	70	40	11	404	7	2	78	49	2	1	6	2

	(11a)	(11b)	(12a)	(12b)	(13a)	(13b)	(14a)	(14b)	(15a)	(15b)	(16a)	(16b)	(17a)	(17b)	(18a)	(18b)	(19a)	(19b)
Arid Zone																		
18	14	..	1	1	—	—	—	—	—	—	—	—	—	—	—	—	1	..
19	4	..	4	..	—	—	—	—	—	—	—	—	—	—	—	—	—	—
20	1	..	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
21	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Sub-total	19	—	5	1	—	—	—	—	—	—	—	—	—	—	—	—	1	—
Semi-arid Zone																		
22	35	2	30	25	—	—	—	—	..	1	1	1	2	1	—	—	—	—
23	—	—	3	5	—	—	—	—	—	—	—	—	—	—	—	—	—	—
24	45	1	1	1	—	—	—	—	—	—	4	3	7	1	—	—	—	—
25	69	5	—	—	—	—	8	4	..	1	1	1	1	1	—	—	—	—
26	—	—	3	2	—	—	4	2	..	1	1	..	—	—	1	1	—	—
Sub-total	149	8	37	33	—	—	12	6	..	3	7	5	10	3	1	1	—	—
Total	454	27	293	215	55	14	259	125	34	1350	32	13	343	287	6	4	14	10

.. Includes castor seed, potato, ginger, sunhemp.

ANNEXURE 5

Production of main Crops in Rajasthan during 1968-9 to 1973-4

Crops	Lakh Tonnes					
	1968-9	1969-70	1970-71	1971-2	1972-3	1973-4
Food Crops						
Bajra	4.48	8.01	26.76	13.63	8.64	21.81
Jowar	2.01	3.92	5.73	2.53	3.04	3.86
Maize	4.23	5.17	9.30	7.51	6.61	3.43
Wheat	11.75	12.58	19.51	18.89	17.49	17.39
Barley	5.75	5.10	7.64	5.75	4.89	5.92
Rice	0.57	0.99	1.35	1.59	0.80	1.18
Gram	5.15	7.73	11.95	8.84	8.03	7.19
Non-food Crops						
Sesamum	0.22	0.21	1.14	0.81	0.27	0.59
Rape & Mustard	0.55	0.83	2.47	1.23	2.15	1.12
Linseed	0.12	0.14	0.26	0.30	0.14	0.26
Groundnut	0.62	0.99	1.42	1.59	1.25	1.41
Sugarcane	5.24	6.76	12.34	12.03	13.50	19.40
Chillies	0.13	0.12	0.21	0.23	0.13	
Cotton (lakh bales)	1.72	1.19	2.29	3.93	2.87	2.84

ANNEXURE 6

Data of irrigated area from different sources and unirrigated areas in 1972-3

Thousand Hectares

District	Area irrigated by				Total unirrigated area	
	Canals	Tanks	Wells & Tubewells	Other sources		
Normal Zone						
(a) NTA						
1	Ajmer	—	3.8	60.5	0.2	64.5
2	Alwar	—	5.8	115.4	—	121.1
3	Bharatpur	33.4	11.9	88.3	19.4	152.9
4	Bhilwara	—	20.4	97.0	0.4	117.8
5	Bundi	71.9	11.1	25.2	0.2	108.4
6	Ganganagar	553.2	—	0.7	2.3	556.2
7	Jaipur	—	6.3	235.7	0.2	242.2
8	Jhalawar	0.2	0.7	35.9	0.2	37.1
9	Kota	112.7	3.7	31.7	2.6	150.7
10	Pali	—	3.4	80.3	—	83.8
11	Sawai					
	Madhopur	32.2	3.2	71.3	0.3	107.0
12	Tonk	9.3	4.8	49.8	0.1	64.0
	Sub-total	812.9	75.1	891.8	25.9	1805.7
(b) TA						
13	Banswara	—	6.1	6.9	3.1	16.2
14	Chittorgarh	—	10.8	82.7	0.8	94.3
15	Dungarpur	0.4	2.6	9.3	0.3	12.7
16	Sirohi	—	3.5	34.6	0.2	38.3
17	Udaipur	—	6.5	77.9	0.6	85.1
	Sub-total	0.4	29.5	211.4	5.0	246.6
Arid Zone						
18	Barmer	—	—	13.6	—	13.7
19	Bikaner	5.5	—	0.1	0.1	5.7
20	Churu	—	—	0.2	—	0.2
21	Jaisalmer	—	—	0.1	—	0.1
	Sub-total	5.5	—	14.0	0.1	19.7
Semi-Arid Zone						
22	Jalore	—	1.0	69.6	—	70.6
23	Jhunjhunu	—	—	22.4	—	22.4
24	Jodhpur	—	—	28.3	—	28.3
25	Nagaur	—	—	26.3	—	26.3
26	Sikar	0.3	—	49.6	—	49.9
	Sub-total	0.3	1.0	196.2	—	197.5
	Total	819.1	105.6	1313.4	31.0	2269.5

ANNEXURE 7

Area irrigated by Canals in 1972-3 and the expected increase by the end of 1978-9

		Thousand Hectares		
Project	Beneficiary districts	Area under irrigation		
		In 1972-3	Expected by the end of 1978-9	
1	Rajasthan Canal Project @	Ganganagar, Bikaner and Jaisalmer	167	420
2	Chambal Project	Kota, Bundi	174	174
3	Bhakhra Project	Ganganagar	231	231
4	Medium Schemes Completed upto end of IV Plan	—	145	145
5	Minor Schemes	—	102	134
6	New large and medium schemes			
	(i) Mahi Project@@	Banswara	—	—
	(ii) Gurgaon Canal	Bharatpur	—	25
	(iii) Meja feeder and Jaitpura Project	Bhilwara	—	9
	(iv) Bhimsagar and Kali Sindh Project	Jhalawar	—	11
	(v) Gopalpura Project	Kota	—	2
	(vi) Sai Diversion Project	Pali	—	6
	(vii) Jakham Project	Udaipur	—	21
	Total		819	1178

@ On completion, the project expected to irrigate an area of 11.63 lakh hectares.

@@ The project not expected to be completed by the end of the V Plan.

ANNEXURE 8

Programme of sinking new Wells/Tube Wells, renovation of old Wells and installation of Pumpsets proposed to be undertaken during the Period of Fifth Five-Year Plan

District	Sinking of tube wells				Number	
	Special tube wells	State tube wells	Medium duty tube wells	Low duty tube wells	Old wells proposed to be renovated	Pump sets to be installed
Normal Zone						
(a) NTA						
1 Bundi	—	—	—	250	200	400
2 Chittorgarh (other than tribal blocks)	—	—	—	150	450	650
3 Ganganagar	—	—	200	—	—	—
4 Jhalawar	—	—	—	150	200	—
5 Kota	—	—	—	350	250	650
6 Pali@	50	—	50	100	650	1200
Sub-total	50	—	250	1000	1750	2900
(b) TA						
7 Banswara*	—	—	—	300	500	1000
8 Chittorgarh* (tribal tehsil of Pratapgarh)	—	—	—	50	150	200
9 Dungarpur*	—	—	—	700	1000	2750
10 Udaipur* (in tribal blocks)	—	—	—	200	600	650
Sub-total	—	—	—	1250	2250	4600
Arid Zone						
11 Barmer@	—	20	—	—	—	—
12 Bikaner@	—	25	—	—	—	—
13 Churu@	—	15	—	—	—	—
14 Jaisalmer@	—	40	—	—	—	—
Sub-total	—	100	—	—	—	—
Semi-arid Zone						
15 Jalore@	40	—	20	100	400	3200
16 Jodhpur@	100	—	300	—	600	3000
17 Nagaur@	50	—	150	—	500	3200
Sub-total	190	—	470	100	1500	9400
Total	240	100	720	2350	5500	16900

@ Under Drought Prone Areas Programme.

* Under Tribal Areas Development Programme.

ANNEXURE 9

Statement showing Sanction and Utilization of Reserve Bank of India Credit Limits (Short-term and Medium-term agricultural) during the Years 1968-9 to 1973-4

Rupees Lakhs

Zone	Bank	Short-term (agricultural)					
		1968-9	1969-70	1970-71	1971-2	1972-3	1973-4
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Normal Zone (a) NTA	1 Ajmer	30.00 (20.40-68)	35.00 (26.90-77)	35.00 (24.75-71)	55.00 (34.00-62)	45.00 (38.99-87)	60.00 (44.00-73)
	2 Alwar	75.00 (65.20-87)	90.00 (90.00-100)	135.00 (135.00-100)	160.00 (146.00-91)	150.00 (126.00-84)	230.00 (205.15-89)
	3 Bharatpur	150.00 (140.00-93)	185.00 (185.00-100)	250.00 (242.50-97)	280.00 (248.00-89)	225.00 (200.00-88)	310.00 (299.00-96)
	4 Bhilwara	20.00 (20.00-100)	45.00 (38.90-86)	45.00 (44.00-98)	55.00 (38.25-70)	50.00 (18.00-36)	60.00 (51.50-86)
	5 Bundi	20.00 (18.00-90)	25.00 (25.00-100)	25.00 (25.00-100)	25.00 (25.00-100)	70.00 (44.90-64)	105.00 (94.48-90)
	6 Ganganagar	55.00 (54.92-100)	100.00 (69.47-69)	100.00 (78.75-79)	110.00 (85.00-77)	90.00 (87.20-97)	125.00 (91.00-73)
	7 Jaipur	75.00 (58.70-78)	90.00 (74.30-83)	90.00 (67.00-74)	50.00 (50.00-100)	50.00 (50.00-100)	85.00 (77.00-91)
	8 Jhalawar	55.00 (54.50-99)	65.00 (56.50-87)	75.00 (60.00-80)	55.00 (55.00-100)	50.00 (50.00-100)	100.00 (95.00-95)
	9 Kota	99.00 (98.90-100)	175.00 (158.50-91)	175.00 (175.00-100)	200.00 (198.40-99)	230.00 (180.00-78)	300.00 (264.00-88)
	10 Pali	25.00 (18.00-72)	30.00 (23.00-77)	30.00 (30.00-100)	—	—	60.00 (51.50-86)
	11 Sawai Madhopur	40.00 (40.00-100)	50.00 (47.51-95)	50.00 (49.50-99)	50.00 (45.20-94)	50.00 (42.00-84)	70.00 (67.00-96)
	12 Tonk	25.00 (25.00-100)	45.00 (35.00-78)	40.00 (40.00-100)	40.00 (39.50-99)	60.00 (45.10-75)	60.00 (50.00-83)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	
(b) TA	13 Banswara	20.00 (5.00-25)	— (— —)	— (— —)	— (— —)	— (— —)	35.00 (24.80-70)	
	14 Chittorgarh	45.00 (44.85-100)	60.00 (50.00-83)	60.00 (59.90-100)	60.00 (39.00-65)	60.00 (40.20-66)	65.00 (58.80-90)	
	15 Dungarpur	12.00 (9.50-79)	12.00 (6.00-50)	12.00 (3.93-33)	— (— —)	— (— —)	20.00 (15.00-75)	
	16 Udaipur	35.00 (35.00-100)	45.00 (35.90-80)	45.00 (13.10-29)	55.00 (18.20-33)	50.00 (21.00-42)	60.00 (51.50-85)	
	17 Sirohi	13.00 (8.49-65)	13.00 (7.69-59)	10.00 (4.70-47)	— (— —)	— (— —)	10.00 (9.90-99)	
	Arid Zone	18 Barmer	23.00 (23.00-100)	23.00 (13.00-57)	20.00 (20.00-100)	— (— —)	— (— —)	30.00 (29.85-100)
		19 Bikaner	— (— —)	— (— —)	— (— —)	— (— —)	— (— —)	15.00 (7.50-50)
20 Churu		15.00 (12.90-86)	15.00 (14.91-99)	15.00 (8.00-53)	10.00 (7.90-79)	— (— —)	13.00 (13.00-100)	
Semi-arid Zone		21 Jalore	12.50 (12.50-100)	12.50 (10.75-86)	12.50 (3.50-28)	— (— —)	— (— —)	20.00 (19.92-100)
	22 Jhunjhunu	— (— —)	— (— —)	— (— —)	— (— —)	— (— —)	— (— —)	
	23 Jodhpur	— (— —)	10.00 (10.00-100)	10.00 (10.00-100)	10.00 (10.00-100)	45.00 (35.20-78)	— (— —)	
	24 Nagaur	30.00 (27.90-93)	40.00 (39.99-100)	40.00 (33.00-83)	30.00 (30.00-100)	30.00 (— —)	— (— —)	
	25 Sikar	15.00 (15.00-100)	15.00 (13.25-88)	15.00 (14.65-98)	15.00 (15.00-100)	15.00 (10.00-66)	35.00 (28.35-81)	

ANNEXURE 9 (Contd.)

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	Medium-term (agricultural)					
	1968-9	1969-70	1970-71	1971-2	1973	1974
	(8)	(9)	(10)	(11)	(12)	(13)
1	2.50 (1.58-63)	4.00 (4.00-100)	4.00 (3.10-78)	10.00 (4.46-45)	14.00 (10.19-73)	20.00 (17.29-86)
2	6.00 (6.00-100)	8.00 (7.71-96)	8.00 (3.90-49)	10.00 (1.40-14)	10.00 (8.69-87)	11.00 (7.97-72)
3	12.00 (10.65-89)	18.00 (11.24-62)	10.00 (10.00-100)	15.00 (10.00-67)	10.00 (9.64-96)	15.00 (6.72-45)
4	— (— —)	1.50 (— —)	1.50 (0.51-34)	— (— —)	10.00 (8.77-88)	13.00 (10.10-78)
5	— (— —)	1.00 (0.21-21)	— (— —)	— (— —)	— (— —)	— (— —)
6	— (— —)	— (— —)	— (— —)	3.00 (— —)	— (— —)	— (— —)
7	5.00 (5.00-100)	— (— —)	— (— —)	— (— —)	— (— —)	— (— —)
8	4.00 (4.00-100)	6.00 (3.28-55)	— (— —)	— (— —)	2.00 (— —)	2.00 (2.00-100)
9	8.00 (6.80-85)	8.00 (3.89-49)	8.00 (— —)	5.00 (— —)	3.50 (2.75-79)	3.50 (3.50-100)
10	— (— —)	— (— —)	— (— —)	— (— —)	— (— —)	— (— —)
11	8.00 (4.61-58)	8.00 (5.74-72)	— (— —)	3.00 (— —)	— (— —)	— (— —)
12	1.00 (— —)	1.50 (1.50-100)	1.50 (— —)	1.50 (— —)	1.00 (— —)	1.00 (1.00-100)

	(8)	(9)	(10)	(11)	(12)	(13)
13	—	—	—	—	—	—
14	(— —) 9.00 (6.17-69)	(— —) 9.00 (8.06-90)	(— —) 9.00 (7.46-83)	(— —) 5.00 (3.35-67)	(— —) 5.00 (5.00-100)	(— —) 3.00 (3.00-100)
15	2.00 (2.00-100)	1.00 (0.96-96)	—	(— —)	(— —)	(— —)
16	3.00 (2.36-79)	3.00 (2.88-96)	3.00 (1.00-33)	—	12.00 (12.00-100)	13.00 (12.00-92)
17	1.00 (0.23-23)	1.00 (0.19-19)	—	(— —)	(— —)	1.00 (— —)
18	5.00 (1.97-39)	4.00 (— —)	—	(— —)	(— —)	2.00 (1.65-83)
19	—	—	—	—	—	—
20	(— —) 2.00 (2.00-100)	(— —)	(— —)	(— —)	(— —)	(— —)
21	3.00 (3.00-100)	—	(— —)	(— —)	(— —)	(— —)
22	(— —)	(— —)	(— —)	(— —)	(— —)	(— —)
23	—	—	—	3.00	—	—
24	(— —) 5.00 (5.00-100)	(— —) 2.00 (2.00-100)	(— —) 4.00 (0.73-18)	(— —) 4.00 (— —)	(— —)	(— —)
25	1.00 (1.00-100)	2.00 (0.40-20)	2.00 (1.32-66)	4.00 (— —)	(— —)	(— —)

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 10

Involvement of the Rajasthan State Co-operative Bank in short-term Loans

Rupees Lakhs

Bank	As on 30-6-1973			As on 30-6-1974		
	Outstandings at the level of		Involvement of the RSCB	Outstandings at the level of		Involvement of the RSCB
	RSCB	R.B.I.		RSCB	R.B.I.	
(1)	(2a)	(2b)	(2c)	(3a)	(3b)	(3c)
Normal Zone						
(a) NTA						
1 Ajmer	15.00	5.00	10.00	55.58	42.70	12.88
2 Alwar	149.00	126.00	23.00	198.75	147.15	51.60
3 Bharatpur	224.77	200.00	24.77	75.37	28.00	47.37
4 Bhilwara	20.00	18.00	2.00	55.00	39.70	15.30
5 Bundi	55.00	40.00	15.00	63.00	60.48	2.52
6 Ganganagar	77.00	77.00	—	79.25	75.00	4.25
7 Jaipur	65.00	50.00	15.00	114.50	65.00	49.50
8 Jhalawar	65.00	50.00	15.00	110.00	69.95	40.05
9 Kota	137.49	121.00	16.49	176.90	174.00	2.90
10 Pali	24.40	—	24.40	70.40	35.00	35.40
11 Sawai Madhopur	50.00	42.00	8.00	82.35	55.00	27.35
12 Tonk	27.90	17.90	10.00	54.99	41.70	13.29
Sub-total	910.56	746.90	163.66	1136.09	833.68	302.41
(b) TA						
13 Banswara	17.05	—	17.05	40.40	21.50	18.90
14 Chittorgarh	35.13	14.50	20.63	58.95	48.35	10.60
15 Dungarpur	6.20	—	6.20	33.36	12.35	21.01
16 Sirohi	5.50	—	5.50	7.54	6.00	1.54
17 Udaipur	10.00	—	10.00	46.80	29.55	17.25
Sub-total	73.88	14.50	59.38	187.05	117.75	69.30
Arid Zone						
18 Barmer	18.00	—	18.00	50.00	20.00	30.00
19 Bikaner	7.33	—	7.33	14.38	5.00	9.38
20 Churu	11.40	—	11.40	28.05	13.00	15.05
Sub-total	36.73	—	36.73	92.43	38.00	54.43
Semi-arid Zone						
21 Jalore	10.00	—	10.00	28.01	11.35	16.66
22 Jhunjhunu	7.50	—	7.50	21.88	—	21.88
23 Jodhpur	20.00	10.00	10.00	39.00	—	39.00
24 Nagaur	30.50	—	30.50	25.07	—	25.07
25 Sikar	15.00	10.00	5.00	58.90	21.50	37.40
Sub-total	83.00	20.00	63.00	172.86	32.85	140.01
Total	1104.17	781.40	322.77	1588.43	1022.28	566.15

ANNEXURE 11

Deficits in non-overdue cover for Borrowings from Reserve Bank of India and Defaults to the Rajasthan State Co-operative Bank by the Central Co-operative Banks in respect of short-term Loans

Rupees Lakhs

Bank	Deficits in non-overdue cover during the year							
	1968-9		1969-70		1970-71		1971-2	
	Max.	Min.	Max.	Min.	Max.	Min.	Max.	Min.
(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)
Normal Zone								
(a) NTA								
1 Ajmer	9.78	9.78	2.39	2.39	—	—	5.77	5.77
2 Alwar	3.26	3.26	—	—	—	—	66.43	46.59
3 Bharatpur	—	—	—	—	18.31	18.31	102.57	34.58
4 Bhilwara	2.52	0.04	4.61	0.75	19.61	5.52	24.47	0.03
5 Bundi	12.29	3.37	—	—	—	—	2.24	2.24
6 Ganganagar	10.61	0.85	—	—	9.74	1.13	1.81	1.81
7 Jaipur	—	—	—	—	—	—	31.20	16.28
8 Jhalawar	—	—	—	—	—	—	18.05	8.27
9 Kota	39.14	31.93	—	—	—	—	37.81	18.54
10 Pali	8.97	8.97	—	—	24.55	1.16	3.17	* 2.35
11 Sawai Madhopur	21.55	13.97	—	—	0.12	0.09	5.25	5.25
12 Tonk	—	—	—	—	—	—	2.96	2.96

ANNEXURE 11 (Contd.)

(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)
(b) TA								
13 Banswara	3.83	3.41	(NL)		(NL)		(NL)	
14 Chittorgarh	20.02	6.42	15.44	2.12	15.02	7.62	6.98	3.80
15 Dungarpur	6.90	1.26	0.75	0.75	0.17	0.05	2.00	* 2.00
16 Sirohi	5.05	0.22	5.46	0.05	2.52	2.31	1.49	* 0.38
17 Udaipur	—	—	4.38	0.02	8.56	0.10	1.65	1.65
Arid Zone								
18 Barmer	23.00	23.00	0.13	0.04	15.75	7.75	0.39	* 0.36
19 Bikaner	(NL)		(NL)		(NL)		(NL)	
20 Churu	12.90	9.96	14.90	8.91	8.00	0.06	4.90	0.07
Semi-arid Zone								
21 Jalore	—	—	0.20	0.20	3.12	2.62	(NL)	
22 Jhunjhunu	(NL)		(NL)		(NL)		(NL)	
23 Jodhpur	(NL)		—	—	—	—	—	—
24 Nagaur	16.97	16.96	22.21	17.39	28.50	14.55	17.50	7.50
25 Sikar	—	—	10.96	8.18	12.68	0.63	14.81	2.85

	Deficits in non-overdue cover during the year				No. of defaults to the Rajasthan State Co-operative Bank during the year					
	1972-3		1973-4		1968-9	1969-70	1970-71	1971-2	1972-3	1973-4
	Max.	Min.	Max.	Min.						
	(6a)	(6b)	(7a)	(7b)	(8a)	(8b)	(8c)	(8d)	(8e)	(8f)
1	29.57	29.57	13.30	13.30	—	—	1	—	—	—
2	4.48	4.48	30.50	11.01	—	5	—	6	1	—
3	—	—	—	—	—	—	—	4	14	1
4	4.19	0.62	—	—	2	—	—	4	—	—
5	1.62	1.62	27.94	10.91	1	9	13	11	4	—
6	—	—	—	—	—	5	1	—	—	—
7	11.67	9.69	7.29	7.14	2	3	11	7	4	—
8	—	—	26.95	22.90	—	4	5	14	5	—
9	—	—	111.54	36.42	—	—	—	—	4	—
10	(NL)	(NL)	4.24	4.24	3	4	7	7	1	—
11	0.64	0.22	29.67	2.22	—	—	1	—	3	—
12	18.40	10.71	20.86	11.26	—	1	1	—	—	—
					8	31	40	53	36	1
13	(NL)	(NL)	—	—	3	1	6	4	2	1
14	23.39	1.70	21.10	2.52	—	—	1	—	—	—
15	(NL)	(NL)	4.70	4.70	1	5	4	3	1	—
16	(NL)	(NL)	—	—	—	5	4	4	1	—
17	—	—	—	—	—	1	3	—	—	—
					4	12	18	11	4	1
18	(NL)	(NL)	—	—	—	—	4	4	—	—
19	(NL)	(NL)	1.21	1.21	1	2	3	2	5	—
20	2.65	* 2.65	4.04	4.04	2	5	3	3	2	7
					3	7	10	9	7	—

ANNEXURE 11 (Contd.)

	(6a)	(6b)	(7a)	(7b)	(8a)	(8b)	(8c)	(8d)	(8e)	(8f)
21	(NL)		—	—	—	6	3	4	1	1
22	(NL)				—	3	4	4	1	—
23	0.36	0.22		(NL)	3	3	2	1	—	—
24	—	—		(NL)	—	4	2	10	2	—
25	—	—	—	—	2	5	12	10	6	—
					5	21	23	29	10	1
				Total	20	71	91	102	57	3

Abstract

Year	No. of Banks									
	with deficits in nodc					defaulting to apex bank				
	NTA	TA	AZ	SAZ	Total	NTA	TA	AZ	SAZ	Total
1968-9	8	4	2	1	15	4	2	2	2	10
1969-70	2	4	2	3	11	7	4	2	5	18
1970-71	5	4	2	3	14	8	5	3	5	21
1971-2	12	4	2	2	20	7	3	3	5	18
1972-3	7	1	1	1	10	8	3	2	4	17
1973-4	9	2	2	—	13	1	1	—	1	3

(NL) No limits sanctioned

* No limits sanctioned. Outstandings in respect of previous year's limit.

ANNEXURE 12

Trends in the growth of Owned funds, Deposits, Lendings, Overdues of the Central Co-operative Banks during the period 1968-9 to 1973-4

		Rupees Lakhs					
Item	1968-9	1969-70	1970-71	1971-2	1972-3	1973-4	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1 (i) No. of banks	25	25	25	25	25	25	
(ii) No. of branches	94	102	118	128	135	148	
2 (i) Share capital	414.28	475.24	536.82	600.92	659.92	757.83	
(ii) Of which from Government	102.86	115.86	136.86	176.86	209.86	223.86	
3 Owned funds	471.87	549.05	624.48	702.11	787.60	877.63	
4 (i) Total deposits	585.15	681.73	821.12	961.12	1258.80	1553.98	
(ii) Of which from societies	243.89	274.19	307.33	326.30	429.01	531.75	
5 Outstanding borrowings	1296.43	1523.77	1616.87	1387.56	1687.66	2266.16	
6 (i) Total loans issued	2098.40	2036.19	2102.23	1496.75	2645.20	3314.94	
(ii) Of which agricultural	1747.70	1505.88	1698.25	1093.38	1983.84	2975.44	
7 (i) Total loans outstanding	1912.18	2244.69	2467.82	2368.74	2883.45	3666.52	
(ii) Of which medium-term (conversion)	..	475.60	355.08	274.54	497.87	630.91	
8 Overdues	623.40	862.40	1088.52	1561.28	1128.90	1344.66	
9 Percentage of overdues to demand	30	38	42	57	42	38	
10 Profit/loss							
(a) (i) No. of banks at profit	24	24	24	21	21	20	
(ii) Amount	19.24	21.24	21.97	16.17	17.74	15.32	
(b) (i) No. of banks at loss	1	1	1	4	4	5	
(ii) Amount	0.38	0.13	0.05	1.37	2.04	6.14	

ANNEXURE 13

Important Financial Particulars of the Central Co-operative Banks in Rajasthan for 4 years ended 1973-4

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Rupees Lakh

Bank	No. of branches including H. O.				Share Capital			
	30.6.71	30.6.72	30.6.73	30.6.74	1970-71	1971-2	1972-3	1973-4
(1)	(2a)	(2b)	(2c)	(2d)	(3a)	(3b)	(3c)	(3d)
Normal Zone								
(a) NTA								
1 Ajmer	11	11	11	11	15.51	22.61	25.53	33.41
2 Alwar	6	8	10	10	51.87	60.29	63.08	72.36
3 Bharatpur	11	11	11	13	69.01	85.27	88.78	100.75
4 Bhilwara	7	7	8	10	21.04	26.76	31.94	36.98
5 Bundi	5	5	6	6	15.44	16.16	33.92	39.59
6 Ganganagar	8	8	8	9	27.10	29.22	32.48	38.24
7 Jaipur	8	9	9	9	35.81	36.34	36.99	39.81
8 Jhalawar	9	11	11	11	23.76	24.21	24.42	29.57
9 Kota	13	13	13	14	51.49	64.05	67.04	73.47
10 Pali	10	10	10	10	21.53	21.62	21.80	25.10
11 Sawai Madhopur	5	5	5	5	19.85	19.84	19.83	19.84
12 Tonk	8	8	8	8	18.15	21.07	22.29	25.77
Sub-total	101	106	110	116	370.56	427.44	468.10	534.89

(1)	(2a)	(2b)	(2c)	(2d)	(3a)	(3b)	(3c)	(3d)
(b) TA								
13 Banswara	3	3	3	3	7.50	7.76	7.95	11.49
14 Chittorgarh	5	5	5	6	23.69	24.28	24.79	26.33
15 Dungarpur	3	3	5	6	7.57	7.60	8.01	11.10
16 Sirohi	3	4	4	4	5.30	5.41	5.43	6.32
17 Udaipur	5	5	6	7	20.43	24.65	34.78	43.77
Sub-total	19	20	23	26	64.49	69.70	80.96	99.01
Arid Zone								
18 Barmer	2	3	3	4	17.36	17.49	17.62	19.24
19 Bikaner	1	1	1	1	6.48	6.73	7.01	8.83
20 Churu	2	2	2	3	9.59	9.67	9.77	12.57
Sub-total	5	6	6	8	33.43	33.89	34.40	40.64
Semi-arid Zone								
21 Jalore	3	3	3	4	8.93	8.97	9.16	10.56
22 Jhunjhunu	3	3	3	3	7.59	7.61	7.65	8.55
23 Jodhpur	3	4	4	4	18.09	19.09	24.76	25.99
24 Nagaur	5	6	6	6	22.60	22.77	22.83	22.95
25 Sikar	4	5	5	6	11.13	11.45	11.96	15.24
Sub-total	18	21	21	23	68.34	69.89	76.36	83.29
Total	143	153	160	173	536.82	600.92	659.82	757.83

ANNEXURE 13 (Contd.)

	Of Col. 3 Government contribution				Reserves			
	1970-71	1971-2	1972-3	1973-4	1970-71	1971-2	1972-3	1973-4
	(4a)	(4b)	(4c)	(4d)	(5a)	(5b)	(5c)	(5d)
1	0.50	5.50	5.50	7.50	10.12	12.24	14.61	13.26
2	17.50	22.50	22.50	25.50	5.89	6.99	9.87	11.21
3	24.50	34.50	34.50	39.50	13.53	16.90	17.07	17.07
4	6.06	11.06	16.06	16.06	4.02	5.77	8.33	5.32
5	3.50	3.50	18.50	18.50	2.96	2.97	3.01	3.01
6	2.50	2.50	2.50	4.50	4.78	5.26	7.16	7.68
7	6.50	6.50	6.50	6.50	4.48	4.48	4.41	3.79
8	5.75	5.75	5.75	5.75	2.30	2.28	2.28	2.28
9	14.77	24.77	24.77	24.77	8.05	8.51	10.56	10.62
10	4.75	4.75	4.75	4.75	3.60	3.60	7.00	2.58
11	3.00	3.00	3.00	3.00	3.28	3.23	3.23	3.23
12	5.23	7.23	7.23	7.23	1.26	1.31	1.46	1.64
	94.56	131.56	151.56	163.56	64.27	73.54	88.99	81.69

	(4a)	(4b)	(4c)	(4d)	(5a)	(5b)	(5c)	(5d)
13	1.02	1.02	1.02	1.02	1.41	1.40	2.51	1.22
14	7.03	7.03	7.03	7.03	2.67	2.67	3.28	3.46
15	3.00	3.00	3.00	3.00	0.44	0.43	0.45	0.27
16	1.00	1.00	1.00	1.00	0.41	0.50	0.51	1.18
17	4.65	7.65	15.65	17.65	0.76	3.61	4.77	5.24
	16.70	19.70	27.70	29.70	5.69	8.61	11.52	11.37
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18	8.00	8.00	8.00	8.00	0.69	0.86	1.06	1.07
19	2.00	2.00	2.00	2.00	0.47	0.53	0.60	2.79
20	3.00	3.00	3.00	3.00	0.44	1.11	1.11	2.23
	13.00	13.00	13.00	13.00	1.60	2.50	2.77	6.09
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21	2.00	2.00	2.00	2.00	0.29	0.28	0.28	0.28
22	1.00	1.00	1.00	1.00	3.67	3.68	3.67	7.04
23	1.00	1.00	6.00	6.00	9.17	9.17	13.02	8.02
24	5.50	5.50	5.50	5.50	2.66	2.70	6.82	2.73
25	3.10	3.10	3.10	3.10	0.31	0.71	0.71	2.58
	12.60	12.60	17.60	17.60	16.10	16.54	24.50	20.65
	136.86	176.86	209.86	223.86	87.66	101.19	127.78	119.80

ANNEXURE 13 (Contd.)

	Owned Funds (Col. 3+5)				Deposits			
	1970-71	1971-2	1972-3	1973-74	1970-71	1971-2	1972-3	1973-4
	(6a)	(6b)	(6c)	(6d)	(7a)	(7b)	(7c)	(7d)
1	25.63	34.85	40.14	46.67	65.24	86.18	113.37	115.01
2	57.76	67.28	72.95	83.57	34.50	44.18	59.52	98.61
3	82.54	102.17	105.85	117.82	72.00	85.53	96.93	111.65
4	25.06	32.53	40.27	42.30	30.24	34.13	52.91	83.41
5	81.40	19.13	36.93	42.60	18.94	24.12	37.47	40.05
6	31.88	34.48	39.64	35.92	79.79	91.84	126.42	197.11
7	40.29	40.82	41.40	43.60	51.73	73.97	93.65	95.67
8	26.06	26.49	26.70	31.85	38.47	46.55	62.95	83.61
9	59.54	72.56	77.60	84.09	135.64	127.25	164.61	187.69
10	25.13	25.22	28.80	27.68	20.03	25.39	36.87	55.94
11	23.13	23.07	23.06	23.07	20.26	18.90	20.42	27.51
12	19.41	22.38	23.75	27.41	22.68	22.79	24.43	28.99
Sub-total	434.83	500.98	557.09	605.58	589.52	680.83	889.55	1125.25

(1)	(6a)	(6b)	(6c)	(6d)	(7a)	(7b)	(7c)	(7d)
13	8.91	9.16	10.46	12.71	22.38	24.37	25.54	27.10
14	26.36	26.95	28.07	29.79	40.10	44.85	54.33	65.15
15	8.01	8.03	8.46	11.37	12.48	14.33	27.93	33.16
16	5.71	5.91	5.94	7.50	11.74	17.02	18.63	22.05
17	21.19	28.26	39.55	49.01	32.57	52.19	75.10	80.33
	70.18	78.31	92.48	110.38	119.27	152.76	201.53	227.79
18	18.05	18.35	18.68	20.31	9.94	16.24	30.58	28.98
19	6.95	7.26	7.61	11.62	8.49	13.23	16.51	25.75
20	10.03	10.78	10.88	14.80	5.76	6.48	8.40	12.91
	35.03	36.39	37.17	46.73	24.19	35.95	55.49	67.64
21	9.22	9.25	9.44	10.84	6.66	7.92	12.87	14.72
22	11.26	11.29	11.32	15.59	4.60	6.09	7.37	8.13
23	72.26	28.26	37.78	34.01	44.32	48.25	58.02	72.62
24	25.26	25.47	29.65	25.68	22.28	17.42	16.97	17.03
25	11.44	12.16	12.67	17.82	10.28	11.90	17.00	25.80
	84.44	86.43	100.86	103.94	88.14	91.58	112.23	138.30
	624.48	702.11	787.60	877.63	821.12	961.12	1258.80	1558.98

ANNEXURE 13 (Contd.)

	Borrowings				Working Capital			
	1970-71 (8a)	1971-2 (8b)	1972-3 (8c)	1973-4 (8d)	1970-71 (9a)	1971-2 (9b)	1972-3 (9c)	1973-4 (9d)
1	49.93	54.44	78.04	112.38	150.79	188.60	247.93	292.61
2	149.42	150.36	200.43	219.77	255.90	278.56	352.10	430.65
3	257.72	248.32	288.97	381.10	448.92	462.50	521.39	643.32
4	70.81	52.32	56.30	91.65	134.46	128.31	161.49	233.00
5	50.89	50.20	73.73	82.66	93.63	99.46	155.08	177.67
6	65.98	42.18	80.64	81.59	192.94	195.07	269.84	347.00
7	95.14	61.03	74.89	125.62	200.39	187.91	227.35	274.64
8	81.06	58.89	70.42	113.70	151.34	136.02	167.34	236.50
9	135.78	155.88	157.11	201.20	343.92	376.32	420.20	502.47
10	59.98	46.75	52.40	75.37	112.25	104.40	125.13	168.97
11	51.84	41.30	51.86	83.19	104.41	91.33	104.80	145.07
12	55.15	31.43	48.21	72.16	101.88	81.84	103.16	134.73
	1123.70	993.10	1233.00	1640.39	2290.83	2330.32	2855.81	3586.63

(1)	(8a)	(8b)	(8c)	(8d)	(9a)	(9b)	(9c)	(9d)
13	18.78	13.98	20.78	44.37	58.08	57.07	70.86	90.68
14	77.37	58.35	56.92	84.65	152.21	137.96	147.98	187.92
15	17.74	11.99	11.31	34.73	40.68	37.46	51.04	83.32
16	16.63	13.11	14.30	12.24	35.60	37.59	42.22	45.49
17	41.01	44.11	70.98	96.38	103.37	135.53	198.11	239.96
	171.53	141.54	174.29	272.37	389.94	405.61	510.13	647.37
18	54.10	43.48	39.85	50.00	88.53	85.69	93.72	103.56
19	17.32	17.16	19.55	24.80	34.62	39.68	46.07	64.71
20	23.45	17.84	22.34	39.57	42.83	39.32	46.31	72.61
	94.87	78.48	81.74	114.37	165.98	164.69	186.10	240.88
21	31.42	22.45	23.94	35.95	52.17	42.83	49.65	65.84
22	14.57	9.48	13.03	24.12	33.08	29.48	34.16	50.07
23	59.25	58.49	76.02	76.23	139.10	143.68	185.46	196.40
24	92.68	57.92	57.36	39.03	146.10	107.46	108.25	84.67
25	28.85	26.10	28.28	64.70	53.93	52.63	64.34	113.83
	226.77	174.44	198.63	240.03	424.38	376.08	441.86	510.81
	1616.87	1387.56	1687.66	2267.16	3271.13	3276.70	3993.90	4985.69

ANNEXURE 13 (Contd.)

	Loans issued during the year											
	Total				Short-term agricultural				Medium-term agricultural			
	1970-71	1971-2	1972-3	1973-4	1970-71	1971-2	1972-3	1973-4	1970-71	1971-2	1972-3	1973-4
	(10a)	(10b)	(10c)	(10d)	(11a)	(11b)	(11c)	(11d)	(12a)	(12b)	(12c)	(12d)
1	124.40	137.70	218.55	156.23	59.40	47.60	43.20	123.01	6.00	9.90	18.40	33.22
2	198.78	83.20	300.19	246.92	180.20	54.30	169.20	232.61	12.60	10.40	18.30	14.31
3	356.89	170.38	334.17	477.23	309.20	133.30	260.10	208.61	22.80	18.40	20.20	268.62
4	66.49	62.99	93.82	163.28	48.20	18.80	33.80	145.85	0.40	4.00	9.00	17.43
5	38.17	52.81	119.89	138.43	35.00	43.50	82.10	133.57	0.20	0.10	—	4.86
6	130.61	126.01	194.05	232.81	107.30	103.50	163.90	232.81	—	—	—	—
7	91.96	65.74	111.51	181.13	77.90	40.20	71.20	171.49	0.20	—	—	9.64
8	82.66	22.57	73.08	154.59	77.50	15.80	66.60	154.59	1.40	—	—	—
9	280.74	329.53	369.04	388.40	235.80	181.20	260.60	374.48	1.70	4.40	2.50	13.92
10	52.22	16.89	54.56	105.33	22.18	2.01	28.14	105.33	—	—	—	—
11	71.67	35.89	53.53	92.48	68.10	34.80	52.60	91.29	0.20	0.50	—	1.19
12	83.16	39.26	80.55	97.22	72.60	36.70	54.50	93.51	0.80	0.30	0.20	3.71
	1577.75	1142.97	2002.94	2434.05	1293.38	711.71	1285.94	2067.15	46.30	47.80	68.60	366.90

	(10a)	(10b)	(10c)	(10d)	(11a)	(11b)	(11c)	(11d)	(12a)	(12b)	(12c)	(12d)
13	19.66	14.00	29.49	62.70	13.90	4.00	17.80	50.61	—	—	—	12.09
14	93.96	57.55	103.72	93.84	70.62	40.67	58.31	90.90	13.67	7.62	7.42	2.94
15	8.31	10.66	34.00	81.11	5.40	2.70	13.90	54.46	1.10	—	—	26.65
16	8.52	3.58	15.61	17.41	6.30	2.80	14.00	16.90	0.20	—	0.20	0.51
17	33.31	77.54	175.80	140.30	14.40	39.90	29.70	124.12	7.50	13.60	36.20	16.18
	163.76	163.33	358.62	395.36	110.62	90.07	133.71	336.99	22.47	21.22	43.82	58.37
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18	32.10	26.19	24.64	83.46	11.00	3.60	18.00	83.41	0.20	—	—	0.05
19	6.70	7.78	12.31	30.13	6.30	7.50	1.30	26.15	—	—	—	3.98
20	9.24	7.43	5.51	56.76	9.20	4.00	5.00	47.01	—	—	—	9.75
	48.04	41.40	42.46	170.35	26.50	15.10	24.30	156.57	0.20	—	—	13.78
<hr/>												
21	9.24	18.33	13.57	41.53	8.53	5.59	10.55	41.53	0.20	—	0.22	—
22	6.58	5.12	7.90	30.68	4.40	4.30	5.30	29.51	0.10	—	—	1.17
23	195.08	86.78	188.20	129.42	48.00	42.00	28.40	129.42	—	0.50	3.70	—
24	76.23	18.49	2.47	20.52	58.00	5.30	—	20.31	0.90	0.30	—	0.21
25	25.55	20.33	29.04	93.03	19.00	16.10	17.00	91.63	2.30	1.20	4.60	1.40
	312.68	149.05	241.18	315.18	137.93	73.29	61.25	312.40	3.50	2.00	8.52	2.78
	2102.23	1496.75	2645.20	3314.94	1568.43	890.17	1505.20	2873.11	72.47	71.02	120.94	441.83

ANNEXURE 13 (Contd.)

	Loans Outstanding							
	Total				Short-term agricultural			
	1970-71	1971-2	1972-3	1973-4	1970-71	1971-2	1972-3	1973-4
(13a)	(13b)	(13c)	(13d)	(14a)	(14b)	(14c)	(14d)	
1	100.99	128.66	168.39	219.58	70.05	78.47	52.29	115.34
2	203.06	224.90	270.65	353.00	174.59	185.10	173.00	264.88
3	352.15	376.67	431.65	537.51	283.71	297.90	341.70	213.34
4	99.81	92.19	113.38	155.72	69.75	53.29	62.11	118.68
5	71.38	71.60	109.18	117.30	38.02	38.53	67.36	94.71
6	131.58	143.07	174.19	219.29	103.97	126.52	157.55	215.79
7	150.14	133.24	156.31	201.76	107.75	91.19	113.02	173.95
8	121.78	102.70	120.26	177.31	100.57	82.44	105.25	170.22
9	264.47	285.08	313.18	359.34	216.56	235.91	271.67	326.06
10	88.12	75.92	83.31	115.57	48.67	42.13	57.25	101.05
11	80.01	67.70	81.52	106.83	63.46	54.04	70.80	98.75
12	81.81	63.70	83.89	109.30	68.10	55.09	54.88	88.02
	1754.30	1765.43	2105.91	2672.51	1345.20	1340.61	1526.88	1980.79

	(13a)	(13b)	(13c)	(13d)	(14a)	(14b)	(14c)	(14d)
13	40.22	31.13	40.96	60.47	25.93	20.85	27.37	41.84
14	97.87	58.69	104.63	134.07	70.62	40.47	53.31	108.80
15	30.13	23.41	35.42	60.04	12.73	10.36	17.84	25.44
16	20.96	19.53	28.61	30.90	9.79	9.70	17.84	24.67
17	74.33	96.13	153.47	185.08	25.03	40.06	34.63	104.78
	263.51	228.89	363.09	470.56	144.10	121.44	155.99	305.53
<hr/>								
18	67.28	62.92	59.94	75.17	21.67	21.71	28.44	64.35
19	26.99	24.39	28.17	36.76	10.24	10.99	9.09	24.08
20	34.66	29.55	34.15	54.80	17.88	13.18	17.42	37.95
	128.93	116.86	122.26	166.73	49.79	45.88	54.95	126.38
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21	44.84	33.04	34.56	41.89	10.83	7.44	14.65	27.55
22	21.82	19.69	19.76	35.24	11.60	10.74	11.11	29.88
23	95.65	84.83	110.30	132.82	64.47	61.23	35.79	85.89
24	122.69	82.75	79.36	59.30	63.21	36.85	34.67	35.16
25	39.08	37.25	47.21	87.47	23.96	23.45	26.65	74.32
	321.08	257.56	291.19	356.72	174.07	139.71	122.87	252.80
	2467.82	2368.74	2882.45	3666.52	1713.16	1647.64	1860.69	2665.50

ANNEXURE 13 (Contd.)

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Loans Outstanding (contd.)								
	Medium-term agricultural				Medium-term conversion			
	1970-71	1971-2	1972-3	1973-4	1970-71	1971-2	1972-3	1973-4
	(15a)	(15b)	(15c)	(15d)	(16a)	(16b)	(16c)	(16d)
1	10.68	16.66	31.89	104.24	16.64	10.87	59.92	44.53
2	18.65	27.29	36.64	88.12	3.57	3.17	53.76	43.40
3	47.96	59.78	54.81	334.17	—	—	20.75	267.62
4	4.60	6.21	11.37	37.04	12.25	9.33	17.83	11.88
5	2.33	1.80	1.55	22.59	7.84	4.44	10.12	6.75
6	2.88	1.43	0.50	3.50	6.36	5.56	4.16	3.00
7	11.84	9.27	6.26	27.81	13.85	11.44	13.95	10.04
8	8.03	6.90	4.48	7.09	10.46	9.10	6.83	3.80
9	10.90	10.19	9.49	33.28	17.51	12.21	18.28	11.90
10	3.10	2.74	2.22	14.52	36.10	30.80	23.59	13.30
11	13.34	10.97	8.42	8.08	2.05	1.46	1.28	1.03
12	2.08	1.68	1.26	21.28	8.27	3.64	25.42	17.04
	136.41	154.92	168.89	691.72	134.90	102.02	255.89	434.29

	(15a)	(15b)	(15c)	(15d)	(16a)	(16b)	(16c)	(16d)
13	3.03	2.47	1.84	18.63	5.82	2.20	6.38	16.45
14	13.66	7.62	4.39	25.27	3.92	3.33	5.07	4.11
15	6.91	5.39	4.48	34.60	8.54	6.49	8.42	31.06
16	2.86	2.44	1.10	6.23	7.24	6.44	8.29	5.13
17	12.66	21.50	51.57	80.30	27.32	20.41	39.21	29.82
	39.12	39.42	63.38	165.03	52.84	38.87	67.37	86.57
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18	8.32	7.43	4.34	10.82	36.76	32.61	26.45	9.54
19	2.05	1.55	1.55	12.68	12.27	9.61	14.28	8.16
20	3.10	2.10	2.03	16.85	13.19	13.64	13.93	13.71
	13.47	11.08	7.92	40.35	62.22	55.86	54.66	31.41
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21	6.53	5.16	3.28	14.34	23.52	19.40	15.66	10.76
22	0.59	0.50	0.48	5.36	6.20	4.37	4.59	3.21
23	3.82	2.51	5.84	46.93	24.85	15.26	61.07	42.15
24	11.72	8.04	7.88	24.14	42.02	33.01	31.84	18.01
25	5.33	5.14	8.57	13.15	8.53	5.75	6.79	4.51
	27.99	21.35	26.05	103.92	105.12	77.79	119.95	78.64
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	216.99	226.77	266.24	1001.02	355.08	274.54	497.87	630.91
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ANNEXURE 13 (Contd.)

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	Loans Outstanding (Contd.)				Overdues				Profit/Loss (—) (Rs 000)			
	Others				1970-71	1971-2	1972-3	1973-4	1970-71	1971-2	1972-3	1973-4
	1970-71	1971-2	1972-3	1973-4								
(17a)	(17b)	(17c)	(17d)	(18a)	(18b)	(18c)	(18d)	(19a)	(19b)	(19c)	(19d)	
1	12.62	22.66	24.29	—	44.91 (53)	64.18 (42)	52.98 (57)	85.08 (54)	90	195	226	169
2	6.25	9.34	7.25	—	51.37 (39)	90.17 (15)	40.69 (66)	49.10 (23)	130	220	220	222
3	20.48	18.99	14.39	—	78.43 (30)	322.46 (38)	163.54 (60)	168.91 (32)	428	427	556	86
4	13.21	23.36	22.07	—	44.98 (33)	58.71 (57)	45.95 (63)	48.37 (33)	78	82	62	78
5	23.19	26.83	30.15	—	34.91 (17)	22.66 (26)	21.54 (38)	25.09 (17)	82	30	60	106
6	18.37	9.56	11.98	—	77.99 (26)	103.56 (35)	72.29 (63)	71.35 (31)	175	70	85	51
7	16.70	21.34	23.08	—	85.43 (42)	94.54 (54)	66.09 (61)	98.45 (47)	31	(—) 48	(—) 85	(—) 282
8	2.72	4.26	3.70	—	54.41 (42)	85.33 (51)	51.92 (69)	64.34 (41)	54	3	4	15
9	19.48	26.77	13.74	—	98.17 (22)	163.02 (35)	128.00 (41)	126.88 (30)	176	147	170	233
10	0.25	0.25	0.25	—	53.98 (50)	55.41 (63)	38.52 (70)	68.93 (51)	114	33	32	36
11	1.16	1.23	1.02	—	35.46 (45)	38.70 (45)	31.13 (45)	51.57 (45)	56	48	(—) 18	(—) 55
12	3.36	3.29	2.33	—	30.58 (29)	40.02 (36)	31.58 (45)	31.14 (35)	61	49	21	2
	137.79	167.88	154.25	—	690.62	1138.76	744.23	889.21	1475	1256	1333	661

	(17a)	(17b)	(17c)	(17d)	(18a)	(18b)	(18c)	(18d)	(19a)	(19b)	(19c)	(19d)
13	5.44	5.61	5.37	—	26.93 (54)	26.14 (56)	20.87 (65)	31.67 (44)	44	22	43	25
14	9.67	7.27	36.86	—	64.49 (50)	61.05 (46)	54.64 (49)	62.85 (48)	182	117	102	58
15	1.95	1.17	4.68	—	21.01 (66)	20.08 (64)	16.72 (71)	18.30 (28)	31	2	24	3
16	1.07	0.95	1.38	—	17.43 (60)	19.63 (55)	13.80 (82)	23.66 (63)	7	(—) 7	13	57
17	9.32	14.16	28.06	—	42.04 (52)	53.08 (54)	51.46 (57)	63.79 (45)	57	31	83	159
	27.45	29.16	76.35	—	171.90	179.98	157.49	200.27	321	165	265	302
18	0.53	1.17	0.71	—	35.72 (34)	43.47 (57)	32.82 (79)	27.42 (34)	86	53	4	(—) 21
19	2.43	2.24	3.25	—	15.52 (51)	18.18 (78)	20.72 (63)	15.20 (50)	1	1	1	10
20	0.49	0.63	0.77	—	21.67 (52)	25.16 (94)	24.65 (68)	34.63 (51)	47	27	16	75
	3.45	4.04	4.73	—	72.91	86.81	78.19	77.25	134	81	21	64
21	0.96	1.04	0.97	—	26.42 (53)	18.14 (62)	16.78 (54)	24.00 (40)	29	3	14	1
22	3.43	4.08	3.58	—	14.18 (63)	16.80 (59)	10.62 (63)	22.77 (61)	(—) 5	(—) 27	(—) 51	(—) 84
23	2.51	5.83	7.60	—	41.34 (45)	29.55 (35)	30.69 (35)	42.18 (45)	91	51	28	145
24	5.74	4.85	4.97	—	47.17 (55)	63.02 (94)	73.92 (56)	49.02 (55)	142	(—) 55	(—) 50	(—) 172
25	1.26	2.91	5.20	—	23.98 (44)	28.22 (50)	16.98 (56)	39.96 (45)	5	6	10	1
	13.90	18.71	22.32	—	153.09	155.73	148.99	177.93	262	(—) 22	(—) 49	(—) 109
	182.59	219.79	257.65	—	1088.52	1561.22	1128.90	1344.66	2192	1480	1570	918

Figures in brackets indicate percentage of overdues to demand

ANNEXURE 14

Position of Viability/Potential Viability of Banks

Rupees Lakhs						
Bank	Position as on 30-6-1974			Viable	Potentially viable	Non-viable
	Owncd Funds	Deposits	Total Loans			
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Normal Zone						
(a) NTA						
1 Ajmer	46.67	115.01	219.58	Yes	.	.
2 Alwar	83.57	98.61	353.00	Yes	.	.
3 Bharatpur	117.82	111.65	537.51	Yes	.	.
4 Bhilwara	42.30	83.41	155.72	Yes	.	.
5 Bundi	42.60	40.05	117.30	Yes	.	.
6 Ganganagar	35.92	197.11	219.29	Yes	.	.
7 Jaipur	43.60	95.67	201.76	Yes	.	.
8 Jhalawar	31.85	83.61	177.31	Yes	.	.
9 Kota	84.09	187.69	359.34	Yes	.	.
10 Pali	27.68	55.94	115.57	Yes	.	.
11 Sawai Madhopur	23.07	27.51	106.83	Yes	.	.
12 Tonk	27.41	28.99	109.30	Yes	.	.
(b) TA						
13 Banswara	12.71	27.10	60.47	.	.	Yes
14 Chittorgarh	29.79	65.15	134.07	Yes	.	.
15 Dungarpur	11.37	33.16	60.04	.	.	Yes
16 Sirohi	7.50	22.05	30.90	.	.	Yes
17 Udaipur	49.01	80.33	185.08	Yes	.	.
Arid Zone						
18 Barmer	20.31	28.98	75.17	.	Yes	.
19 Bikaner	11.62	25.75	36.76	.	.	Yes
20 Churu	14.80	12.91	54.80	.	.	Yes
Semi-arid Zone						
21 Jalore	10.84	14.72	41.89	.	.	Yes
22 Jhunjhunu	15.59	8.13	35.24	.	.	Yes
23 Jodhpur	34.01	72.62	132.82	Yes	.	.
24 Nagaur	25.68	17.03	59.30	.	.	Yes
25 Sikar	17.82	25.80	87.47	.	Yes	.

Abstract

	Viable	Potentially viable	Non-viable
NTA	12	.	.
TA	2	.	3
AZ	.	1	2
SAZ	1	1	3
Total	15	2	8

ANNEXURE 15

Rating of Central Banks in Rajasthan with reference to various standards

Sr. No.	Size of Owned Funds	Rating	Size of Deposits	Rating
1	Less than Rs 10 lakhs	10	Less than Rs 25 lakhs	10
2	Above Rs 10 lakhs but less than Rs 25 lakhs	25	Above Rs 25 lakhs but less than Rs 50 lakhs	25
3	Above Rs 25 lakhs but less than Rs 50 lakhs	35	Above Rs 50 lakhs but less than Rs 75 lakhs	35
4	Above Rs 50 lakhs but less than Rs 75 lakhs	50	Above Rs 75 lakhs but less than Rs 125 lakhs	50
5	Above Rs 75 lakhs but less than Rs 100 lakhs	75	Above Rs 125 lakhs but less than Rs 200 lakhs	75
6	Above Rs 100 lakhs	100	Above Rs 200 lakhs	100

Sr. No.	Size of Working Capital	Rating	Size of Loans Outstanding	Rating
1	Less than Rs 50 lakhs	10	Less than Rs 50 lakhs	10
2	Above Rs 50 lakhs but less than Rs 75 lakhs	25	Above Rs 50 lakhs but less than Rs 75 lakhs	25
3	Above Rs 75 lakhs but less than Rs 125 lakhs	35	Above Rs 75 lakhs but less than Rs 125 lakhs	35
4	Above Rs 125 lakhs but less than Rs 200 lakhs	50	Above Rs 125 lakhs but less than Rs 200 lakhs	50
5	Above Rs 200 lakhs but less than Rs 500 lakhs	75	Above Rs 200 lakhs but less than Rs 500 lakhs	75
6	Above Rs 500 lakhs	100	Above Rs 500 lakhs	100

Sr. No.	Size of Short-term agricultural Loans Issued	Rating	Percentage of Overdues to Demand for two out of three Years (1970-71 to 1972-3)	Rating
1	Less than Rs 20 lakhs	10	More than 60	10
2	Above Rs 20 lakhs but less than Rs 50 lakhs	25	More than 50 but less than 60	25
3	Above Rs 50 lakhs but less than Rs 75 lakhs	35	More than 40 but less than 50	35
4	Above Rs 75 lakhs but less than Rs 125 lakhs	50	More than 30 but less than 40	50
5	Above Rs 125 lakhs but less than Rs 200 lakhs	75	More than 20 but less than 30	75
6	Above Rs 200 lakhs	100	Less than 20	100

ANNEXURE 15 (Contd.)

Sr. No.	No. of Years of Default to the Apex Bank in the last 5 Years (1968-9 to 1972-3)	Rating	Range of Net Profit	Rating
1	All the five years	10	Nil or loss	10
2	Four years	25	Rs 10,000 or less	15
3	Three years	35	More than Rs 10,000 but less than Rs 25,000	20
4	Two years	50	More than Rs 25,000 but less than Rs 75,000	35
5	One year	75	More than Rs 75,000 but less than Rs 1.50 lakhs	50
6	None	100	More than Rs 1.50 lakhs but less than Rs 2.50 lakhs Above Rs 2.50 lakhs	75 100

Sr. No.	Rate of Dividend	Rating	Extent of Credit Gap	Rating
1	Nil	10	90 per cent and above	10
2	Less than one per cent	25	More than 80 per cent but less than 90 per cent	25
3	Above one per cent but less than two per cent	35	More than 70 per cent but less than 80 per cent	35
4	Above two per cent but less than three per cent	50	More than 70 per cent but less than 75 per cent	50
5	Above three per cent but less than five per cent	75	More than 65 per cent but less than 70 per cent	75
6	Five per cent and above	100	Less than 65 per cent	100

ANNEXURE 16

Rating of Central Co-operative Banks in Rajasthan with reference to
Owned Funds as on 30.6.1973

(Rupees lakhs)

Sr. No.	Bank	Size of Owned Funds (Rating)						Rating
		Less than 10 (10)	Between 10 and 25 (25)	Between 25 and 50 (35)	Between 50 and 75 (50)	Between 75 and 100 (75)	Above 100 (100)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Normal Zone								
(a) NTA								
1	Ajmer			40.14				35
2	Alwar				72.95			50
3	Bharatpur						105.85	100
4	Bhilwara			40.27				35
5	Bundi			36.93				35
6	Ganganagar			39.64				35
7	Jaipur			41.40				35
8	Jhalawar			26.70				35
9	Kota					77.60		75
10	Pali			28.80				35
11	Sawai Madhopur		23.06					25
12	Tonk		23.75					25
(b) TA								
13	Banswara		10.46					25
14	Chittorgarh			28.07				35
15	Dungarpur	8.46						10
16	Sirohi	5.94						10
17	Udaipur			39.55				35
Arid Zone								
18	Barmer		18.68					25
19	Bikaner	7.61						10
20	Churu		10.88					25
Semi-arid Zone								
21	Jalore	9.44						10
22	Jhunjhunu		11.32					25
23	Jodhpur			37.78				35
24	Nagaur			29.65				35
25	Sikar		12.67					25

Abstract

Rating	No. of Banks				
	NTA	TA	AZ	SAZ	Total
10	—	2	1	1	4
25	2	1	2	2	7
35	7	2	—	2	11
50	1	—	—	—	1
75	1	—	—	—	1
100	1	—	—	—	1

ANNEXURE 17

Rating of Central Co-operative Banks in Rajasthan with reference to Size of Deposits as on 30.6.1973

Rupees Lakhs

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Sr. No.	Bank	Size of Deposits (Rating)					Rating	
		Less than 25 (10)	Between 25 and 50 (25)	Between 50 and 75 (35)	Between 75 and 125 (50)	Between 125 and 200 (75)		Above 200 (100)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Normal Zone								
(a) NTA								
1	Ajmer	.	.	.	113.37	.	.	50
2	Alwar	.	.	59.52	.	.	.	35
3	Bharatpur	.	.	.	96.93	.	.	50
4	Bhilwara	.	.	52.91	.	.	.	35
5	Bundi	.	37.47	.	.	.	.	25
6	Ganganagar	.	.	.	.	126.42	.	75
7	Jaipur	.	.	.	93.65	.	.	50
8	Jhalawar	.	.	62.95	.	.	.	35
9	Kota	.	.	.	.	164.61	.	75
10	Pali	.	36.87	.	.	.	.	25
11	Sawai Madhopur	20.42	.	.	.	.	.	10
12	Tonk	24.43	.	.	.	.	.	10
(b) TA								
13	Banswara	.	25.54	.	.	.	.	25
14	Chittorgarh	.	.	54.33	.	.	.	35
15	Dungarpur	.	27.93	.	.	.	.	25
16	Sirohi	18.63	.	.	.	.	.	10
17	Udaipur	.	.	.	75.10	.	.	50

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Arid Zone								
18	Barmer	.	30.58	.	.	.	.	25
19	Bikaner	16.51	.	.	.	.	.	10
20	Churu	8.40	.	.	.	.	.	10
Semi-arid Zone								
21	Jalore	12.87	.	.	.	.	.	10
22	Jhunjhunu	7.37	.	.	.	.	.	10
23	Jodhpur	.	.	58.02	.	.	.	35
24	Nagaur	16.97	.	.	.	.	.	10
25	Sikar	17.00	.	.	.	.	.	10

Abstract

Rating	No. of Banks				
	NTA	TA	AZ	SAZ	Total
10	2	1	2	4	9
25	2	2	1	—	5
35	3	1	—	1	5
50	3	1	—	—	4
75	2	—	—	—	2
100	—	—	—	—	—

ANNEXURE 18

Rating of Central Co-operative Banks in Rajasthan with reference to Working Capital
(comprising Owned Funds + Deposits + Borrowings) as on 30.6.1973

Rupees Lakhs

Sr. No.	Bank	Size of Working Capital (Rating)					Rating	
		Less than 50 (10)	Between 50 and 75 (25)	Between 75 and 125 (35)	Between 125 and 200 (50)	Between 200 and 500 (75)		Above 500 (100)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Normal Zone								
(a) NTA								
1	Ajmer	.	.	.	.	247.93	.	75
2	Alwar	.	.	.	.	352.10	.	75
3	Bharatpur	.	.	.	.	.	521.39	100
4	Bhilwara	.	.	.	161.49	.	.	50
5	Bundi	.	.	.	155.08	.	.	50
6	Ganganagar	.	.	.	.	269.84	.	75
7	Jaipur	.	.	.	.	227.35	.	75
8	Jhalawar	.	.	.	167.34	.	.	50
9	Kota	.	.	.	.	420.20	.	75
10	Pali	.	.	.	125.13	.	.	50
11	Sawai Madhopur	.	.	104.80	.	.	.	35
12	Tonk	.	.	103.16	.	.	.	35
(b) TA								
13	Banswara	.	70.86	.	.	.	.	25
14	Chittorgarh	.	.	.	147.90	.	.	50
15	Dungarpur	.	51.05	.	.	.	.	25
16	Sirohi	42.22	.	.	.	.	.	10
17	Udaipur	.	.	.	198.11	.	.	50

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Arid Zone								
18	Barmer	.		93.72				35
19	Bikaner	46.07		.				10
20	Churu	46.31		.				10
Semi-arid Zone								
21	Jalore	46.95		.			.	10
22	Jhunjhunu	34.16		.			.	10
23	Jodhpur	.		.	185.46		.	50
24	Nagaur	.		108.25	.		.	35
25	Sikar		64.34	.	.		.	25

Abstract

Rating	No. of Banks				
	NTA	TA	AZ	SAZ	Total
10	—	1	2	2	5
25	—	2	—	1	3
35	2	—	1	1	4
50	4	2	—	1	7
75	5	—	—	—	5
100	1	—	—	—	1

ANNEXURE 19

Rating of Central Co-operative Banks in Rajasthan with reference to Loans Outstanding as on 30.6.1973

308

Rupees Lakhs

Sr. No.	Bank	Size of Loans Outstanding (Rating)					Above 500 (100)	Rating
		Less than 50 (10)	Between 50 and 75 (25)	Between 75 and 125 (35)	Between 125 and 200 (50)	Between 200 and 500 (75)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Normal Zone								
(a) NTA								
1	Ajmer	.	.	.	168.39	.	.	50
2	Alwar	.	.	.	.	270.65	.	75
3	Bharatpur	.	.	.	.	431.65	.	75
4	Bhilwara	.	.	113.38	.	.	.	35
5	Bundi	.	.	109.18	.	.	.	35
6	Ganganagar	.	.	.	174.19	.	.	50
7	Jaipur	.	.	.	156.31	.	.	50
8	Jhalawar	.	.	120.26	.	.	.	35
9	Kota	.	.	.	.	313.18	.	75
10	Pali	.	.	83.31	.	.	.	35
11	Sawai Madhopur	.	.	81.52	.	.	.	35
12	Tonk	.	.	83.89	.	.	.	35
(b) TA								
13	Banswara	40.96	.	.	.	.	.	10
14	Chittorgarh	.	.	104.63	.	.	.	35
15	Dungarpur	35.42	.	.	.	.	.	10
16	Sirohi	28.61	.	.	.	.	.	10
17	Udaipur	.	.	.	153.47	.	.	50

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Arid Zone								
18	Barmer	.	59.94	.	.	.	.	25
19	Bikaner	28.17	.	.	.	.	.	10
20	Churu	34.15	.	.	.	.	.	10
Semi-arid Zone								
21	Jalore	34.56	.	.	.	.	.	10
22	Jhunjhunu	19.76	.	.	.	.	.	10
23	Jodhpur	.	.	110.30	.	.	.	35
24	Nagaur	.	.	79.36	.	.	.	35
25	Sikar	47.21	.	.	.	.	.	10

Abstract

Rating	No. of Banks				
	NTA	TA	AZ	SAZ	Total
10	—	3	2	3	8
25	—	—	1	—	1
35	6	1	—	2	9
50	3	1	—	—	4
75	3	—	—	—	3
100	—	—	—	—	—

ANNEXURE 20

Rating of Central Co-operative Banks in Rajasthan with reference to size of short-term agricultural Loans issued in 1972-3

Rupees Lakhs

310

Sr. No.	Bank	Size of short-term agricultural Loans issued (Rating)					Above 200 (100)	Rating
		Less than 20 (10)	Between 20 and 50 (25)	Between 50 and 75 (35)	Between 75 and 125 (50)	Between 125 and 200 (75)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Normal Zone								
(a) NTA								
1	Ajmer		43.20					25
2	Alwar					169.20		75
3	Bharatpur						260.10	100
4	Bhilwara		33.80					25
5	Bundi				82.10			50
6	Ganganagar					163.90		75
7	Jaipur			71.20				35
8	Jhalawar			66.60				35
9	Kota						260.60	100
10	Pali		28.74					25
11	Sawai Madhopur			52.60				35
12	Tonk			54.50				35
(b) TA								
13	Banswara	17.80						10
14	Chittorgarh			72.20				35
15	Dungarpur	13.90						10
16	Sirohi	14.00						10
17	Udaipur		29.70					25

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Arid Zone								
18	Barmer	18.00	.	.	.	.	.	10
19	Bikaner	1.30	.	.	.	.	.	10
20	Churu	5.00	.	.	.	.	.	10
Semi-arid Zone								
21	Jalore	10.55	.	.	.	.	.	10
22	Jhunjhunu	5.30	.	.	.	.	.	10
23	Jodhpur		28.40	.	.	.	.	25
24	Nagaur	.	.	.	.	.	.	10
25	Sikar	17.00	.	.	.	.	.	10

Abstract

Rating	No. of Banks				
	NTA	TA	AZ	SAZ	Total
10	—	3	3	4	10
25	3	1	—	1	5
35	4	1	—	—	5
50	1	—	—	—	1
75	2	—	—	—	2
100	2	—	—	—	2

ANNEXURE 21

Rating of Central Co-operative Banks in Rajasthan with reference to Recovery Performance

312

Percentage of Overdues to Demand for 2 out of 3 Years (Rating)								
Sr. No.	Bank	More than 60 (10)	Between 60 and 50 (25)	Between 50 and 40 (35)	Between 40 and 30 (50)	Between 30 and 20 (75)	Less than 20 (100)	Rating
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Normal Zone								
(a) NTA								
1	Ajmer	.	57-42-53	.	.	.	.	25
2	Alwar	.	.	.	66-15-39	.	.	50
3	Bharatpur	.	.	.	66-38-30	.	.	50
4	Bhilwara	.	63-57-33	.	.	.	.	25
5	Bundi	.	.	.	.	38-26-17	.	75
6	Ganganagar	.	.	.	63-35-26	.	.	50
7	Jaipur	.	61-54-42	.	.	.	.	25
8	Jhalawar	.	69-51-42	.	.	.	.	25
9	Kota	.	.	.	41-35-22	.	.	50
10	Pali	70-63-50	.	.	.	.	.	10
11	Sawai Madhopur	.	.	45-45-45	.	.	.	35
12	Tonk	.	.	.	45-36-29	.	.	50
(b) TA								
13	Banswara	.	65-56-54	.	.	.	.	25
14	Chittorgarh	.	.	49-46-50	.	.	.	35
15	Dungarpur	71-64-66	.	.	.	.	.	10
16	Sirohi	82-55-60	.	.	.	.	.	10
17	Udaipur	.	57-54-52	.	.	.	.	25

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Arid Zone								
18	Barmer	.	79-57-34	.	.	.	.	25
19	Bikaner	63-78-51	.	.	.	.	.	10
20	Churu	68-94-52	.	.	.	.	.	10
Semi-arid Zone								
21	Jalore	.	54-62-53	.	.	.	.	25
22	Jhunjhunu	63-59-63	.	.	.	.	.	10
23	Jodhpur	.	.	.	35-35-45	.	.	50
24	Nagaur	.	56-94-55	.	.	.	.	25
25	Sikar	.	56-50-44	.	.	.	.	25

Abstract

Rating	No. of Banks				
	NTA	TA	AZ	SAZ	Total
10	1	2	2	1	6
25	4	2	1	3	10
35	1	1	—	—	2
50	5	—	—	1	6
75	1	—	—	—	1
100	—	—	—	—	—

ANNEXURE 22

Rating of Central Co-operative Banks in Rajasthan with reference to Defaults to the State Co-operative Bank

314

Sr. No.	Bank	Years of Default in the last Five Years						Rating
		All the five years (10)	Four years (25)	Three years (35)	Two years (50)	One year (75)	None (100)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Normal Zone								
(a) NTA								
1	Ajmer	.	.	.	.	1970-71	.	75
2	Alwar	68-9 to 72-3	.	.	.	.	.	10
3	Bharatpur	.	.	.	71-2/72-3	.	.	50
4	Bhilwara	.	.	68-9/71-2/72-3	.	.	.	35
5	Bundi	68-9 to 72-3	.	.	.	.	.	10
6	Ganganagar	.	.	.	69-70/70-71	.	.	50
7	Jaipur	68-9 to 72-3	.	.	.	.	.	10
8	Jhalawar	.	69-70 to 72-3	.	.	.	.	25
9	Kota	.	.	.	.	1972-3	.	75
10	Pali	68-9 to 72-3	.	.	.	.	.	10
11	Sawai Madhopur	.	.	69-70/70-71/ 72-3	.	.	.	35
12	Tonk	.	.	.	69-70/70-71	.	.	50
(b) TA								
13	Banswara	68-9 to 72-3	.	.	.	.	.	10
14	Chittorgarh	.	.	.	68-9/70-71	.	.	50
15	Dungarpur	68-9 to 72-3	.	.	.	.	.	10
16	Sirohi	.	69-70 to 72-3	.	.	.	.	25
17	Udaipur	.	.	68-9/69-70/ 70-71	.	.	.	35

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Arid Zone								
18	Barmer	68-9 to 72-3					.	10
19	Bikaner	68-9 to 72-3					.	10
20	Churu	68-9 to 72-3					.	10
Semi-arid Zone								
21	Jalore		69-70 to 72-3					25
22	Jhunjhunu		69-70 to 72-3					25
23	Jodhpur	68-9 to 72-3	.					10
24	Nagaur	68-9 to 72-3	.					10
25	Sikar	68-9 to 72-3	.					10

Abstract					
Rating	No. of Banks				
	NTA	TA	AZ	SAZ	Total
10	4	2	3	3	12
25	1	1	—	2	4
35	2	1	—	—	3
50	3	1	—	—	4
75	2	—	—	—	2
100	—	—	—	—	—

ANNEXURE 23

Rating of Central Co-operative Banks in Rajasthan with reference to the Amount of Profit/Loss for the Year 1972-3

Rupees Lakhs

316

Sr. No.	Bank	Size of Net profit							Rating
		Nil or loss	0.10 or below	Between 0.10 and 0.25	Between 0.25 and 0.75	Between 0.75 and 1.50	Between 1.50 and 2.50	Above 2.50	
		(10)	(15)	(20)	(35)	(50)	(75)	(100)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Normal Zone									
(a) NTA									
1	Ajmer	.	.	.	.	.	2.26	.	75
2	Alwar	.	.	.	.	.	2.20	.	75
3	Bharatpur	.	.	.	.	.	.	5.56	100
4	Bhilwara	.	.	.	0.62	.	.	.	35
5	Bundi	.	.	.	0.60	.	.	.	35
6	Ganganagar	.	.	.	.	0.85	.	.	50
7	Jaipur	(—) 0.85	.	.	.	.	.	.	10
8	Jhalawar	.	0.04	.	.	.	.	.	15
9	Kota	.	.	.	.	.	1.70	.	75
10	Pali	.	.	.	0.32	.	.	.	35
11	Sawai Madhopur	(—) 0.18	.	.	.	.	.	.	10
12	Tonk	.	.	0.21	.	.	.	.	20
(b) TA									
13	Banswara	.	.	.	0.43	.	.	.	35
14	Chittorgarh	.	.	.	.	1.02	.	.	50
15	Dungarpur	.	.	0.24	.	.	.	.	20
16	Sirohi	.	.	0.13	.	.	.	.	20
17	Udaipur	.	.	.	.	0.83	.	.	50

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Arid Zone									
18	Barmer	.	0.04	.	.	.	.	.	15
19	Bikaner	.	0.01	.	.	.	.	.	15
20	Churu	.	.	0.16	.	.	.	.	20
Semi-arid Zone									
21	Jalore	.	.	0.14	.	.	.	.	20
22	Jhunjhunu	(-) 0.51	.	.	.	.	.	.	10
23	Jodhpur	.	.	.	0.28	.	.	.	35
24	Nagaur	(-) 0.50	.	.	.	.	.	.	10
25	Sikar	.	0.10	.	.	.	.	.	15

Abstract					
Rating	No. of Banks				
	NTA	TA	AZ	SAZ	Total
10	2	—	—	2	4
15	1	—	2	1	4
20	1	2	1	1	5
35	3	1	—	1	5
50	1	2	—	—	3
75	3	—	—	—	3
100	1	—	—	—	1

ANNEXURE 24

Rating of Central Co-operative Banks in Rajasthan with reference to the Rate of Dividend declared for the Year 1972-3

318

Sr. No.	Bank	Rate of Dividend declared						Rating
		Nil (10)	Less than one per cent (25)	Between one and two per cent (35)	Between two and three per cent (50)	Between three and five per cent (75)	Five per cent and above (100)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Normal Zone								
(a) NTA								
1	Ajmer	.	.	.	.	.	.	10
2	Alwar	.	.	2	.	.	.	35
3	Bharatpur	.	.	.	.	.	.	10
4	Bhilwara	.	.	.	.	.	.	10
5	Bundi	.	.	.	.	.	.	10
6	Ganganagar	.	.	.	.	3½	.	75
7	Jaipur	.	.	.	.	.	.	10
8	Jhalawar	.	.	.	.	.	.	10
9	Kota	.	.	.	.	.	.	10
10	Pali	.	.	.	.	.	.	10
11	Sawai Madhopur	.	.	.	.	.	.	10
12	Tonk	.	.	.	.	.	.	10
(b) TA								
13	Banswara	.	.	.	.	.	.	10
14	Chittorgarh	.	.	.	.	.	.	10
15	Dungarpur	.	.	.	.	.	.	10
16	Sirohi	.	.	.	.	.	.	10
17	Udaipur	.	.	.	.	.	.	10

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Arid Zone								
18	Barmer							10
19	Bikaner							10
20	Churu							10
Semi-arid Zone								
21	Jalore							10
22	Jhunjhunu							10
23	Jodhpur							10
24	Nagaur							10
25	Sikar							10

Abstract

Rating	No. of Banks				
	NTA	TA	AZ	SAZ	Total
10	10	5	3	5	3
25	—	—	—	—	—
35	1	—	—	—	1
50	—	—	—	—	—
75	1	—	—	—	1
100	—	—	—	—	—

ANNEXURE 25

Rating of Central Co-operative Banks in Rajasthan with reference to the Credit Gaps in the District

Sr. No.	Bank	Extent of Credit Gap					Rating	
		90 per cent and above	Between 90 and 80 per cent	Between 80 and 75 per cent	Between 75 and 70 per cent	Between 70 and 65 per cent		Less than 65 per cent
		(10)	(25)	(35)	(50)	(75)		(100)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Normal Zone								
(a) NTA								
1	Ajmer	.	.	.	74	.	.	50
2	Alwar	.	.	.	74	.	.	50
3	Bharatpur	.	.	.	.	67	.	75
4	Bhilwara	.	80	.	.	.	.	25
5	Bundi	.	.	.	73	.	.	50
6	Ganganagar	90	.	.	.	.	.	10
7	Jaipur	.	84	.	.	.	.	25
8	Jhalawar	.	.	.	.	.	61	100
9	Kota	.	.	.	.	.	52	100
10	Pali	.	82	.	.	.	.	25
11	Sawai Madhopur	.	86	.	.	.	.	25
12	Tonk	.	80	.	.	.	.	25
(b) TA								
13	Banswara	.	82	.	.	.	.	25
14	Chittorgarh	.	83	.	.	.	.	25
15	Dungarpur	.	.	.	73	.	.	50
16	Sirohi	91	.	.	.	.	.	10
17	Udaipur	.	.	79	.	.	.	35

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Arid Zone								
18	Barmer	93						10
19	Bikaner	94						10
20	Churu	93						10
Semi-arid Zone								
21	Jalore	96		.				10
22	Jhunjhunu	91	.	.	.			10
23	Jodhpur	91	.	.	.		.	10
24	Nagaur	93	.	.	.		.	10
25	Sikar	.	83	.	.		.	25

Abstract

Rating	No. of Banks				
	NTA	TA	AZ	SAZ	Total
10	1	1	3	4	9
25	5	2	—	1	8
35	—	1	—	—	1
50	3	1	—	—	4
75	1	—	—	—	1
100	2	—	—	—	2

ANNEXURE 26
Summary of the Rating of the Central Co-operative Banks in Rajasthan

		Rating under different heads										
Sr. No.	Bank	Owned Funds	Deposits	Working Capital	Total Loans Outstanding	Short-term Loans issued	Recovery Performance	All Defaults	Net Profit	Dividend declared	Credit Gap	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Normal Zone												
(a) NTA												
1	Ajmer	35	50	75	50	25	25	75	75	10	50	470
2	Alwar	50	35	75	75	75	50	10	75	35	50	530
3	Bharatpur	100	50	100	75	75	50	50	100	10	75	685
4	Bhilwara	35	35	50	35	25	25	35	35	10	25	310
5	Bundi	35	25	50	35	50	75	10	35	10	50	375
6	Ganganagar	35	75	75	50	75	50	50	50	75	10	545
7	Jaipur	35	50	75	50	35	25	10	10	10	25	325
8	Jhalawar	35	35	50	35	35	25	25	15	10	100	365
9	Kota	75	75	75	75	100	50	75	75	10	100	710
10	Pali	35	25	50	35	25	10	10	35	10	25	260
11	Sawai Madhopur	25	10	35	35	35	35	35	10	10	25	255
12	Tonk	25	10	35	35	35	50	50	20	10	25	295

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(b) TA												
13	Banswara	25	25	25	10	10	25	10	35	10	25	200
14	Chittorgarh	35	35	50	35	35	35	50	50	10	25	360
15	Dungarpur	10	25	25	10	10	10	10	20	10	50	180
16	Sirohi	10	10	10	10	10	10	25	20	10	10	125
17	Udaipur	35	50	50	50	25	25	35	50	10	35	365
Arid Zone												
18	Barmer	25	25	35	25	10	25	10	15	10	10	190
19	Bikaner	10	10	10	10	10	10	10	15	10	10	105
20	Churu	25	10	10	10	10	10	10	20	10	10	125
Semi-arid Zone												
21	Jalore	10	10	10	10	10	25	25	20	10	10	140
22	Jhunjhunu	25	10	10	10	10	10	25	10	10	10	130
23	Jodhpur	35	35	50	35	25	50	10	35	10	10	295
24	Nagaur	35	10	35	35	10	25	10	10	10	10	190
25	Sikar	25	10	25	10	10	25	10	15	10	25	165

ANNEXURE 27

Position of Ten Central Banks — Criterion (i), i.e., whether there is Potential in the District to reach a level of Credit Business of Rs. 150 lakhs assuming that 50 per cent of the existing short-term Credit Requirements in the District could be met by the concerned Bank

Rupees Lakhs			
Name of the Central Bank	Production credit requirements	50% of column (2)	Whether criterion fulfilled (Yes/No)
(1)	(2)	(3)	(4)
1 Banswara	310.00	155.00	Yes
2 Dungarpur	165.00	82.50	No
3 Sirohi	250.00	125.00	No
4 Barmer	1170.00	585.00	Yes
5 Bikaner	468.00	234.00	Yes
6 Churu	920.00	460.00	Yes
7 Jalore	860.00	430.00	Yes
8 Jhunjhunu	410.00	205.00	Yes
9 Nagaur	964.00	482.00	Yes
10 Sikar	524.00	262.00	Yes

Abstract

Criterion (i)	TA	AZ	SAZ	Total
	Fulfilled	1	3	4	8
Not fulfilled	2	—	—	2

ANNEXURE 28

Criteria (ii) and (iii), i.e., whether the Banks will be in a Position to reach a Level of Deposits of Rs 60 lakhs or at least Rs 40 lakhs at the end of 1978-9 (assuming an annual Growth Rate of 25 per cent) necessary to sustain a Credit Business of Rs 150 lakhs or at least Rs 100 lakhs respectively

Rupees Lakhs

Name of the Central Bank	Total deposits as on 30.6.74	Expected level of deposits as on 30.6.79 assuming an annual growth rate of 25 per cent	Whether criterion (ii) fulfilled (Yes/No)	If not, whether criterion (iii) fulfilled (Yes/No)
(1)	(2)	(3)	(4)	(5)
1 Banswara	27.10	83.03	Yes	—
2 Dungarpur	33.16	101.02	Yes@	—
3 Sirohi	22.05	67.50	Yes@	—
4 Barmer	28.98	88.42	Yes	—
5 Bikaner	25.75	78.60	Yes	—
6 Churu	12.91	39.40	No	No
7 Jalore	14.72	45.53	No	Yes
8 Jhunjhunu	8.13	24.88	No	No
9 Nagaur	17.03	51.97	No	Yes
10 Sikar	25.80	78.74	Yes	—

@These banks do not satisfy criterion (i)

Abstract

Criterion (ii)	TA	AZ	SAZ	Total
Fulfilled	3	2	1	6
Not fulfilled	—	1	3	4
Criterion (iii)				
Fulfilled	—	—	2	2
Not fulfilled	—	1	1	2

ANNEXURE 29

Trends in the Growth of Owned Funds, Deposits, Lendings, Overdues, etc., of Primary Agricultural Credit Societies during the Period 1968-9 to 1973-4

		Amount & Membership in Lakhs					
Item	1968-9	1969-70	1970-71	1971-2	1972-3	1973-4	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1 (i) Number of societies	9691	8042	7808	7727	7699	7741	
(ii) Of which dormant	2542	1976	1924	3786	2891	2236	
(iii) % of dormant	26	25	25	49	38	29	
2 Membership							
(i) Total	11.80	12.34	12.71	12.88	13.53	15.00	
(ii) Of which borrowed during the year	5.13	5.40	5.53	4.29	5.40	7.22	
(iii) % of borrowing members to total	43	44	44	33	40	48	
3 Share Capital	504.84	600.34	695.06	750.80	832.38	1017.08	
(Government)	79.89	100.96	124.89	148.67	176.37	215.60	
4 Reserve & other funds	30.50	32.20	32.97	35.49	42.91	52.86	
5 Deposits	117.79	121.55	130.30	143.44	179.84	200.70	
6 Borrowings	1840.55	2167.92	2406.13	2311.04	2739.83	3329.56	
7 Working Capital	2493.67	2922.00	3801.47	3851.72	4487.81	5385.28	
8 Loans advanced	1455.54	1385.40	1633.44	974.13	1604.33	2549.37	
9 Loans outstanding	1787.50	2117.76	2367.47	2311.21	2675.19	3282.20	
10 Overdues out of loans outstanding	555.65	764.98	1032.83	1458.47	1144.36	1261.25	
11 % of overdues to loans outstanding	31	36	44	63	43	38	
12 Societies having full-time secretaries	1819	2305	2706	2709	2744	3305	
13 Societies in profit							
(i) Number	5947	5420	5439	3153	4076	4515	
(ii) Amount	45.73	55.14	61.92	58.09	63.14	81.86	
14 Societies in loss							
(i) Number	2161	1466	1448	789	732	989	
(ii) Amount	11.77	11.95	12.03	12.66	15.05	19.43	
15 Average per society							
(i) Membership	122	153	163	167	176	194	
(ii) Loans advanced	15019	17227	20920	12607	20838	32939	
(iii) Share capital	5209	7466	8902	9717	10812	13141	
(iv) Deposits	1215	1511	1669	1856	2336	2593	
(v) Working Capital	25732	36334	48687	49848	58291	69301	
16 Average per member							
(i) Loan	123	112	128	76	118	170	
(ii) Loan advanced per borrowing member	284	257	295	227	297	353	
(iii) Loans Outstanding	151	171	186	179	198	219	
(iv) Deposits	10	10	10	11	13	13	
(v) Share Capital	43	48	55	58	62	68	
17 % of families covered	38	40	35	34	35	41	
18 % of villages covered	90	92	93	94	94	95	

ANNEXURE 30

Position of the Primary Agricultural Credit Societies as on 30.6.1974

District	Total No. of Societies	Of col. 2, dormant Societies	% of col. (3) to col. (2)	Membership		
				Total	Borrowing	% of col. (6) to col. (5)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Normal Zone						
(a) NTA						
1 Ajmer	284	22	8	69537	29078	41
2 Alwar	454	28	6	100370	78160	78
3 Bharatpur	558	69	12	143892	86912	61
4 Bhilwara	272	56	21	63381	32639	51
5 Bundi	139	28	20	31312	20679	65
6 Ganganagar	415	101	24	78018	37826	49
7 Jaipur	628	161	26	111282	40869	37
8 Jhalawar	217	20	9	45167	28845	64
9 Kota	329	15	6	82710	64993	78
10 Pali	330	123	37	61156	17539	28
11 Sawai Madhopur	427	148	35	91228	38354	42
12 Tonk	214	28	13	42718	30394	71
Sub-total	4267	799	19	920771	506268	55
(b) TA						
13 Banswara	209	85	41	40968	18646	46
14 Chittorgarh	311	93	30	60447	31984	53
15 Dungarpur	180	48	27	36677	19548	54
16 Sirohi	135	59	44	15712	5052	31
17 Udaipur	549	151	28	91480	38399	42
Sub-total	1384	436	170	245284	113629	46
Arid Zone						
18 Barmer	250	38	15	51813	18811	37
19 Bikaner	125	65	52	22920	5330	22
20 Churu	209	111	53	38132	12834	34
21 Jaisalmer	102	95	93	4620	120	3
Sub-total	686	309	45	117485	37095	32
Semi-arid Zone						
22 Jalore	219	117	53	28595	9019	31
23 Jhunjhunu	248	144	58	32612	12114	36
24 Jodhpur	263	84	32	51111	13134	25
25 Nagaur	377	249	66	58114	5319	9
26 Sikar	297	98	33	46227	25404	54
Sub-total	1404	692	49	216659	64990	30
Total	7741	2236	29	1500199	721982	48

ANNEXURE 30 (Contd.)

	Rupees Lakhs							
	Villages		Share capital		Deposits	Working Capital	Loans	
	In the District	Served	Total	Of which Govt.			No. of Societies advancing	Amount advanced
(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
1	950	950	62.81	13.10	15.06	331.42	203	117.02
2	1853	1851	79.56	16.53	16.41	470.95	295	223.29
3	1838	1806	126.57	17.46	34.37	753.02	351	272.80
4	1500	1500	36.36	13.61	5.80	213.25	186	108.80
5	718	718	44.60	7.07	5.22	171.64	109	110.38
6	1538	1538	64.86	18.42	5.72	319.44	237	195.51
7	2694	2664	56.38	11.89	12.10	310.21	252	151.95
8	1423	1423	41.78	11.17	10.34	237.16	197	140.37
9	1860	1792	121.76	16.46	30.77	550.39	295	355.08
10	826	826	37.18	9.38	5.18	201.66	165	89.79
11	1523	1511	36.05	7.97	5.52	202.42	206	87.64
12	1002	1002	26.79	7.21	4.71	153.56	135	85.54
	17725	17581	734.70	150.26	151.20	3915.12	2631	1938.17
13	1426	1180	16.19	0.80	3.09	98.90	124	39.89
14	2102	1880	38.43	13.09	10.64	199.67	217	73.82
15	816	816	13.57	3.39	2.76	86.83	104	56.88
16	417	408	9.68	2.21	1.19	53.17	72	15.26
17	3083	2917	49.96	15.97	9.22	266.78	309	94.29
	7844	7201	127.43	35.46	26.90	705.35	826	280.14
18	822	728	20.72	4.96	3.27	107.26	129	57.00
19	525	502	9.64	2.38	2.52	47.62	47	17.70
20	843	838	14.77	2.91	1.31	75.47	81	42.87
21	485	228	1.26	—	1.37	7.49	2	0.60
	2675	2296	46.39	10.25	8.47	237.84	259	118.17
22	591	575	14.31	2.99	3.10	67.34	87	32.56
23	693	557	12.95	3.56	2.11	55.79	79	29.31
24	716	716	34.41	6.30	3.28	173.19	98	57.05
25	1199	1049	25.46	2.08	2.56	112.73	53	16.31
26	798	766	21.04	4.69	3.08	117.92	133	77.66
	3997	3663	108.17	19.62	14.13	526.97	246	212.89
	32241	30741	1016.69	215.59	200.70	5385.28	4166	2549.37

Rupees Lakhs

	Loans out- standing	Loans Overdue	% of column (17) to (16)	Societies having full-time Secretary	Profit		Loss		No. of Societies without profit or loss
					No. of Socie- ties	Amount	No. of Socie- ties	Amount	
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
1	212.87	80.47	38	237	225	4.44	36	0.48	22
2	304.57	63.90	21	263	369	7.46	57	0.80	28
3	516.11	178.75	35	447	354	9.71	135	2.21	69
4	114.78	39.06	34	164	181	2.92	35	0.69	56
5	86.19	35.13	42	97	107	3.48	4	0.40	28
6	203.51	69.85	34	175	269	4.23	45	0.33	101
7	172.53	58.59	34	203	326	4.91	141	1.27	161
8	158.58	52.52	33	178	107	1.49	90	1.06	20
9	367.04	120.62	33	304	274	8.52	40	0.72	15
10	104.76	93.30	89	93	191	3.77	16	0.82	123
11	103.68	47.76	46	158	239	3.69	40	1.38	148
12	98.25	26.83	27	157	138	1.77	48	0.58	28
	2442.87	795.78	33	2476	2780	45.08	687	10.74	799
13	52.92	27.90	53	36	103	1.75	21	0.68	85
14	111.19	50.53	45	108	204	4.01	14	0.61	93
15	49.84	19.76	40	76	118	2.19	14	0.34	48
16	29.04	24.08	83	19	68	1.13	8	0.38	59
17	148.78	67.51	45	219	326	3.83	72	1.80	151
	391.77	189.78	49	458	819	12.91	129	3.81	436
18	63.42	25.67	40	56	192	1.30	20	0.38	38
19	28.26	12.54	44	13	35	0.50	25	0.40	65
20	47.44	20.33	43	20	77	0.83	21	0.13	111
21	2.94	2.94	100	.5	4	0.05	3	0.03	95
	142.06	61.48	44	94	308	2.94	69	0.96	309
22	37.74	21.13	56	41	80	1.12	22	0.45	117
23	32.28	20.15	62	—	91	0.63	13	0.57	144
24	99.70	39.09	39	125	145	3.68	34	1.58	84
25	60.70	44.12	73	50	118	3.04	10	0.88	249
26	75.08	18.72	25	6	174	1.41	25	0.46	98
	403.02	183.04	45	222	610	9.92	104	3.94	692
	3282.20	1261.25	38	3250	4515	81.86	989	19.43	2236

ANNEXURE 31

Zone-wise Position of Cultivating Families covered, indebted and defaulting Membership, Cultivated Holdings, etc. as on 30.6.1973

Zone	No. of Societies visited	No. of Villages served	Population of Villages served (1971 census)	No. of Villages Cultivating Families in the Villages	Membership as on 30.6.1973				
					Agricultural	Non-agricultural	Total	Indebted	Defaulting
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Normal zone									
(a) NTA	48	354	245939	40909	15680	380	16060	10849	3387
(b) TA	20	100	62281	11736	5107	157	5264	3996	1620
Arid Zone	16	34	60199	8034	2433	378	2811	1433	592
Semi-Arid Zone	20	50	93426	15009	4748	142	4890	2633	772
Total	104	538	461845	75688	27968	1057	29025	18911	6371

Zone	No. of Members who borrowed during 1972-3	Cultivable Land in the Villages (acres)			Land cultivated by Members (acres)		
		Total	Irrigated	Unirrigated	Total	Irrigated	Unirrigated
(1)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Normal Zone							
(a) NTA	8021	363237	127694	235543	162197	64995	97202
(b) TA	2685	60954	21119	39835	29795	10101	19694
Arid Zone	568	176798	15281	161517	83496	10028	73458
Semi Arid Zone	1542	206420	31187	175233	81678	14039	67639
Total	12816	807409	195281	612128	357166	99163	258003

ANNEXURE 32

Growth of Membership and Borrowing Membership, Classification of Membership and Borrowing Membership into Scheduled Tribes/Castes and others and Coverage, etc., of the Nineteen Societies covered by the Study relating to Coverage

Society visited			No. of Rural Families in the Area of the Society		
Zone	District	Name	S.T./S.C.	others	Total
(1a)	(1b)	(1c)	(2a)	(2b)	(2c)
Normal					
(a) NTA	Ajmer	1 Laxminath Kastkaran VKRSS	183	1157	1340
	Alwar	2 Kotkasim Prathamik VKRSS	398	1570	1968
	Bharatpur	3 Nadbai VBSS	954	2111	3065
	Bhilwara	4 Rased GSS	134	319	453
	Bundi	5 Pholai GSS	217	403	620
	Ganganagar	6 Chailanwali GSS	322	524	846
	Jaipur	7 Jaitpura GSS	40	355	395
	-do-	8 Kalwar VKRSS	388	1612	2000
	Kota	9 Nayagaon GSS	213	442	655
	-do-	10 Dhakarkheri GSS	138	265	403
	-do-	11 Undwa GSS	256	427	683
	Pali	12 Koshelao VBSS	173	733	906
	-do-	13 Nadol GSS	217	892	1109
(b) TA	Sirohi	14 Bhooteshwar GSS	153	200	353
	-do-	15 Moras GSS	375	40	415
Arid	Churu	16 Chandgothi GSS	46	371	417
Semi-arid	Jalore	17 Jagnath GSS	197	800	997
	Jodhpur	18 Dhawa GSS	90	916	1006
	-do-	19 Bhopalgarh VBSS	445	1585	2030

ANNEXURE 32 (Contd.)

	Membership as on 30 June				Membership as on 30 June 1974			Borrowing Membership in			
	1970	1971	1972	1973	S.T./ S.C.	Oth- ers	To- tal	1969 -70	1970 -71	1971-2	1972-3
	(3a)	(3b)	(3c)	(3d)	(4a)	(4b)	(4c)	(5a)	(5b)	(5c)	(5d)
1	498	494	485	479	14	481	495	296	312	294	287
2	778	764	767	832	156	811	967	422	274	365	444
3	574	442	502	504	157	424	581	214	385	390	180
4	260	256	268	281	96	209	305	205	172	113	79
5	207	207	212	221	76	206	282	141	159	160	170
6	76	76	79	193	61	175	236	15	76	77	120
7	299	304	305	336	39	342	381	291	296	297	329
8	472	476	476	478	126	413	539	307	232	267	289
9	321	344	355	405	139	326	465	239	291	306	354
10	184	219	230	251	85	213	298	109	146	151	166
11	298	296	271	267	87	195	282	169	156	163	163
12	434	454	456	456	93	374	467	260	275	242	181
13	233	238	238	253	95	208	303	79	139	117	113
14	63	67	67	74	28	81	109	—	22	17	17
15	52	52	52	53	53	1	54	51	47	41	46
16	99	99	99	105	16	147	163	—	—	—	—
17	204	218	227	242	50	222	272	98	111	122	126
18	332	348	360	375	55	325	380	310	326	337	351
19	512	549	548	551	41	566	607	376	365	405	372

	Borrowing Membership in 1973-4			Percentage of					
	S.T./ S.C.	Others	Total	col.4a to col.2a	col.4b to col.2b	col.4c to col.2c	col.6a to col.4a	col.6b to col.4b	col.6c to col.4c
	(6a)	(6b)	(6c)	(7)	(8)	(9)	(10)	(11)	(12)
1	6	247	253	8	42	37	43	51	51
2	53	373	426	40	52	49	34	46	44
3	109	288	397	16	20	19	69	68	68
4	55	112	167	72	66	67	57	54	55
5	57	147	204	35	51	45	75	71	72
6	27	90	117	19	30	28	44	51	50
7	39	339	378	98	96	96	100	99	99
8	119	379	498	32	26	27	94	92	92
9	124	272	396	65	74	71	89	83	85
10	56	162	218	62	80	74	55	76	73
11	61	97	158	34	46	51	70	50	56
12	70	194	264	54	51	52	75	52	57
13	80	97	177	44	23	27	84	47	58
14	11	33	44	18	41	31	39	41	40
15	43	1	44	14	3	13	81	100	82
16	15	39	54	35	40	39	94	27	33
17	45	113	158	25	28	27	90	51	58
18	54	302	356	61	35	38	98	93	94
19	39	383	422	9	36	30	95	68	70

ANNEXURE 33

Classification of Rural Families, Membership and Borrowing Membership as on 30 June 1974 according to the Size of Holdings in respect of the Societies covered by the Study relating to Coverage

Society visited		Classification of the Cultivating Families in the area, Membership as on 30.6.74 and Borrowing Membership during 1973-4 according to the Size of Holdings												
Zone	District	Name	Below 5 acres				5 - 10 acres				10 acres and above			
			No. of Families	No. of Members	No. of Borrowing Members	% of col.2b to col.2a	No. of Families	No. of Members	No. of Borrowing Members	% of col.3b to col.3a	No. of Families	No. of Members	No. of Borrowing Members	% of col.4b to col.4a
(1a)	(1b)	(1c)	(2a)	(2b)	(2c)	(2d)	(3a)	(3b)	(3c)	(3d)	(4a)	(4b)	(4c)	(4d)
Normal														
(a) NTA	Ajmer	1 Laxminath Kastkaran VKRSS	406	118	37	29	134	110	77	82	142	118	112	83
	Alwar	2 Kotkasim Prathamik VKRSS	376	215	131	57	219	155	106	71	300	210	147	70
	Bharatpur	3 Nadbai VBSS	1862	267	214	14	557	211	209	38	388	46	41	12
	Bhilwara	4 Rased GSS	259	183	88	71	116	74	49	64	78	48	30	62
	Bundi	5 Pholai GSS	..	12	7	—	..	74	51	—	..	170	141	—
	Ganganagar	6 Chailanwali GSS	—	—	—	—	91	11	5	12	771	225	112	29
	Jaipur	7 Jaitpura GSS	58	55	54	95	162	155	154	96	168	166	166	99
	-do-	8 Kalwar VKRSS	830	42	41	5	491	127	104	26	557	248	231	45
	Kota	9 Nayagaon GSS	108	65	52	60	151	139	122	92	242	233	222	96

(1a)	(1b)	(1c)	(2a)	(2b)	(2c)	(2d)	(3a)	(3b)	(3c)	(3d)	(4a)	(4b)	(4c)	(4d)
	Kota	10 Dhakarkheri GSS	99	69	49	70	117	113	97	97	48	48	44	100
	-do-	11 Undwa GSS	257	101	50	39	159	115	66	72	132	92	66	70
	Pali	12 Koshelao BVSS	..	58	25	—	..	95	42	—	..	186	168	—
	-do-	13 Nadol GSS	..	5	5	—	..	116	81	—	..	182	91	—
(b) TA	Sirohi	14 Bhooteshwar GSS	212	53	25	25	56	20	5	36	25	14	14	56
	-do-	15 Moras GSS	321	33	25	10	47	10	8	21	12	11	11	92
Arid	Churu	16 Chandgothi GSS	13	1	1	8	88	66	51	75	305	177	111	58
Semi-arid	Jalore	17 Jaganath GSS	153	10	7	7	172	24	13	14	261	123	104	47
	Jodhpur	18 Dhawa GSS	13	4	4	31	66	32	32	48	906	335	317	37
	-do-	19 Bhopalgarh VBSS	576	316	234	55	279	189	115	68	143	100	71	70

N.B. : Agricultural labourers, tenants, artisans, etc., who have, by and large, not been covered by societies have been excluded for the purposes of this statement

ANNEXURE 34

336

Credit and Non-Credit Business handled by the Societies covered by the Study relating to Coverage

Rupees Lakhs

Zone	Society visited		Total loans issued during					Loans out-standing as on 30.6.74	Turnover of Non-credit Business in			Remarks
	District	Name	1969-70	1970-71	1971-2	1972-3	1973-4		1971-2	1972-3	1973-4	
(1a)	(1b)	(1c)	(2a)	(2b)	(2c)	(2d)	(2e)	(3)	(4a)	(4b)	(4c)	(5)
Normal												
(a) NTA	Ajmer	1 Laxminath Kastkaran VKRSS	1.73	1.70	1.43	1.80	1.24	2.61	0.27	1.31	1.87	*Society owns wheat thresher, a flour mill, tractor and a truck. @Society owns a wheat thresher and a flour mill.
	Alwar	2 Kotkasim Prathmik VKRSS	1.87	1.45	1.77	2.88	4.04	4.58	0.46	1.08	1.58	
	Bharatpur	3 Nadbai VBSS	1.02	1.06	0.51	0.21	2.43	1.75	0.64	0.90	0.78	
	Bhilwara	4 Rased GSS	0.90	0.81	0.24	0.30	1.01	1.13	0.08	0.62	1.00	
	Bundi	5 Pholai GSS	0.57	0.34	0.56	0.62	0.25	0.44	Nil	0.18	0.17	
	Ganganagar	6 Chailenwali GSS	Nil	0.31	0.60	1.88	1.63	1.38	Nil	Nil	Nil	
	Jaipur	7 Jaitpura GSS*	0.82	1.20	0.91	0.69	2.42	2.24	0.49	0.61	0.83	
	do	8 Kalwar VKRSS	Nil	Nil	0.20	0.25	1.32	1.29	0.09	0.42	0.39	
	Kota	9 Nayagaon GSS@	2.01	4.02	4.49	6.39	7.55	2.87	2.24	3.46	5.77	
	do	10 Dhakarkheri GSS	0.94	1.59	1.19	1.47	1.74	0.42	0.79	0.76	1.30	

(1a)	(1b)	(1c)	(2a)	(2b)	(2c)	(2d)	(2e)	(3)	(4a)	(4b)	(4c)	(5)
	Kota	11 Undwa GSS	0.43	0.40	0.48	0.23	0.83	0.94	Nil	Nil	Nil	
	Pali	12 Koshelao VBSS	Nil	0.83	Nil	0.18	2.06	1.10	1.09	1.16	3.52	
	do	13 Nadol GSS (Rs 300)	0.17	Nil	Nil	1.77	0.97	0.28	1.48	1.31		
(b) TA	Sirohi	14 Bhooteshwar GSS	Nil	0.09	Nil	0.02	0.43	0.18	Nil	0.03	0.21	
	do	15 Moras GSS	0.01	0.03	Nil	0.11	0.02	0.12	Nil	Nil	Nil	
Arid	Churu	16 Chandgothi GSS	Nil	Nil	Nil	Nil	0.50	..	Nil	0.03	0.07	
Semi-arid	Jalore	17 Jagnath GSS	0.42	0.46	0.10	0.05	0.99	0.41	0.08	Nil	0.51	
	Jodhpur	18 Dhawa GSS	0.73	1.28	0.87	1.44	1.38	1.44	Nil	0.55	0.49	
	do	19 Bhopalgarh VBSS	Nil	1.38	0.20	1.47	0.88	1.99	0.29	2.34	2.58	

ANNEXURE 35

Membership, Indebted Membership, Defaulting Members, Credit Business, Overdues, etc., for the Years 1968-9 to 1972-3

Zone	Total Membership					Indebted Membership				
	1968-9	1969-70	1970-71	1971-2	1972-3	1968-9	1969-70	1970-71	1971-2	1972-3
(1)	(2a)	(2b)	(2c)	(2d)	(2e)	(3a)	(3b)	(3c)	(3d)	(3e)
Normal										
(a) NTA	13593	14893	15014	15306	16060	7876	9292	9163	9238	10849
(b) TA	3629	4380	4653	4875	5264	2034	2889	3058	2590	3996
Arid	2067	2336	2477	2619	2811	872	1200	1130	1315	1433
Semi-arid	3385	3939	341	4577	4890	1775	2456	2880	2360	2633
Total	22674	25548	26485	27377	29025	12557	15837	16231	15503	18911

Zone	Defaulting Members					Rupees Thousands Loans issued during the Year			
	1968-9	1969-70	1970-71	1971-2	1972-3	1970-71	1971-2	1972-3	1973-4 (Upto 31.3.74)
(1)	(4a)	(4b)	(4c)	(4d)	(4e)	(5a)	(5b)	(5c)	(5d)
Normal									
(a) NTA	2635	3230	3293	4298	3387	4667	3514	6331	3520
(b) TA	1173	1355	1282	1614	1620	547	442	962	578
Arid	422	696	485	558	592	094	120	139	497
Semi-arid	607	687	774	1028	772	998	567	1350	96
Total	4837	5968	5834	7498	6371	6306	4643	8782	5561

Rupees Thousands

Zone	Outstandings as on				Overdues as on 30.6.73				
	30.6.71	30.6.72	30.6.73	31.3.74	Total	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years
(1)	(6a)	(6b)	(6c)	(6d)	(7a)	(7b)	(7c)	(7d)	(7e)
Normal									
(a) NTA	4478	5515	5886	8222	1411	358	622	203	228
(b) TA	1021	713	1083	1354	338	107	118	71	42
Arid	289	347	400	379	145	16	76	14	39
Semi-arid	1359	1022	1244	1640	277	14	171	54	38
Total	7147	7597	8613	11595	2171	495	987	342	347

ANNEXURE 36

Instances of financing of Defaulters, Recoveries by way of Book Adjustments and 'ghost' acreages noticed during the course of on-the-spot studies

Zone	District	Name of society	Remarks
(1)	(2)	(3)	(4)
1 Non-tribal area	Alwar	Kotkasim Prathmik VKRSS, Kotkasim	In June/July 1973, fresh advances aggregating Rs 3312 were made to 7 members and previous dues amounting to Rs 2046 were shown to have been recovered from them on the same date of fresh advance. In six other cases, a time lag of only one day had been maintained between recovery of old dues and issue of fresh finance.
2 Non-tribal area	Bundi	Jamitpura GSS, Jamitpura	The total cultivated area of members was 1949 acres in 1972-3 whereas as per the credit limit statement the acreage cultivated by members aggregated to 2124 acres suggesting that some members had obtained finance by showing 'ghost' acreage.
3 Non-tribal area	Ganganagar	Kisan VBSS, Ganguwala	On 3.8.72 (6 cases) and again on 24.6.73 (3 cases), old dues amounting to Rs 11861 in aggregate were shown to have been recovered and on the same day fresh advances aggregating Rs 13922 were made to the concerned members. In August 1972 and June 1973, fresh advances amounting to Rs 6819 were made to 8 members although they were in default to the society to the extent of Rs 8160.
4* Non-tribal area	Ganganagar	Lathanwali GSS, Lathanwali	In 5 cases the land holding of members as shown in the credit limit statement for 1972-3 was in excess of their actual land holdings as revealed by the land record register maintained in the society. The excess ranged between 2 and 15 bighas. Previous dues amounting to Rs 443 were shown to have been recovered on 11.1.74 from Shri Gantoo Ram S/o

(1)	(2)	(3)	(4)
			Asa Ram and on the same day he was given fresh finance of Rs 800. In four other cases a time lag of only one day was maintained between recovery of old dues and issue of fresh finance.
5 Non-tribal area	Jhalawar	Kundla GSS, Kundla	On 22.6.73, recovery of old dues aggregating to Rs 934 was shown to have been made from 5 members and on the same day fresh advances amounting to Rs 2408 were made to them.
6 Non-tribal area	Pali	Koselao VBSS, Koselao	On 28.6.73, the society made a repayment of Rs 24495 to the central bank. The repayment was partly out of recoveries and partly out of deposits of Rs 13500 accepted on the same day from some members. On 29.6.73, i.e., the next day the society borrowed a short term loan of Rs 34426 from the central bank and utilised a part of it to refund the deposits accepted on previous day. As submission of disbursement statement for the full amount of Rs 34426 to the central bank was necessary the society had shown a disbursement of Rs 15180 to 25 members on 12.7.73 and receipt of deposits of Rs 12568 from them on the same day. The deposits accepted on 12.7.73 were shown to have been refunded on 20 and 21.7.73 from out of recoveries of Rs 12795 from 35 members who were defaulters. In actual fact neither the recoveries were made nor the deposits refunded. Later, i.e., on 31.7.73 the society made drawal of fresh finance of Rs 15000 from the central bank in respect of the above 35 members who were shown in the demand statement as non-defaulters but were actually defaulters. Bulk of this drawal was utilised to make actual repayment of deposits accepted on 12.7.73.

ANNEXURE 36 (Contd.)

(1)	(2)	(3)	(4)
7	Non-tribal area	Sawai Madhopur Kherra LSS, Kherra	Shri Durgasingh S/o Gandaghar was advanced a fresh loan of Rs 750 on 30.7.73 although he was in default to the society to the extent of Rs 660. The default was cleared by him on 21.11.73. In the case of one other member (Prabhu S/o Sukh Pal) the previous default of Rs 34 was recovered from out of fresh finance of Rs 160 given to him on 27.7.73.
8	Non-tribal area	Sawai Madhopur Khilchipur LSS Khilchipur	In the case of 10 members, land holdings as shown in the credit limit statement for 1972-3 were in excess of the holding of the respective members as per land record register maintained by the society. The excess ranged between 3 and 11 bighas.
9	Tribal area	Banswara Chokhla GSS, Chokhla	In 1972-3, the society made drawal of short-term loan of Rs 61625 from the central bank in respect of certain members who were actually disbursed Rs 32400. The balance amount was shown to have been recovered from them and utilised for repayment of previous dues of the society to the central bank.
10	Tribal area	Banswara Bari Padal GSS, Bari Padal	As on 30.6.73, 6 defaulters were given fresh finance of Rs 1550 and their previous overdues of Rs 1280 were shown to have been recovered on the same day. In the drawal application dated 28.6.73 to the central bank, the above 6 members were shown as non-defaulters.
11	Tribal area	Sirohi Anadara GSS, Anadara	At least in the case of 15 members the holding as shown in the credit limit statement exceeded the holding of the respective members as per the society's land record register. The excess was upto the extent of 15 acres.
12	Tribal area	Udaipur Changedi GSS, Changedi	On 20 July 1971, 4 members were advanced fresh loans aggregating Rs 1100 and on the same day recovery of previous dues of Rs 1026 was shown to have been made from them.

(1)	(2)	(3)	(4)
13 Tribal area	Udaipur	Dhaneria VKRSS, Dhaneria	<p>On 29/30.6.73, 6 members were advanced fresh loans aggregating Rs 1325 and on the same day previous dues of Rs 1261 were shown to have been recovered from them.</p> <p>In August 1972 and June 1973, five members were given fresh loans aggregating Rs 2396 although they were in default to the society to the extent of Rs 1688.</p>
14 Arid Zone Barmer		Meli GSS, Meli	<p>In a few cases, recoveries were through book adjustments inasmuch as previous dues had been recovered from out of fresh loans.</p>
15 Arid Zone Barmer		Siwana GSS, Siwana	-do-
16 Arid Zone Churu		Chandgothi GSS, Chandgothi	<p>In September 1973 (2 cases) and November 1973 (3 cases), fresh advances of Rs 2400 had been made to 5 members although they were in defaults to the society to the extent of Rs 907.</p> <p>On 22.11.73, instalments of medium-term loans of 5 members aggregating Rs 1378 were recovered from out of fresh finance of Rs 2320 disbursed to them on the same day.</p>
17 Semi-arid Zone	Jhunjhunu	Posana GSS, Posana	<p>In the case of some members, the area under cultivation as per credit limit statement differed from the one shown in the land record register maintained by the society.</p>
18 Semi-arid Zone	Sikar	Palsana GSS Palsana	<p>The area of the society covered only one village, i.e., Palsana. The coverage of cultivating families was 51 per cent. As per revenue records, the total cultivable land in the village was 8278 acres. However, in 1972-3 the society had sanctioned credit limits for cultivation of 9339 acres. The Sarpanch of the village admitted that acreage shown in the credit limit statement in the case of majority of the members was higher than actually owned and cultivated by them.</p>

ANNEXURE 37

Incidence of Natural Calamity, Conversions Granted, etc., in the areas of societies covered by on-the-spot studies

District	No. of Villages served	No. of Villages where Annewari was declared 6 annas and below				
		1968-9	1969-70	1970-71	1971-2	1972-3
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Normal Zone						
(a) NTA						
1 Ajmer	14	11	1	—	—	14
2 Alwar	40	—	—	—	40	—
3 Bharatpur	35	—	—	—	26	—
4 Bhilwara	27	6	—	—	13	9
5 Bundi	22	—	10	—	—	12
6 Ganganagar	25	—	—	—	—	—
7 Jaipur	56	—	—	—	—	20
8 Jhalawar	19	4	—	—	—	5
9 Kota	17	—	—	—	—	4
10 Pali	27	24	21	19	24	21
11 S. Madhopur	29	8	—	—	—	—
12 Tonk	43	—	2	—	—	29
Sub-total	354	53	34	19	103	114
(b) TA						
13 Banswara	19	6	4	—	—	6
14 Chittorgarh	23	12	—	—	—	12
15 Dungarpur	29	15	13	—	—	25
16 Udaipur	15	3	10	6	5	13
17 Sirohi	14	13	7	—	3	14
Sub-total	100	49	34	6	8	70
Arid Zone						
18 Barmer	10	10	10	5	8	3
19 Bikaner	10	7	4	—	—	7
20 Churu	8	8	8	2	8	4
21 Jaisalmer	6	6	5	1	5	5
Sub-total	34	81	27	8	21	19
Semi-arid Zone						
22 Jalore	5	5	4	2	2	3
23 Jhunjhunu	11	—	1	—	—	5
24 Jodhpur	15	15	6	5	14	14
25 Nagaur	9	9	4	—	1	4
26 Sikar	10	4	—	—	—	5
Sub-total	50	33	15	7	17	31

Rupees Thousands

Amount due for Conversion										
1968-9		1969-70		1970-71		1971-2		1972-3		
No. of Member	Amount	No. of Member	Amount	No. of Member	Amount	No. of Member	Amount	No. of Member	Amount	
(8a)	(8b)	(9a)	(9b)	(10a)	(10b)	(11a)	(11b)	(12a)	(12b)	
1	200	91	96	38	—	—	—	482	375	
2	—	—	—	—	—	—	493	183	751	314
3	—	—	—	—	—	—	313	166	—	—
4	—	—	—	—	—	—	—	—	218	50
5	—	—	148	57	—	—	—	—	236	118
6	—	—	—	—	—	—	—	—	—	—
7	—	—	—	—	—	—	—	—	94	20
8	61	29	—	—	—	—	—	—	20	8
9	—	—	—	—	—	—	—	—	48	28
10	320	59	423	135	—	—	—	—	—	—
11	—	—	174	65	—	—	—	—	—	—
12	—	—	28	11	—	—	209	65	416	207
	581	179	869	306	—	—	1015	414	2260	1120
13	84	19	—	—	—	—	—	—	258	61
14	—	—	—	—	—	—	—	—	71	12
15	52	10	—	—	—	—	—	—	282	51
16	69	8	140	41	—	—	122	17	190	49
17	184	21	217	1	—	—	—	—	—	—
	389	58	357	42	—	—	122	17	801	173
18	285	71	—	—	—	—	134	25	—	—
19	—	—	76	14	—	—	—	—	134	60
20	—	—	42	5	—	—	126	24	71	11
21	—	—	—	—	—	—	—	—	—	—
	285	71	118	19	—	—	260	49	205	71
22	102	42	85	68	—	—	16	4	113	53
23	—	—	25	8	—	—	—	—	164	43
24	465	351	97	67	—	—	—	—	1150	517
25	8	1	—	—	—	—	24	3	—	—
26	131	17	—	—	—	—	—	—	130	71
	706	411	207	143	—	—	40	7	1557	614

ANNEXURE 37 (Contd.)

Medium-term Conversion Loans sanctioned by Central Bank										
1968-9		1969-70		1970-71		1971-2		1972-3		
No. of Members	Amount	No. of Members	Amount	No. of Members	Amount	No. of Members	Amount	No. of Members	Amount	
(13a)	(13b)	(14a)	(14b)	(15a)	(15b)	(16a)	(16b)	(17a)	(17b)	
1	200	91	96	38	—	—	—	481	370	
2	—	—	—	—	—	493	183	682	228	
3	—	—	—	—	—	283	123	—	—	
4	—	—	—	—	—	—	—	163	37	
5	—	—	70	37	—	—	—	336	118	
6	—	—	—	—	—	—	—	—	—	
7	—	—	—	—	—	—	—	—	—	
8	61	29	—	—	—	—	—	—	—	
9	—	—	—	—	—	—	—	43	28	
10	320	58	423	139	—	—	—	—	—	
11	—	—	169	63	—	—	—	—	—	
12	—	—	28	11	—	—	209	65	447	
	581	178	786	288	—	—	985	371	2152	
13	84	19	—	—	—	—	—	258	33	
14	—	—	—	—	—	—	—	71	12	
15	52	10	—	—	—	—	—	247	42	
16	66	7	140	41	—	—	122	16	190	
17	184	21	217	1	—	—	—	—	—	
	386	57	357	42	—	—	122	16	766	
18	285	71	—	—	—	—	134	25	—	
19	—	—	76	14	—	—	—	—	113	
20	—	—	42	5	—	—	126	24	70	
21	—	—	—	—	—	—	—	—	—	
	285	71	118	19	—	—	260	49	183	
22	102	42	85	63	—	—	16	4	113	
23	—	—	23	3	—	—	—	—	156	
24	465	341	97	67	—	—	—	—	1150	
25	—	—	—	—	—	—	—	..	76	
26	131	17	—	—	—	—	—	—	130	
	698	400	205	133	—	—	16	4	1549	

Conversions effected by the Societies

	1968-9		1969-70		1970-71		1971-2		1972-3	
	No. of Mem- bers	Amo- unt								
	(18a)	(18b)	(19a)	(19b)	(20a)	(20b)	(21a)	(21b)	(22a)	(22b)
1	200	89	96	38	—	—	—	—	443	334
2	—	—	—	—	—	—	493	172	502	178
3	—	—	—	—	—	—	63	49	—	—
4	—	—	—	—	—	—	—	—	163	37
5	—	—	70	37	—	—	—	—	196	101
6	—	—	—	—	—	—	—	—	—	—
7	—	—	—	—	—	—	—	—	—	—
8	61	29	—	—	—	—	—	—	—	—
9	—	—	—	—	—	—	—	—	43	28
10	320	58	423	139	—	—	—	—	—	—
11	—	—	169	63	—	—	—	—	—	—
12	—	—	28	4	—	—	209	22	447	207
	581	176	786	281	—	—	765	243	1794	885
13	—	—	—	—	—	—	—	—	258	33
14	—	—	—	—	—	—	—	—	71	12
15	52	10	—	—	—	—	—	—	247	42
16	39	4	140	41	—	—	122	16	90	18
17	184	21	217	1	—	—	—	—	—	—
	275	35	357	42	—	—	122	16	666	105
18	234	64	—	—	—	—	134	25	—	—
19	—	—	76	14	—	—	—	—	113	60
20	—	—	42	5	—	—	126	24	70	4
21	—	—	—	—	—	—	—	—	—	—
	234	64	118	19	—	—	260	49	183	64
22	102	42	85	63	—	—	16	4	113	53
23	—	—	23	3	—	—	—	—	62	6
24	465	325	97	28	—	—	—	—	1017	426
25	—	—	—	—	—	—	—	—	..	76
26	131	17	—	—	—	—	—	—	125	66
	698	384	205	94	—	—	16	4	1317	627

ANNEXURE 37 (Contd.)

District	Medium -term Conversion Loans outstanding as on			
	30.6.71	30.6.72	30.6.73	30.3.74
	(23a)	(23b)	(23c)	(23d)
Normal Zone				
(a) NTA				
1 Ajmer	80	39	341	318
2 Alwar	—	—	64	47
3 Bharatpur	—	—	49	38
4 Bhilwara	14	9	45	32
5 Bundi	33	20	76	69
6 Ganganagar	—	—	—	—
7 Jaipur	—	—	—	—
8 Jhalawar	—	—	—	—
9 Kota	—	—	28	27
10 Pali	254	188	152	98
11 Sawai Madhopur	—	—	—	—
12 Tonk	8	6	249	237
Sub-total	389	262	1004	866
(b) TA				
13 Banswara	—	—	33	33
14 Chittorgarh	—	—	12	12
15 Dungarpur	1	1	41	163
16 Udaipur	31	25	56	47
17 Sirohi	8	7	1	1
Sub-total	40	33	143	256
Arid Zone				
18 Barmer	60	83	20	8
19 Bikaner	—	—	68	14
20 Churu	5	28	19	—
21 Jaisalmer	—	—	—	—
Sub-total	65	111	107	22
Semi-arid Zone				
22 Jalore	71	51	48	36
23 Jhunjhunu	4	3	40	32
24 Jodhpur	142	52	433	325
25 Nagaur	—	—	76	40
26 Sikar	6	—	66	63
Sub-total	223	106	663	496

ANNEXURE 38

Distribution of Members[indebted Members, etc., according to Size of holdings — 1972-3

Rupees Thousands

Size of Holdings (acres)	Agri- cultu- rist Members	Culti- vated Area (acres)	Borrowing Members		Indebted Members		Defaulter members							
			No. of Mem- bers	Loans bor- rowed	No. of Mem- bers	Loans out- stand- ing	No. of Mem- bers	Loans out- stand- ing	Loans overdue (period-wise)					
									Total	Less than 1 year	1-2 years	2-3 years	3-5 years	5 years and above
(1)	(2)	(3)	(4a)	(4b)	(5a)	(5b)	(6a)	(6b)	(6c)	(6d)	(6e)	(6f)	(6g)	(6h)
Normal Zone														
(a) NTA														
Below 3 acres	1289	2182	532	209	959	274	433	89	89	16	19	15	12	27
3-5 acres	1982	7032	508	425	1420	521	506	163	159	36	34	29	25	35
5-10 acres	4717	34775	2875	1556	3563	1600	937	391	375	98	99	71	53	54
10 acres and above	6072	114122	3811	3931	4274	3224	1244	770	735	195	146	191	105	98
Tenants and agricultural labourers	1462	—	195	132	489	192	263	54	52	13	10	8	7	14
Sub-total	15522	158113	7921	6253	10705	5811	3383	1467	1410	358	308	314	202	228
(b) TA														
Below 3 acres	1244	2349	677	129	1003	164	384	75	57	16	22	3	9	7
3-5 acres	1397	5720	811	226	1214	278	501	113	86	25	20	13	20	8
5-10 acres	1587	10778	876	426	1258	420	499	150	113	43	18	15	26	11
10 acres and above	599	10948	292	171	436	202	196	102	71	20	13	12	13	13
Tenants and agricultural labourers	280	—	29	10	85	19	40	11	11	3	1	1	3	3
Sub-total	5107	29795	2685	962	3996	1083	1620	451	338	107	74	44	71	42

ANNEXURE 38 (Contd.)

(1)	(2)	(3)	(4a)	(4b)	(5a)	(5b)	(6a)	(6b)	(6c)	(6d)	(6e)	(6f)	(6g)	(6h)
Arid Zone														
Below 3 acres	3	7	—	—	2	(0.3)	1	(0.2)	(0.2)	—	—	(0.1)	(0.1)	—
3-5 acres	34	161	1	(0.1)	13	2	9	1	1	—	1	(0.2)	(0.1)	—
5-10 acres	92	769	8	2	42	8	19	4	4	—	(0.1)	1	1	2
10 acres and above	1899	80861	559	137	1243	365	432	116	116	16	30	36	7	27
Tenants and agricultural labourers	157	—	—	—	30	6	28	6	6	—	—	2	(0.2)	4
Sub-total	2185	81798	568	139	1330	381	489	127	127	16	31	39	8	33
Semi-arid Zone														
Below 3 acres	136	251	38	20	74	16	18	4	3	—	1	—	—	2
3-5 acres	340	1108	88	59	191	56	40	15	12	1	6	2	1	2
5-10 acres	871	6815	294	292	502	210	124	46	38	2	16	5	5	0
10 acres and above	2993	72416	1052	972	1768	946	546	281	214	10	72	60	48	4
Tenants and agricultural labourers	270	—	—	—	26	10	26	11	10	1	7	2	—	—
Sub-total	4610	80590	1472	1343	2561	1238	754	357	277	14	102	69	54	38

Note : Data in respect of one society each in Normal, Arid and Semi-arid zones not available

ANNEXURE 39
Action for Recovery

Rupees Thousands

Zone	Suit Cases pending as on 30.6.72		Cases filed during 1972-3		Awards obtained during 1972-3		Cases pending as on 30.6.73 (cols. 2+3-4)		Awards pending execution as on 30.6.72		Awards executed during 1972-3		Awards pending execution as on 30.6.73 (cols.4+6-7)		Awards stayed during the year 1972-3		Bad and doubtful Debts and Assets			
																	Debts	Ass-ets	Total	
	No. Amt.	No. Amt.	No. Amt.	No. Amt.	No. Amt.	No. Amt.	No. Amt.	No. Amt.	No. Amt.	No. Amt.	No. Amt.	No. Amt.	No. Amt.	No. Amt.	No. Amt.	No. Amt.	No. Amt.	No. Amt.	No. Amt.	
(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)	(6a)	(6b)	(7a)	(7b)	(8a)	(8b)	(9a)	(9b)	(10a)	(10b)	(10c)	(10d)
Normal																				
(a) NTA	214	148	117	68	68	58	263	158	95	95	37	31	126	123	—	—	160	51	65	116
(b) TA	8	5	18	15	17	14	9	6	8	14	19	23	6	5	2	1	72	11	2	13
Arid	19	7	54	15	55	14	18	8	35	7	58	11	52	10	—	—	35	6	—	6
Semi-arid	26	26	—	—	3	3	23	23	51	32	22	19	32	16	—	—	25	21	5	26
Total	267	186	189	98	143	89	313	195	189	148	116	84	216	154	2	1	292	89	72	161

ANNEXURE 40

Performance of Primary Agricultural Credit Societies (selected for on-the-spot study) which were not served by a full-time paid Secretary

		Rupees Lakhs								
Zone	Name of the Society	Culti- vating Families in the area	Member- ship as on 30.6.73	% of col.4 to col.3	No. of Members who borrowed during 1972-3	% of col.6 to col.3	Loans issued during 1972-3	Loans out- standing as on 30.6.73	Over- dues as on 30.6.73	% of col.10 to col.9
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Normal										
(a) NTA	1 Kanechhan Kala GSS Bhilwara District	1615	458	28 (39)	207	13 (20)	0.61 (1.32)	0.43	0.07	16 (24)
	2 Kisan, VBSS Ganganagar District	706	280	40 (39)	195	28 (20)	2.54 (1.32)	1.87	0.45	29 (24)
	3 Lathanwali, GSS Ganganagar District@	650	166	26 (39)	100	15 (20)	1.20 (1.32)	0.87	0.01	1 (24)
(b) TA	4 Lohariya Krishi Bahudhandi SS, Banswara District	725	345	48 (45)	253	35 (23)	0.65 (0.48)	0.42	0.10	24 (31)
	5 Fatehgarh GSS Chittorgarh District	457	143	31 (45)	78	17 (23)	0.29 (0.48)	0.19	0.06	32 (31)
	6 Bhuteswar GSS Sirohi District	325	65	20 (45)	3	1 (23)	0.01 (0.48)	0.09	0.09	100 (31)
	7 Moras GSS Sirohi District	415	53	13 (45)	38	9 (23)	0.06 (0.48)	0.12	0.02	17 (31)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Arid	8 Thavariya GSS Bikaner District	490	149	31 (35)	Nil	Nil (8)	Nil (0.09)	0.04	0.04	100 (36)
	9 Chandgathi GSS Churu District	750	95	13 (35)	Nil	Nil (8)	Nil (0.09)	0.06	0.06	100 (36)
	10 Chacha Bahubhandi SS Jaisalmer District	65	29	45 (35)	Nil	Nil (8)	Nil (0.09)	0.08	0.08	100 (36)
Semi-arid	11 Jaganath GSS Jalore District	674	204	30 (33)	10	1 (10)	0.05 (0.68)	0.23	0.23	100 (22)
	12 Posana GSS Jhunjhunu District@	490	86	18 (33)	75	15 (10)	0.27 (0.68)	0.28	0.01	4 (22)
	13 Khinawasar GSS Nagaur District@	650	127	20 (33)	Nil	Nil (10)	Nil (0.68)	2.94	2.94	100 (22)
	14 Shri Ganesh GSS Nagaur District@	600	302	50 (33)	Nil	Nil (10)	Nil (0.68)	1.16	1.00	86 (22)
	15 Indawar GSS Nagaur District@	540	93	17 (33)	Nil	Nil (10)	Nil (0.68)	0.19	0.19	100 (22)
	16 Bayad GSS Nagaur District@	425	65	15 (33)	Nil	Nil (10)	Nil (0.68)	0.14	0.14	100 (22)
	17 Bawani GSS Sikar District	271	117	43 (33)	13	5 (10)	0.03 (0.68)	0.17	0.02	12 (22)

@ Societies did not handle non-credit business

Note : The figures in brackets indicate the relevant averages in respect of the societies selected for on-the-spot studies from the respective zones/area

ANNEXURE 41

District-wise Position of the Level of Loans outstanding at the Primary Level as on 30 June 1973

District	No. of Societies in the District *	No. of Societies with Loans outstanding (in rupees) as on 30.6.73					
		25,000 or below*	25,000 to 50,000	50,000 to 75,000	75,000 to 1 lakh	1 lakh to 2 lakhs	Above 2 lakhs
Normal Zone							
(a) NTA							
1 Ajmer	..	..	..	..	..	..	..
2 Alwar	455	164	105	50	63	61	12
3 Bharatpur	557	129	90	76	72	134	56
4 Bhilwara	..	..	..	..	..	..	..
5 Bundi	139	45	30	17	17	27	3
6 Ganganagar	391	217	53	—	67	47	7
7 Jaipur	628	538	61	20	—	9	—
8 Jhalawar	217	73	82	38	19	5	—
9 Kota	329	43	53	60	64	93	16
10 Pali	329	163	71	36	20	32	7
11 Sawai							
Madhopur	429	339	54	22	9	5	—
12 Tonk	..	..	..	..	..	..	..
Sub-total	3474	1711	599	319	331	413	101
(b) TA							
13 Banswara	208	164	36	7	—	1	—
14 Chittorgarh	313	141	96	39	27	10	—
15 Dungarpur	..	..	..	..	..	..	..
16 Sirohi	134	97	28	6	2	1	—
17 Udaipur	545	272	106	71	59	37	—
Sub-total	1200	674	266	123	83	49	—
Arid Zone							
18 Barmer	249	167	72	16	2	2	—
19 Bikaner	..	..	..	..	..	..	..
20 Churu	209	177	32	—	—	—	—
21 Jaisalmer	102	101	1	—	—	—	—
Sub-total	560	445	95	16	2	2	—
Semi-arid Zone							
22 Jalore	218	168	32	7	2	9	—
23 Jhunjhunu	248	236	8	2	2	—	—
24 Jodhpur	265	161	59	25	13	7	—
25 Nagaur	..	..	..	..	..	..	..
26 Sikar	297	193	49	25	15	15	—
Sub-total	1028	758	148	59	32	31	—
Total	6262	3588	1108	517	453	495	101

* Includes dormant societies

ANNEXURE 42

District-wise Position of Average Size of Holdings and the Average Number of Cultivators which a re-organized Society will cover

District	Average size of holdings (hectares)	No. of Holdings required for Society to be viable on the basis of 2000 hectares in Normal Zone and 5000 hectares in Arid and Semi-arid Zones
Normal Zone		
(a) NTA		
1 Ajmer	2.95	678
2 Alwar	2.41	830
3 Bharatpur	2.25	889
4 Bhilwara	2.80	714
5 Bundi	3.67	545
6 Ganganagar	8.96	223
7 Jaipur	3.93	509
8 Jhalawar	3.51	570
9 Kota	4.27	468
10 Pali	5.14	389
11 Sawai Madhopur	2.80	714
12 Tonk	4.46	448
Average (NTA)		581
(b) TA		
13 Banswara	2.53	791
14 Chittorgarh	3.27	612
15 Dungarpur	2.13	939
16 Sirohi	3.22	621
17 Udaipur	1.37	1460
Average (TA)		885
Arid Zone		
18 Barmer	19.71	254
19 Bikaner	22.01	227
20 Churu	14.72	340
21 Jaisalmer	25.14	199
Average (AZ)		255
Semi-arid Zone		
22 Jalore	8.95	559
23 Jhunjhunu	4.72	1059
24 Jodhpur	12.82	390
25 Nagaur	8.52	587
26 Sikar	4.67	1071
Average (SAZ)		733

ANNEXURE 43

District-wise Position of the total Number of Societies, the Number of Dormant Societies and the Number of Societies which each District could support

District	Total no. of Societies as on 30.6.74	Of col. 2, Dormant Societies	No. of Societies that can be supported on the basis of 2000 hectares of cropped area per Society for Normal and Tribal Area and 5000 hectares for Arid and Semi-arid Zones	Excess/deficit (—) of col. 4 over col. 2
(1)	(2)	(3)	(4)	(5)
Normal Zone				
(a) NTA				
1 Ajmer	284	22	184	100
2 Alwar	454	28	331	123
3 Bharatpur	558	69	330	228
4 Bhilwara	272	56	178	94
5 Bundi	139	28	122	17
6 Ganganagar	415	101	748	(—)333
7 Jaipur	628	161	436	192
8 Jhalawar	217	20	165	52
9 Kota	329	15	305	24
10 Pali	330	123	293	37
11 Sawai Madhopur	427	148	284	143
12 Tonk	214	28	198	16
Sub-total	4267	799	3574	1026 (—)333
(b) TA				
13 Banswara	209	85	115	94
14 Chittorgarh	311	93	209	102
15 Dungarpur	180	48	70	110
16 Sirohi	135	59	91	44
17 Udaipur	549	151	193	356
Sub-total	1384	436	678	706
Arid Zone				
18 Barmer	250	38	303	(—) 53
19 Bikaner	125	65	122	3
20 Churu	209	111	245	(—) 36
21 Jaisalmer	102	95	27	75
Sub-total	686	309	697	78 (—) 89
Semi-arid Zone				
22 Jalore	219	117	144	75
23 Jhunjhunu	248	144	97	151
24 Jodhpur	263	84	224	39
25 Nagaur	377	249	241	136
26 Sikar	297	98	113	184
Sub-total	1404	692	819	585
Total	7741	2236	5768	2395 (—)422

ANNEXURE 4A

PLDB-wise loans issued during 1973-4 and outstandings as on 30.6.1974
Rupees Lakhs

District	Name of PLDB	Loans issued during 1973-4	Loans outstanding as on 30.6.74
(1)	(2)	(3)	(4)
Normal Zone			
(a) NTA			
Ajmer	1 Ajmer	7.12	14.40
	2 Beawar	0.18	5.20
Alwar	3 Kekri	4.54	28.82
	4 Alwar	37.38	155.19
Bharatpur	5 Bharatpur	62.40	231.80
	6 Dholpur	41.73	78.97
Bhilwara	7 Bhilwara	41.13	87.52
Bundi	8 Bundi	0.95	15.78
Ganganagar	9 Ganganagar	7.72	33.95
	10 Hanumangarh	5.00	19.06
Jaipur	11 Nohar	0.34	9.21
	12 Raisinghnagar	6.43	19.66
Jhalawar	13 Jaipur	30.48	260.30
Kota	14 Jhalawar	50.03	88.09
	15 Kota	18.23	151.24
Pali	16 Baran	15.65	71.23
	17 Pali	4.74	34.37
Sawai Madhopur	18 Sawai Madhopur	26.16	89.55
	19 Hindaun	9.71	34.46
Tonk	20 Tonk	12.67	52.76
(b) TA			
Banswara	21 Banswara	8.03	24.09
Chittorgarh	22 Chittorgarh	7.00	26.86
	23 Paratapgarh	2.13	15.53
Dungarpur	24 Dungarpur	7.14	17.96
Sirohi	25 Sirohi	3.95	13.70
Udaipur	26 Udaipur	39.52	97.54
Arid Zone			
Bikaner	27 Balotra	2.66	21.45
	28 Bikaner	1.20	1.53
Churu	29 Churu	2.46	12.29
Semi-arid Zone			
Jalore	30 Jalore	11.75	61.28
Jhunjhunu	31 Jhunjhunu	2.09	30.01
Jodhpur	32 Jodhpur	1.20	36.34
	33 Bilara	1.35	15.34
Nagaur	34 Nagaur	0.62	32.79
Sikar	35 Sikar	4.09	41.47
Total		477.78	1929.74

ANNEXURE 45

Lead Banks for various Districts in Rajasthan

Normal Zone

(a) NTA

1	Ajmer	—	Bank of Baroda
2	Alwar	—	Punjab National Bank
3	Bharatpur	—	-do-
4	Bhilwara	—	Bank of Baroda
5	Bundi	—	-do-
6	Ganganagar	—	State Bank of Bikaner & Jaipur
7	Jaipur	—	United Commercial Bank
8	Jhalawar	—	Central Bank of India
9	Kota	—	-do-
10	Pali	—	State Bank of Bikaner & Jaipur
11	Sawai Madhopur	—	Bank of Baroda
12	Tonk	—	-do-

(b) TA

13	Banswara	—	Bank of Baroda
14	Chittorgarh	—	-do-
15	Dungarpur	—	-do-
16	Sirohi	—	State Bank of Bikaner & Jaipur
17	Udaipur — North	—	-do-
	— South	—	Bank of Rajasthan

Arid Zone

18	Barmer	—	State Bank of Bikaner & Jaipur
19	Bikaner	—	-do-
20	Churu	—	Bank of Baroda
21	Jaisalmer	—	State Bank of Bikaner & Jaipur

Semi-arid Zone

22	Jalore	—	State Bank of Bikaner & Jaipur
23	Jhunjhunu	—	Bank of Baroda
24	Jodhpur	—	United Commercial Bank
25	Nagaur	—	-do-
26	Sikar	—	Punjab National Bank

SUMMARY

Bank of Baroda	10 districts
Bank of Rajasthan	Udaipur South
Central Bank of India	2 districts
Punjab National Bank	3 districts
State Bank of Bikaner & Jaipur	7 districts and Udaipur-North
United Commercial Bank	3 districts

ANNEXURE 46

District-wise distribution of Commercial Bank Offices in Rajasthan as on 30.6.73, 30.6.74 and 31.12.74

District	Total Population (in '000)	No. of Centres			No. of Offices of Commercial Banks as on 30.6.73				No. of Commercial Bank Offices as on		Average Population per Branch ('000)	
		Rural	Semi-Urban	Urban	Rural	Semi-Urban	Urban	Total	30.6.74 31.12.74		as on 30.6.73	as on 30.6.74
									(10)	(11)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Normal Zone												
(a) NTA												
1 Ajmer	1146	3	4	1	9	13	13	35	40	42	33	29
2 Alwar	1382	—	2	1	16	3	9	28	33	33	50	41
3 Bharatpur	1489	2	7	—	14	17	—	31	33	35	48	45
4 Bhilwara	1054	2	2	—	18	9	—	27	27	28	39	39
5 Bundi	448	2	2	—	8	3	—	11	13	13	41	34
6 Ganganagar	1393	2	8	—	22	25	—	47	56	60	30	25
7 Jaipur	2478	2	8	1	28	12	51	91	108	110	27	23
8 Jhalawar	622	2	3	—	13	7	—	20	21	21	31	28
9 Kota	1143	2	2	1	15	7	21	43	50	50	27	23
10 Pali	965	1	5	—	13	10	—	23	25	26	42	39
11 S. Madhopur	1193	—	6	—	12	11	—	23	24	24	52	50
12 Tonk	626	1	5	—	5	9	—	14	14	14	45	45
Sub-total	13939	19	54	4	173	126	94	393	444	456	36	27
(b) TA												
13 Banswara	655	1	1	—	6	4	—	10	13	13	65	50
14 Chittorgarh	944	3	4	—	16	9	—	25	27	27	39	35
15 Dungarpur	529	—	2	—	4	5	—	9	10	10	59	53
16 Sirohi	423	2	3	—	6	7	—	13	16	15	33	27
17 Udaipur	1809	3	2	1	28	5	13	46	48	50	39	38
Sub-total	4360	9	12	1	60	30	13	103	114	115	42	38

ANNEXURE 46 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Arid Zone												
18 Barmer	776	—	2	—	6	3	—	9	12	12	86	65
19 Bikaner	572	3	2	1	11	2	12	25	31	33	23	18
20 Churu	873	2	9	—	3	16	—	19	21	23	46	42
21 Jaisalmer	166	1	1	—	1	1	—	2	2	2	83	83
Sub-total	2387	6	14	1	21	22	12	55	66	70	43	36
Semi-arid Zone												
22 Jalore	668	—	2	—	6	3	—	9	10	12	74	67
23 Jhunjhunu	922	5	7	—	12	9	—	21	23	24	44	40
24 Jodhpur	1149	—	3	1	11	3	21	35	41	42	33	28
25 Nagaur	1259	2	6	—	16	12	—	28	33	34	45	38
26 Sikar	1040	—	7	—	9	11	—	20	20	21	52	52
Sub-total	5038	7	25	1	54	38	21	113	127	133	45	40
Total	25724	41	105	7	308	216	140	664	751	774	39	34

ANNEXURE 47

District-wise Position of Deposits of Commercial Banks, their total Advances and Credit-Deposit Ratio as on 30 June 1974

Rupees Lakhs

District	Deposits	Total out- standing Advances	Credit deposit ratio
Normal Zone			
(a) NTA			
1 Ajmer	1567.07	1074.42	68.6
2 Alwar	712.23	281.66	37.0
3 Bharatpur	599.41	646.22	Exceeds 100
4 Bhilwara	353.23	605.28	-do-
5 Bundi	199.18	212.06	-do-
6 Ganganagar	1875.54	830.65	44.2
7 Jaipur	5919.00	3795.44	64.1
8 Jhalawar	211.46	137.18	64.9
9 Kota	1532.02	1044.69	68.1
10 Pali	345.88	232.38	67.0
11 Sawai Madhopur	336.90	196.17	58.5
12 Tonk	114.41	52.48	45.6
Sub-total	13766.33	9108.63	66.2
(b) TA			
13 Banswara	149.34	77.16	51.0
14 Chittorgarh	346.10	193.23	55.8
15 Dungarpur	114.17	29.22	25.4
16 Sirohi	288.91	61.17	21.2
17 Udaipur	1756.15	507.76	29.0
Sub-total	2654.67	868.54	32.7
Arid Zone			
18 Barmer	115.93	105.94	91.3
19 Bikaner	1396.05	346.05	25.0
20 Churu	462.99	73.61	16.0
21 Jaisalmer	62.64	2.39	3.2
Sub-total	2037.61	527.99	25.9
Semi-arid Zone			
22 Jalore	102.15	40.21	39.2
23 Jhunjhunu	766.60	531.89	69.3
24 Jodhpur	1744.67	736.14	42.2
25 Nagaur	432.16	179.72	41.7
26 Sikar	343.80	164.87	47.8
Sub-total	3389.38	1652.83	48.8
Total	21847.99	12157.99	55.6

ANNEXURE 48

District-wise Position of Agricultural Loans issued and outstandings of Commercial Banks' Branches in Rajasthan

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Rupees Lakhs

District	Loans issued during the Period last Friday of September 1972 to last Friday of September 1973							
	Total		Short-term		Medium-term		Other direct	
	No of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Normal Zone								
(a) NTA								
1 Ajmer	636	29.23	232	4.14	352	16.45	52	8.64
2 Alwar	339	29.11	49	0.78	290	28.33	—	—
3 Bharatpur	493	56.66	10	0.11	483	56.55	—	—
4 Bhilwara	1029	47.96	134	0.92	844	46.16	51	0.88
5 Bundi	366	17.27	178	4.24	187	12.99	1	0.04
6 Ganganagar	1546	87.16	1102	8.59	444	78.57	—	—
7 Jaipur	1732	47.16	227	4.24	1494	42.44	11	0.48
8 Jhalawar	539	11.98	229	2.63	310	9.35	—	—
9 Kota	619	27.61	433	11.78	185	15.81	1	0.02
10 Pali	51	4.24	3	0.17	46	3.99	2	0.08
11 Sawai Madhopur	295	14.33	54	0.62	219	13.23	22	0.48
12 Tonk	42	2.07	1	0.01	40	2.01	1	0.05
Sub-total	7687	374.78	2652	38.23	4894	325.88	141	10.67
(b) TA								
13 Banswa a	9	0.18	—	—	9	0.18	—	—
14 Chittorgarh	1609	35.22	1031	7.00	577	28.20	1	0.02
15 Dungarpur	—	—	—	—	—	—	—	—
16 Sirohi	189	13.65	85	0.70	104	12.95	—	—
17 Udaipur	680	14.94	96	0.61	571	13.47	13	0.86
Sub-total	2487	63.99	1212	8.31	1261	54.80	14	0.88

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Arid Zone								
18 Barmer	130	10.01	9	0.15	117	9.77	4	0.09
19 Bikaner	86	1.32	79	0.39	4	0.55	3	0.38
20 Churu	118	1.62	50	0.23	36	1.07	32	0.32
21 Jaisalmer	—	—	—	—	—	—	—	—
Sub-total	334	12.95	138	0.77	157	11.39	39	0.79
Semi-Arid Zone								
22 Jalore	339	9.01	52	0.30	287	8.71	—	—
23 Jhunjhunu	2201	27.28	144	0.68	2052	26.39	5	0.21
24 Jodhpur	456	22.61	348	11.37	107	11.21	1	0.03
25 Nagaur	133	11.59	9	0.20	115	11.27	9	0.12
26 Sikar	1786	34.27	5	0.04	1778	34.20	3	0.03
Sub-total	4915	104.76	558	12.59	4339	91.78	18	0.39
Total	15423	556.48	4560	59.90	10651	483.85	212	12.73

ANNEXURE 48 (Contd.)

Rupees Lakhs

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Loans outstanding on last Friday of September 1973								
	Total		Short-term		Medium-term		Other direct	
	No. of Accounts	Amount						
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
1	1306	53.67	381	7.02	704	34.52	221	12.13
2	1428	75.72	45	0.90	1376	74.60	7	0.22
3	2855	152.07	41	0.73	2814	151.34	—	—
4	3365	96.63	152	1.15	3150	94.38	63	1.10
5	456	30.57	150	4.09	304	26.41	2	0.07
6	1314	99.69	561	4.83	751	94.69	2	0.17
7	6049	246.63	379	8.55	5603	226.36	67	11.72
8	1070	26.04	197	2.70	873	23.34	—	—
9	690	42.58	339	8.65	350	33.75	1	0.18
10	539	26.56	16	0.78	520	25.57	3	0.21
11	1145	40.16	8	0.08	1116	39.59	21	0.49
12	173	6.88	2	0.20	169	6.59	2	0.09
Sub-total	20390	897.20	2271	39.68	17732	831.14	389	26.38
13	208	3.95	—	—	208	3.95	—	—
14	3023	62.54	1159	8.63	1855	53.83	9	0.08
15	2	0.04	—	—	2	0.04	—	—
16	600	30.34	50	0.34	550	30.00	—	—
17	2631	67.82	125	7.03	2471	57.79	35	3.00
Sub-total	6464	164.69	1334	16.00	5086	145.61	44	3.08

	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
18	152	9.95	8	0.07	140	9.79	4	0.09
19	126	4.03	80	0.31	39	3.48	7	0.24
20	275	7.11	71	0.39	140	5.68	64	1.04
21	9	0.17	—	—	9	0.17	—	—
Sub-total	562	21.26	159	0.77	328	19.12	75	1.37
22	412	21.39	38	0.06	374	21.33	—	—
23	2553	39.62	139	0.53	2405	38.71	9	0.38
24	998	65.91	235	10.69	751	54.44	12	0.78
25	753	39.05	22	0.68	721	38.24	10	0.13
26	3159	71.70	6	0.06	3150	71.61	3	0.03
Sub-total	7875	237.67	440	12.02	7401	224.33	34	1.32
Total	35291	1320.82	4204	68.47	30545	1220.20	542	32.15

ANNEXURE 49

Distribution of Advances by Commercial Bank Branches in Rajasthan according to Size of Holdings of Borrowers

Rupees Lakhs

Size of Holdings	Loans disbursed during the Period last Friday of September 1972 to last Friday of September 1973				Loans outstanding as on last Friday of September 1973			
	Short-term		Medium-term		Short-term		Medium-term	
	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
Upto 2.5 acres	400	3.42	428	10.12	578	6.58	791	17.18
2.5 acres to 5 acres	666	4.51	921	18.76	643	3.73	3997	91.89
5 acres to 10 acres	1137	9.85	3548	64.63	1057	10.40	9899	216.51
Above 10 acres	2357	42.12	5754	390.34	1926	47.76	15858	894.62
Total	4560	59.90	10651	483.85	4204	68.47	30545	1220.20

ANNEXURE 50

District-wise Position of Recoveries of Commercial Banks in respect of their short-term and Investment Credit for Agriculture as on the last Friday of June 1973

Rupees Lakhs				
District	Total Demand	Recoveries	Amount overdue	Percentage of col. (4) to col. (2)
(1)	(2)	(3)	(4)	(5)
Normal Zone				
(a) NTA				
1 Ajmer	16.92	6.39	10.53	62.2
2 Alwar	23.48	12.64	10.84	46.2
3 Bharatpur	65.99	31.27	34.72	52.6
4 Bhilwara	5.65	3.26	2.39	42.3
5 Bundi	9.83	7.89	1.94	19.8
6 Ganganagar	20.16	12.83	7.33	36.4
7 Jaipur	148.51	52.41	96.10	64.7
8 Jhalawar	8.81	2.92	5.89	66.9
9 Kota	16.75	13.18	3.57	21.3
10 Pali	11.38	3.06	8.32	73.1
11 Sawai Madhopur	26.41	12.36	14.05	53.2
12 Tonk	2.27	1.43	0.84	37.0
Sub-total	356.16	159.64	196.52	55.2
(b) TA				
13 Banswara	1.76	0.22	1.54	87.5
14 Chittorgarh	14.09	5.55	8.54	60.6
15 Dungarpur	0.12	0.05	0.07	58.3
16 Sirohi	8.18	4.20	3.98	48.7
17 Udaipur	28.62	13.71	14.91	52.1
Sub-total	52.77	23.73	29.04	55.0
Arid Zone				
18 Barmer	0.97	0.68	0.29	29.9
19 Bikaner	4.06	1.68	2.38	58.1
20 Churu	2.66	0.52	2.14	80.5
21 Jaisalmer	0.13	0.02	0.11	84.6
Sub-total	7.82	2.90	4.92	62.9
Semi-arid Zone				
22 Jalore	3.21	2.33	0.88	27.4
23 Jhunjhunu	6.95	3.05	3.90	56.1
24 Jodhpur	50.27	22.52	27.75	55.2
25 Nagaur	18.13	5.37	12.76	70.4
26 Sikar	23.44	4.26	19.18	81.8
Sub-total	102.00	37.53	64.47	63.2
Total	518.75	223.80	294.95	56.9

ANNEXURE 51

District-wise Position of Cropped Area, Production Credit Requirements and Credit Gaps

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Rupees Lakhs

District	Gross Cropped Area (In hectares)			Credit Require- ments	Credit Requirements met		Total (col. 3-col. 4c)	Credit Gaps	Percentage of col. 5 to col. 3
	Irri- gated	Unirri- gated	Total		Short-term Loans overdue at Primary Level on 30.6.73	Short-term Loans issued by Primary Societies during 1973-4			
Normal Zone									
(a) NTA									
1 Ajmer	81925	286728	368653	563.22	45.28	99.66	144.94	418.28	74
2 Alwar	131716	530150	661866	991.98	39.02	214.37	253.39	738.59	74
3 Bharatpur	163198	497480	660678	1029.85	151.76	191.72	348.48	686.37	67
4 Bhilwara	159429	196665	356094	644.40	35.27	92.50	127.77	516.63	80
5 Bundi	121919	122767	244686	458.26	15.15	107.94	123.09	335.17	73
6 Ganganagar	665569	832374	1497943	2496.30	60.58	195.51	256.09	2240.21	90
7 Jaipur	285289	586407	871696	1299.58	60.90	151.30	212.20	1087.38	84
8 Jhalawar	40096	291168	331264	464.20	38.87	140.37	179.24	284.96	61
9 Kota	164874	446344	611218	970.12	114.90	346.73	461.63	508.49	52
10 Pali	98621	488555	587176	735.11	40.40	89.78	130.18	604.93	82
11 Sawai Madhopur	110710	457230	567940	848.31	28.44	87.64	116.08	732.23	86
12 Tonk	71773	325131	396904	585.85	28.66	85.99	114.65	471.20	80
Sub-total	2095119	5060999	7156118	11087.18	659.23	1803.51	2462.74	8624.44	78
(b) TA									
13 Banswara	16686	214154	230840	309.41	16.17	38.89	55.06	254.35	82
14 Chittorgarh	127314	290485	417799	681.39	44.09	71.29	115.38	566.01	83
15 Dungarpur	15843	124765	140608	164.37	8.94	34.85	43.79	120.58	73
16 Sirohi	47380	135666	183046	249.38	7.24	15.26	22.50	226.88	91
17 Udaipur	108285	278515	386800	549.23	30.63	83.54	114.17	435.06	79
Sub-total	315508	10343585	1359093	1953.78	107.07	243.83	350.90	1602.88	82

	(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
Arid Zone										
18	Barmer	18682	1496888	1515570	1169.37	24.87	57.00	81.87	1087.50	93
19	Bikaner	6138	604723	610861	468.88	13.42	13.83	27.25	441.63	94
20	Churu	588	1224037	1224625	919.44	17.74	42.12	59.86	859.58	93
21	Jaisalmer	152	136036	136188	102.41	2.47	0.60	3.07	99.34	97
	Sub-total	25560	3461684	3487244	2659.91	58.50	113.55	172.05	2488.05	94
Semi-arid Zone										
22	Jalore	92476	628564	721040	859.75	5.50	32.56	38.06	821.69	96
23	Jhunjhunu	25890	459413	485303	409.28	9.38	29.31	38.69	370.59	91
24	Jodhpur	35148	1084273	1119421	901.07	27.20	57.05	84.25	816.82	91
25	Nagaur	34164	1170921	1205085	963.60	55.85	16.31	72.16	891.44	93
26	Sikar	58046	506030	564076	524.66	10.19	77.66	87.85	436.81	83
	Sub-total	245724	3849201	4094925	3658.36	108.12	212.89	321.01	3337.35	91
	Total	2681911	13415469	16097380	19359.23	932.92	2373.78	3306.70	16052.72	83

Note : 1 For irrigated land @ Rs 250 per hectare and Rs 125 per hectare for unirrigated land but for unirrigated land per hectare of districts namely Udaipur, Sirohi, Dungarpur, Pali, Jaipur, Ganganagar and Jalore @ Rs 100 and for Districts namely Barmer, Churu, Bikaner, Jaisalmer, Jhunjhunu, Jodhpur, Nagaur and Sikar at Rs 75

2 Figures in columns 1, 2, 3 are on the basis of Revenue Records for the year 1972-3 (Directorate of Economics and Statistics, Rajasthan, Jaipur)

ANNEXURE 52

Block-wise Particulars of Gross Cropped Area, Estimated Credit Requirements, Credit Gaps, etc.

Rupees Lakhs — Area in '000 Hectares

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District/Block	Gross Cropped area			Credit requirements	Credit Requirements met			Credit gap (3 — 4c)	Percentage of col. 5 to col. 3
	Irrigated	Unirrigated	Total (2a + 2b)		Loans overdue as on 30.6.1973	Loans issued during 1973-4	Total (4a + 4b)		
(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
AJMER									
1 Srinagar	3	9	12	19.25	7.58	8.97	16.55	2.70	14
2 Pisangan	15	35	50	81.70	6.67	14.02	20.69	61.01	75
3 Jawaja	4	11	15	23.24	6.47	7.25	13.72	9.52	41
4 Masuda	10	69	79	111.04	6.87	7.61	14.48	96.56	87
5 Kekri	14	31	45	74.07	3.57	23.21	26.78	47.29	64
6 Bhinai	8	32	40	59.25	9.44	8.13	17.57	41.68	70
7 Kishangarh	10	75	85	118.34	1.01	16.23	17.24	101.10	85
8 Arain	18	25	43	76.33	3.67	14.24	17.91	58.42	76
Total	82	287	369	563.22	45.28	99.66	144.94	418.28	74
ALWAR									
1 Kishangarhbas	7	45	52	74.88	6.54	22.73	29.27	45.61	60
2 Tijara	7	51	58	80.50	0.34	11.99	12.33	68.17	85
3 Kotkasim	5	31	36	50.39	3.39	26.80	30.19	20.20	40
4 Govindgarh	9	65	74	102.98	6.52	32.56	39.08	63.90	62
5 Kathumar	34	19	53	107.44	5.25	24.21	29.46	77.98	72
6 Mandawar	5	49	54	74.27	1.35	13.75	15.10	59.17	80
7 Ramgarh	7	38	45	65.96	5.50	27.55	33.05	32.91	50
8 Umrain	7	57	64	89.12	3.64	17.98	21.62	67.50	76
9 Rajgarh	7	15	22	35.94	1.42	3.87	5.29	30.65	85
10 Reni	2	29	31	40.01	1.65	5.29	6.94	33.07	83

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
11 Behror	25	34	59	105.94	1.50	8.65	10.15	95.79	90
12 Neemrana	2	34	36	47.60	0.46	7.32	7.78	39.82	84
13 Bansur	6	39	45	64.27	0.19	8.58	8.77	55.50	86
14 Thanagazi	9	24	33	52.68	1.27	3.09	4.36	48.32	92
Total	132	530	662	991.98	39.02	214.37	253.39	738.59	74
BHARATPUR									
1 Basserri	10	25	35	57.39	4.55	4.88	9.43	47.96	84
2 Rajakhhera	5	25	30	43.55	5.50	10.07	15.57	27.98	64
3 Dholpur	26	42	68	117.65	4.51	7.60	12.11	105.54	90
4 Nagarpahari	16	35	51	84.15	16.11	19.33	35.44	48.71	58
5 Nadbai	10	42	52	77.07	10.23	17.42	27.65	49.42	64
6 Bayana	7	44	51	73.24	9.41	11.21	20.62	52.62	72
7 Sewar	17	17	34	64.45	23.05	22.04	45.09	19.36	30
8 Kumbher	16	44	60	94.14	21.10	24.92	46.02	48.12	51
9 Rupbas	4	56	60	79.54	14.82	20.90	35.72	43.82	55
10 Bari	17	17	34	63.87	4.42	4.69	9.11	54.76	86
11 Weir	10	51	61	88.44	9.02	12.07	21.09	67.35	76
12 Kama	13	62	75	109.52	14.77	18.92	33.69	75.83	69
13 Deeg	12	38	50	76.84	14.27	17.67	31.94	44.90	58
Total	163	498	661	1029.85	151.76	191.72	343.48	686.37	67
BHILWARA									
1 Banera	9	12	21	37.69	4.53	4.76	9.29	28.40	75
2 Shahpura	19	33	52	88.41	4.28	10.76	15.04	73.37	83
3 Jahajpur	15	28	43	73.15	2.33	4.63	6.96	66.19	90
4 Mandal	17	18	35	64.52	2.38	4.54	6.92	57.60	89
5 Mandalgarh	19	20	39	73.18	3.83	11.69	15.52	57.66	79
6 Kotri	10	17	27	46.66	3.09	9.29	12.38	34.28	73
7 Hurda	18	7	25	53.68	3.14	8.37	11.51	42.17	79
8 Asind	16	22	38	67.21	6.09	7.57	13.66	53.55	80

ANNEXURE 52 (Contd.)

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
9 Suwana	16	18	34	63.23	1.73	9.33	11.06	52.17	83
10 Raipur	9	8	17	31.61	0.58	10.06	10.64	20.97	66
11 Sahara	11	14	25	45.06	3.29	11.50	14.79	30.27	67
Total	159	197	356	644.40	35.27	92.50	127.77	516.63	80
BUNDI									
1 Talera	46	36	82	159.87	5.18	40.98	46.16	113.71	71
2 Keshoraipatan	38	37	75	142.21	5.19	40.34	45.53	96.68	68
3 Hindoli	27	14	41	84.29	3.56	19.50	23.06	61.23	73
4 Nainwa	11	36	47	71.89	1.22	7.12	8.34	63.55	89
Total	122	123	245	458.26	15.15	107.94	123.09	335.17	73
GANGANAGAR									
1 Ganganagar	76	14	90	204.90	3.88	41.86	45.74	159.16	78
2 Karanpur	45	13	58	126.09	3.88	25.20	29.08	97.01	77
3 Padampur	46	29	75	143.76	1.81	28.11	29.92	113.84	79
4 Raisinghnagar	102	45	147	298.99	6.98	8.89	15.87	283.12	95
5 Suratgarh	149	97	246	468.58	11.96	35.08	47.04	421.54	90
6 Sadulshahar	69	57	126	229.81	7.20	37.30	44.50	185.31	81
7 Hanumangarh	112	72	184	351.36	5.09	15.09	20.18	331.18	94
8 Nohar	51	343	394	470.84	9.67	2.31	11.98	458.86	97
9 Bhadra	16	162	178	201.97	10.11	1.67	11.78	190.19	94
Total	666	832	1498	2496.30	60.58	195.51	256.09	2240.21	90

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)	
JAIPUR										
1	Jhotwara	14	26	40	61.11	2.12	5.07	7.19	53.92	88
2	Amber	41	11	52	113.34	2.76	7.34	10.10	103.24	91
3	Jamwa-ramgarh	25	42	67	104.74	5.98	11.63	17.61	87.13	83
4	Sanganer	19	33	52	81.26	3.59	5.02	8.61	72.65	89
5	Phagi	13	58	71	89.08	3.28	6.94	10.22	78.86	89
6	Dudu	7	65	72	82.40	1.37	14.03	15.40	67.00	80
7	Jobner	8	45	53	64.09	6.07	9.22	15.29	48.80	76
8	Govindgarh	5	17	22	28.93	1.52	15.17	16.69	12.24	42
9	Shahpura	13	14	27	46.86	2.37	2.07	4.44	42.42	91
10	Kotputli	16	48	64	88.00	2.90	1.41	4.31	83.69	95
11	Bairath	12	48	60	77.87	1.10	0.90	2.00	75.87	97
12	Chaksu	14	37	51	71.09	4.58	9.08	13.66	57.43	81
13	Bassi	17	30	47	72.71	7.53	20.17	27.70	45.01	62
14	Lalsot	20	37	57	87.78	3.63	9.88	13.51	74.27	85
15	Dausa	36	26	62	115.89	6.31	17.78	24.09	91.80	79
16	Sikrai	15	25	40	63.47	0.98	7.16	8.14	55.33	87
17	Bandikui	10	25	35	50.96	4.81	8.43	13.24	37.72	74
Total		285	587	872	1299.58	60.90	151.30	212.20	1087.38	84

ANNEXURE 52 (Contd.)

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
JHALAWAR									
1 Jhalrapatan	9	49	58	82.95	9.20	46.48	55.68	27.27	33
2 Khanpur	7	58	65	90.96	3.45	19.30	22.75	68.21	75
3 Bakani	4	36	40	55.39	6.08	11.81	17.89	37.50	68
4 Pirawa	4	41	45	60.76	6.85	33.04	39.89	20.87	34
5 Manoharthana	10	54	64	92.11	6.95	12.47	19.42	72.69	79
6 Dag	6	53	59	82.03	6.34	17.27	23.61	58.42	71
Total	140	291	331	464.20	38.87	140.37	179.24	284.96	61
KOTA									
1 Chechat	5	44	49	67.75	10.02	21.63	31.65	36.10	53
2 Sangod	6	56	62	85.94	14.14	62.48	76.62	9.32	10
3 Sultanpur	23	37	60	104.25	14.75	35.61	50.36	53.89	52
4 Ladpura	21	21	42	78.51	9.09	44.59	53.68	24.83	32
5 Itawa	4	34	38	52.49	9.12	20.94	30.06	22.43	43
6 Baran	23	27	50	91.25	7.08	17.11	24.19	67.06	73
7 Antah	7	41	48	68.18	15.35	38.99	53.34	13.84	20
8 Atru	29	38	67	120.54	10.18	26.68	36.86	83.68	69
9 Shahbad	14	98	112	156.98	13.95	49.21	63.16	93.82	60
10 Chhabra	28	38	66	117.06	5.29	9.66	14.95	102.11	87
11 Chhipabarod	5	12	17	27.17	5.93	19.83	25.76	1.41	5
Total	165	446	611	970.12	114.90	346.73	461.63	508.49	52

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
PALI									
1 Bali	20	12	32	62.94	2.75	2.44	5.19	57.75	92
2 Sumerpur	26	76	102	140.03	2.83	5.49	8.32	131.71	94
3 Kharchi	2	56	58	62.46	6.22	10.16	16.38	46.08	74
4 Desuri	6	13	19	27.10	1.00	2.83	3.83	23.27	86
5 Ranistation	4	25	29	35.04	2.52	3.14	5.66	29.38	84
6 Jaitaran	5	100	105	112.58	2.27	6.89	9.16	103.42	92
7 Raipur	7	30	37	47.54	5.96	7.81	13.77	33.77	71
8 Sojat	13	66	79	97.79	6.93	4.32	11.25	86.54	88
9 Pali	10	81	91	105.36	5.51	14.22	19.73	85.63	81
10 Rohat	6	29	35	44.27	4.41	32.48	36.89	7.38	17
Total	99	488	587	735.11	40.40	89.78	130.18	604.93	82
SAWAI MADHOPUR									
1 Gangapur	13	47	60	90.10	6.75	21.64	28.39	61.71	68
2 Sapotra	14	27	41	69.34	1.29	5.90	7.19	62.15	90
3 Hindaun	12	40	52	81.33	3.67	2.03	5.70	75.63	93
4 Mahwa	11	39	50	74.97	4.82	11.22	16.04	58.93	79
5 Khandar	3	33	36	48.79	0.48	7.60	8.08	40.71	83
6 Todabhim	13	35	48	76.26	3.10	2.04	5.14	71.12	93
7 Sawai Madhopur	9	68	77	107.02	2.15	13.50	15.65	91.37	85
8 Malaranachor (Bonli)	12	56	68	99.24	1.55	6.74	8.29	90.95	91
9 Bamanwas (Nadoti)	18	78	96	143.17	2.15	12.62	14.77	28.40	90
10 Karauli	6	34	40	58.09	2.48	4.35	6.83	51.26	88
Total	111	457	568	848.31	28.44	87.64	116.08	732.23	86

ANNEXURE 52 (Contd.)

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
TONK									
1 Tonk	17	43	60	95.10	4.19	20.14	24.33	70.77	74
2 Deoli	11	81	92	128.51	9.61	15.86	25.47	103.04	80
3 Uniara	9	63	72	100.27	5.13	20.17	25.30	74.97	75
4 Niwai	10	63	73	104.41	0.92	5.60	6.52	97.89	94
5 Malpura	15	14	29	55.45	4.30	14.32	18.62	36.83	66
6 Todaraisingh	10	61	71	102.11	4.51	9.90	14.41	87.70	86
Total	72	325	397	585.85	28.66	85.99	114.65	471.20	80
BANSWARA									
1 Garhi	2	23	25	34.63	1.54	6.32	7.86	26.77	77
2 Kushalgarh	1	11	12	17.04	0.97	3.33	4.30	12.74	75
3 Sajjanganrh	1	23	24	29.58	2.78	4.48	7.26	22.32	75
4 Bagidora	1	57	58	72.58	0.59	4.72	5.31	67.27	93
5 Bhukhiya	1	31	32	40.93	1.70	5.94	7.64	33.29	81
6 Ghatol	3	28	31	43.31	2.24	4.35	6.59	36.72	85
7 Pipalkhunt	1	2	3	4.78	3.38	1.41	4.79	—	—
8 Banswara (Talwara)	7	39	46	66.56	2.97	8.34	11.31	55.25	83
Total	17	214	231	309.41	16.17	38.89	55.06	254.36	82

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
CHITTORGARH									
1 Achnera	3	33	36	49.27	4.06	2.97	7.03	42.24	86
2 Kapasin	10	15	25	43.23	2.71	3.43	6.14	37.09	86
3 Chittorgarh	22	21	43	81.40	3.42	10.16	13.58	67.82	83
4 Chhotisadri	12	34	46	72.29	8.12	6.29	14.41	57.88	80
5 Doongla	11	33	44	68.94	1.31	3.02	4.33	64.61	94
6 Neembahera	14	28	42	68.97	2.44	9.72	12.16	56.81	82
7 Pratapgarh	8	45	53	76.25	6.87	10.01	16.88	59.37	78
8 Begun	12	16	28	49.07	2.40	9.43	11.83	37.24	76
9 Bhadesar	9	15	24	42.12	5.08	3.71	8.79	33.33	79
10 Bhopalsagar	5	14	19	29.95	3.96	3.23	7.19	22.76	76
11 Bhainsrorgarh	7	14	21	35.27	1.43	3.47	4.90	30.37	86
12 Rashmi	14	23	37	64.63	2.29	5.85	8.14	56.49	87
Total	127	291	418	681.39	44.09	71.29	115.38	566.01	83
DUNGARPUR									
1. Simalwara	3	26	29	38.69	2.43	5.36	7.79	25.90	77
2 Sagwara	3	36	39	44.00	0.95	5.15	6.10	37.90	86
3 Dungarpur	2	11	13	16.06	4.25	9.28	13.53	2.53	16
4 Bichiwara	6	26	32	41.04	0.70	10.42	11.12	29.92	73
5 Aspur	2	26	28	29.58	0.61	4.64	5.25	24.33	82
Total	16	125	141	164.37	8.94	34.85	43.79	120.58	73

ANNEXURE 52 (Contd.)

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
SIROHI									
1 Sirohi	11	33	44	58.33	1.55	3.04	4.59	53.74	92
2 Pindwara	6	26	32	40.53	1.36	4.09	5.45	35.08	86
3 Sheaganj	13	23	36	54.87	2.08	2.29	4.37	50.50	92
4 Reodar	11	44	55	71.36	0.57	3.87	4.44	66.92	94
5 Abu Road	6	10	16	24.29	1.68	1.97	3.65	20.64	85
Total	47	136	183	249.38	7.24	15.26	22.50	226.88	91
UDAIPUR									
1 Amet	5	9	14	22.10	0.86	5.58	6.44	15.66	71
2 Badgaon	2	9	11	14.09	1.13	4.72	5.85	8.24	58
3 Bhim	5	9	14	21.53	3.57	1.26	4.83	16.70	78
4 Bhinder	10	29	39	54.45	3.72	6.89	10.61	43.84	81
5 Deogarh	5	7	12	20.10	0.82	3.50	4.32	15.78	79
6 Dhariawad	5	24	29	35.82	1.30	3.41	4.71	31.11	87
7 Girwa	9	19	28	41.00	1.66	4.43	6.09	34.91	85
8 Gogunda	4	10	14	20.08	1.20	2.60	3.80	16.28	81
9 Jhadol	3	21	24	28.17	1.21	4.93	6.14	22.03	78
10 Khamnore	9	9	18	31.42	1.60	2.34	3.94	27.48	87
11 Kherwara	2	25	27	29.40	0.94	2.30	3.24	26.16	89
12 Kotra	3	18	21	25.44	0.88	0.31	1.19	24.25	95
13 Kumbhalgarh	4	9	13	18.89	0.85	4.45	5.30	13.59	72
14 Mavli	10	20	30	45.27	3.00	9.59	12.59	32.68	72
15 Rajsamand	10	11	21	36.57	2.20	10.05	12.25	24.32	67
16 Relmagra	6	11	17	26.70	1.37	11.11	12.48	14.22	53
17 Salumber	9	22	31	43.82	1.77	2.78	4.55	39.27	90
18 Sarada	7	17	24	34.38	2.55	3.29	5.84	28.54	83
Total	108	279	387	549.23	30.63	83.54	114.17	435.06	79

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
BARMER									
1 Suwana	6	112	118	98.39	1.35	1.62	2.97	95.42	97
2 Sheo	—	149	149	111.47	0.13	1.42	1.55	109.92	98
3 Balotra	6	69	75	66.61	1.10	2.23	3.33	63.28	95
4 Dhromanna	4	119	123	99.17	4.14	15.92	20.06	79.11	80
5 Baitu	1	159	160	122.00	2.21	7.47	9.68	112.32	92
6 Barmer	1	505	506	382.33	4.54	11.90	16.44	365.89	96
7 Sindhari	(233)	112	112	84.35	4.77	5.28	10.05	74.30	88
8 Chohtan	—	273	273	205.05	6.63	11.16	17.79	187.26	91
Total	18	1498	1516	1169.37	24.87	57.00	81.87	1087.50	93

BIKANER									
1 Bikaner	3	200	203	157.84	0.58	4.43	5.01	152.83	97
2 Loonkaransar	—	168	168	125.71	2.97	2.60	5.57	120.14	96
3 Nokha	(11)	67	67	49.90	7.92	4.79	12.71	37.19	75
4 Kolayat	3	170	173	135.43	1.95	2.01	3.96	131.47	97
Total	6	605	611	468.88	13.42	13.83	27.25	441.63	94

ANNEXURE 52 (Contd.)

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
CHURU									
1 Churu (Ratannagar)	(55)	128	128	96.15	3.94	7.90	11.84	84.31	88
2 Sardarshahar	(89)	256	256	192.56	1.52	5.44	6.96	185.60	96
3 Rajgarh	—	154	154	115.36	3.70	8.29	11.99	103.37	90
4 Taranagar	(6)	109	109	81.72	2.77	11.21	12.98	67.74	83
5 Ratangarh	(228)	285	285	214.08	1.47	3.50	4.97	209.11	98
6 Dungargarh	(94)	125	125	93.63	3.62	0.59	4.21	89.42	96
7 Sujangarh	(116)	168	168	125.94	0.72	5.19	5.91	120.03	95
Total	(588)	1225	1225	919.44	17.74	42.12	59.86	859.58	93
JAISALMER									
1 Shankra (Pokharan)	(152)	33	33	25.40	1.05	0.15	1.20	24.20	95
2 Jaisalmer	—	68	68	51.07	0.81	—	0.81	50.26	98
3 Sam	—	35	35	25.94	0.61	0.45	1.06	24.88	96
Total	(152)	136	136	102.41	2.47	0.60	3.07	99.34	97

	(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
JALORE										
1 Ahore		24	220	244	280.76	1.08	9.14	10.22	270.54	96
2 Jalore		8	30	38	50.99	1.31	6.16	7.47	43.52	85
3 Sayala		11	26	37	55.06	0.63	6.13	6.76	48.30	87
4 Sanchore		7	267	274	284.76	1.86	5.50	7.46	277.30	97
5 Bhinmal		20	81	101	129.79	0.41	0.32	0.73	129.06	99
6 Ramiwara		8	2	10	21.29	0.13	2.51	2.64	18.65	87
7 Jaswantpura		14	3	17	37.10	0.08	2.70	2.78	34.32	92
Total		92	629	721	859.75	5.50	32.56	38.06	821.69	96

JHUNJHUNU

1 Jhunjhunu		1	81	82	64.19	2.41	2.38	4.79	59.40	93
2 Alsisar		—	99	99	74.37	1.49	7.53	9.02	65.35	88
3 Buhana		1	53	54	42.31	80.9	0.16	1.05	41.26	98
4 Khetri		—	38	38	28.17	0.55	1.35	1.90	26.27	93
5 Udaipurwati		11	1	12	28.71	0.76	6.76	7.52	21.19	74
6 Nawalgarh		5	87	92	76.61	0.25	1.89	2.14	74.47	97
7 Chirawar		—	72	72	54.09	1.57	4.88	6.45	47.64	88
8 Surajgarh		8	28	63	40.83	1.46	4.36	5.82	35.01	86
Total		26	459	485	409.28	9.38	29.31	38.69	370.59	91

ANNEXURE 52 (Contd.)

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
JODHPUR									
1 Bilara	3	80	83	67.96	6.90	17.45	24.35	43.61	64
2 Bhopalgarh	2	96	98	77.45	1.70	9.66	11.36	66.09	85
3 Osian	6	75	81	69.82	4.93	12.64	17.57	52.25	75
4 Jodhpur	7	65	72	67.26	3.75	5.62	9.37	57.89	86
5 Luni	2	157	159	122.89	1.00	7.87	8.87	114.02	93
6 Shergarh	11	147	158	137.13	0.84	0.43	1.27	135.86	99
7 Balesar	3	98	101	81.88	0.83	1.53	2.36	79.52	97
8 Phalodi	1	249	250	189.06	4.99	0.68	5.67	183.39	97
9 Bap	—	117	117	87.62	2.26	1.17	3.43	84.19	96
Total	35	1084	1119	901.07	27.20	57.05	84.25	816.82	91
NAGAUR									
1 Deedwana	2	127	129	101.38	1.54	2.59	4.13	97.25	96
2 Ladnu	1	83	84	63.71	1.59	1.37	2.96	60.75	95
3 Kuchaman	3	7	10	12.80	3.27	0.77	4.04	8.76	68
4 Nagaur	2	173	175	133.73	8.71	0.61	9.32	124.41	93
5 Mundawa	(299)	162	162	121.84	6.36	0.74	7.10	114.74	94
6 Jayal	1	162	163	123.53	13.54	0.91	14.45	109.08	88
7 Makrana	3	106	109	87.13	1.65	0.62	2.27	84.86	97
8 Parbatsar	2	67	69	56.22	1.61	1.22	2.83	53.39	95
9 Degana	3	115	118	93.08	3.21	5.03	8.24	84.84	91
10 Riyan	14	71	85	89.29	4.86	0.93	5.79	83.50	93
11 Merta	3	98	101	80.89	9.51	1.52	11.03	69.86	86
Total	34	1171	1205	963.60	55.85	16.31	72.16	891.44	92

(1)	(2a)	(2b)	(2c)	(3)	(4a)	(4b)	(4c)	(5)	(6)
SIKAR									
1 Fatehpur	(100)	99	99	74.38	1.41	2.91	4.32	70.06	94
2 Lachmangarh	1	43	44	34.30	1.89	16.69	18.58	15.72	46
3 Dohat	2	71	73	59.05	0.98	7.03	8.01	51.04	86
4 Piprali	4	61	65	54.85	2.10	19.50	21.60	33.25	61
5 Dantaramgarh	14	80	94	94.98	1.68	19.99	21.67	73.31	77
6 Srimadhapur	15	39	54	66.03	0.73	3.95	4.68	61.35	93
7 Khandela	11	44	55	61.45	0.87	3.95	4.82	56.63	92
8 Neemkathana	11	69	80	79.62	0.53	3.64	4.17	75.45	95
Total	58	506	564	524.66	10.19	77.66	87.85	436.81	83

ANNEXURE 53
Blocks where Commercial Banks may undertake to finance Societies

District	Credit Gap above Rs 160 lakhs		Credit Gap between Rs 110 lakhs to Rs 160 lakhs		Credit Gap between Rs 60 lakhs to Rs 110 lakhs		No. of Branches of Commercial Bank required@
	Block	Amount	Block	Amount	Block	Amount	
(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5)
Ajmer	—	—	—	—	1 Pisangan	61.01	
					2 Masuda	96.56	
					3 Kishangarh	101.10	3
Alwar	—	—	—	—	4 Tijara	68.17	
					5 Umrain	67.50	
					6 Behror	95.79	3
Bharatpur	—	—	—	—	7 Dholpur	105.54	
					8 Weir	67.35	2
Bhilwara	—	—	—	—	9 Shahpura	73.37	
					10 Jahajpur	66.19	2
Bundi	—	—	—	—	11 Nainwa	63.55	1
Ganganagar	1 Raisinghnagar	—	1 Ganganagar	159.16	12 Karanpur	97.01	1
	2 Suratgarh	421.54	2 Padampur	113.84			
	3 Sadulshahar	185.31					
	4 Hanumangarh	331.18					
	5 Nohar	458.86					
	6 Bhadra	190.19					
Jaipur	—	—	—	—	13 Amber	103.24	23
					14 Jamwaramgarh	87.13	
					15 Sanganer	72.65	
					16 Phagi	78.86	
					17 Dudu	67.00	
					18 Kotputli	83.69	
					19 Bairath	75.87	
					20 Lalsot	74.27	
					21 Dausa	91.80	9
Jhalawar	—	—	—	—	22 Khanpur	68.21	
					23 Manoharthana	72.69	2

(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5)
Pali	—	—	3 Sumepur	131.71	24 Jaitaran	103.42	
					25 Sojat	86.54	
					26 Pali	85.63	5
Sawai Madhopur	—	—	4 Baranwas (Nadoti)	128.40	27 Sapotra	62.15	
					28 Hindaun	75.63	
					29 Todabhim	71.12	
					30 Sawai Madhopur	91.37	
					31 Malranchor (Bonli)	90.95	7
Tonk	—	—	—	—	32 Deoli	103.04	
					33 Uniara	74.97	
					34 Niwai	97.89	
					35 Todaraisingh	87.70	4
Banswara	—	—	—	—	36 Bagidora	67.27	1
Chittorgarh	—	—	—	—	37 Chittorgarh	67.82	
					38 Doongla	64.61	2
Sirohi	—	—	—	—	39 Reodar	66.92	1
Barmer	7 Barmer	365.89	5 Baitu	112.32	40 Suwana	95.42	
	8 Chohtan	187.26			41 Sheo	109.92	
					42 Balotra	63.28	
					43 Dhromanna	79.11	
					44 Sindhari	74.30	13
Bikaner	—	—	6 Bikaner	152.83	—	—	
			7 Loonkaransar	120.14			
			8 Kolayat	131.47			6
Churu	9 Sardarshahar	185.60	9 Sujangarh	120.03	45 Churu	84.31	
	10 Ratangarh	209.11			46 Rajgarh	103.37	
					47 Taranagar	67.74	
					48 Dungargarh	89.42	12
Jalore	11 Ahore	270.54	10 Bhinmal	129.06	—	—	8
	12 Sanchore	277.30					

ANNEXURE 53 (Contd.)

(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5)
Jhunjhunu	—	—	—	—	49 Alsisar	65.35	
					50 Nawalgarh	74.47	2
Jodhpur	13 Phalodi	183.39	11 Luni	114.02	51 Bhopalgarh	66.09	
			12 Shergarh	135.86	52 Balesar	79.52	
Nagaur	—	—	13 Nagaur	124.41	53 Bap	84.19	10
			14 Mundawa	114.74	54 Deedwana	97.25	
					55 Ladnu	60.75	
					56 Jayal	109.08	
					57 Makrana	84.86	
					58 Degana	84.84	
					59 Riyan	89.29	
Sikar	—	—	—	—	60 Merta	69.86	11
					61 Fatehpur	70.06	
					62 Dantaramgarh	73.31	
					63 Srimadhapur	61.35	
					64 Neemkathana	75.45	4
							131

@ No. of commercial banks' branches required:

- (i) Blocks with credit gaps above Rs 160 lakhs — 3
- (ii) Blocks with credit gaps between Rs 110 lakhs and Rs 160 lakhs — 2
- (iii) Blocks with credit gaps between Rs 60 and Rs 110 lakhs — 1

ANNEXURE 54

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)	No. of Commercial Bank Branches		
			Re-quired	Ex-isting	Short-fall
(1)	(2)	(3)	(4)	(5)	(6)
<i>Normal Zone</i>					
<i>(a) NTA</i>					
1 Ajmer	1 Pisangan	61.01	1	1	—
	2 Masuda	96.56	1	3	—
	3 Kishangarh	101.10	1	5	—
2 Alwar	4 Tijara	68.17	1	2	—
	5 Umrain	67.50	1	1	—
	6 Behror	95.79	1	2	—
3 Bharatpur	7 Dholpur	105.54	1	5	—
	8 Weir	67.35	1	3	—
4 Bhilwara	9 Shahpura	73.37	1	1	—
	10 Jahajpur	66.19	1	2	—
5 Bundi	11 Nainwa	63.55	1	4	—
6 Ganganagar	12 Raisinghnagar	283.12	3	8	—
	13 Suratgarh	421.54	3	3	—
	14 Sadulshahar	185.31	3	2	1
	15 Hanumangarh	331.18	3	16	—
	16 Nohar	458.86	3	3	—
	17 Bhadra	190.19	3	1	2
	18 Ganganagar	159.16	2	16	—
	19 Padampur	113.84	2	7	—
	20 Karanpur	97.01	1	4	—
7 Jaipur	21 Amber	103.24	1	2	—
	22 Jamwaramgarh	87.13	1	1	—
	23 Sanganer	72.65	1	4	—
	24 Phagi	78.86	1	1	—
	25 Dudu	67.00	1	3	—
	26 Kotputli	83.69	1	3	—
	27 Bairath	75.87	1	3	—
	28 Lalsot	74.27	1	1	—
	29 Dausa	91.80	1	4	—
8 Jhalawar	30 Khanpur	68.21	1	2	—
	31 Manoharthana	72.69	1	2	—
9 Pali	32 Sumerpur	131.71	2	2	—
	33 Jaitaran	103.42	1	3	—
	34 Sojat	86.54	1	3	—
	35 Pali	85.63	1	5	—
10 Sawai Madhopur	36 Nadoti	128.40	2	2	—
	37 Sapotra	62.15	1	1	—
	38 Hindaun	75.63	1	5	—
	39 Todabhim	71.12	1	1	—
	40 Sawai Madhopur	91.37	1	5	—
	41 Bonli	90.95	1	1	—
11 Tonk	42 Deoli	103.04	1	2	—
	43 Uniara	74.97	1	2	—
	44 Niwai	97.89	1	3	—
	45 Todaraisingh	87.70	1	1	—

ANNEXURE 54 (Contd.)

(1)	(2)	(3)	(4)	(5)
(b) TA				
12 Banswara	46 Bagidora	67.27	1	3
13 Chit orgarh	47 Chittorgarh	67.82	1	7
	48 Doongla	64.61	1	1
14 Sirohi	49 Reodar	66.92	1	2
<i>Arid Zone</i>				
15 Barmer	50 Barmer	365.89	3	2
	51 Chohtan	187.26	3	1
	52 Baitu	112.32	2	1
	53 Suwana	95.42	1	2
	54 Sheo	109.92	1	1
	55 Balotra	63.28	1	4
	56 Dhromanna	79.11	1	—
	57 Sindhari	74.30	1	1
16 Bikaner	58 Bikaner	152.83	2	18
	59 Loonkaransar	120.14	2	3
	60 Kolayat	131.47	2	2
17 Churu	61 Sardarshahar	185.60	3	3
	62 Ratangarh	209.11	3	3
	63 Sujangarh	120.03	2	5
	64 Churu	84.31	1	5
	65 Raigarh	103.37	1	3
	66 Taranagar	67.74	1	1
	67 Dungargarh	89.42	1	3
<i>Semi-arid Zone</i>				
18 Jalore	68 Ahore	270.54	3	1
	69 Sarchole	277.30	3	1
	70 Bhinmal	129.06	2	2
19 Jhunjhunu	71 Alsisar	65.35	1	2
	72 Nawalgarh	74.47	1	5
20 Jodhpur	73 Phalodi	183.39	3	2
	74 Luni	114.02	2	Nil
	75 Shergarh	135.86	2	1
	76 Bhopalgarh	66.09	1	2
	77 Balesar	79.52	1	Nil
	78 Bap	84.19	1	Nil
21 Nagaur	79 Nagaur	124.41	2	3
	80 Mundwa	114.74	2	5
	81 Deedwana	97.25	1	6
	82 Ladnu	60.75	1	3
	83 Jaysl	109.08	1	1
	84 Makrana	84.86	1	3
	85 Degana	84.84	1	2
	86 Riyan	89.29	1	—
	87 Merta	69.86	1	4
22 Sikar	88 Fatehpur	70.06	1	4
	89 Dantaramagarh	73.31	1	4
	90 Srimadhampur	61.35	1	2
	91 Neemkathana	74.45	1	2

ANNEXURE 55***Tehsil-wise concentration of Tribal Population***

District	Percentage of Tribal Population to total Population
1 Banswara (5 tehsils)	63.64
2 Dungarpur (3 tehsils)	72.93
3 Udaipur	
(i) Gogunda	37.23
(ii) Phalsia (Jhadol)	63.70
(iii) Kherwara	70.73
(iv) Kotra	85.16
(v) Sarada	53.21
(vi) Salumber	45.56
(vii) Lasadia (Dhariawad)	75.62
4 Chittorgarh-Pratapgarh Tehsil	47.18
Total for 16 tehsils	64.43

ANNEXURE 56

List of Development Blocks with heavy concentration of Tribal Population in Rajasthan

District	Development Block
Banswara	Talwara Ghatol Garhi Pipalkhunt Bhukhiya Kushalgarh Sajjangarh Bagidora
Dungarpur	Sagwara Aspur Dungarpur Simalwara Bichiwara
Udaipur	Gogunda Kherwara Phalasia (Jhadol) Kotra Sarada Salumber Lasadia (Dhariawad)
Chittorgarh	Pratapgarh Arnod

ANNEXURE 57

Financial and other Particulars of Primary Agricultural Credit Societies in Tribal Blocks for the Year 1972-3

Items	Rupees Lakhs			
	Bans- wara	Dungar- pur	Udai- pur (7 blocks)	Chittor- garh (2 blocks)
(1)	(2)	(3)	(4)	(5)
1 No. of societies				
(i) Total	208	181	212	56
(ii) Of which dormant	141	100	76	30
2 No. of villages in the blocks				
(i) Total	1426	821	1567	305
(ii) Served by societies	1166	820	1361	303
3 Population in the blocks (in 000)				
(i) Total	622	1013	574	150
(ii) Covered by the societies	445	917	497	139
4 No. of rural families (in 000)@				
(i) Total	124	203	115	30
(ii) Covered by the societies	89	183	99	28
5 Membership of societies				
(i) Total	34777	33406	24515	11000
(ii) Of which scheduled tribes	25655	25530	14487	2226
6 Borrowing members during 1972-3				
(i) Total	10819	9147	6548	2184
(ii) Of which scheduled tribes	8857	6159	4408	479
7 No. of defaulting members	11896	16037	8909	4037
8 Paid-up capital				
(i) Total	11.59	9.46	9.63	6.19
(ii) Of which from Government	2.43	2.28	2.26	1.09
9 Reserves	0.26	0.43	0.47	0.09
10 Deposits	2.32	2.53	2.42	2.81
11 Borrowings from C.F. As	35.11	29.79	24.90	23.18
12 Loans outstanding				
(i) Total	35.07	25.09	27.03	24.72
(ii) Short-term	31.22	17.76	..	21.70
(iii) Medium-term	3.85	7.33	..	3.02

@ Estimated at 5 persons per family.

ANNEXURE 57 (Contd.)

	(1)	(2)	(3)	(4)	(5)
13 Loans overdue					
(i) Total		20.01	15.63	15.50	13.45
(ii) Of which overdue over 3 years		8.28	6.06	4.31	3.74
14 Percentage of overdues to outstandings		57.1	62.3	57.3	54.4
15 (a) Demand		..	22.33	19.48	25.41
(b) Collection		..	6.70	3.98	11.95
(c) Balance		20.01	15.63	15.50	13.45
16 Percentage of overdues to demand		..	70.0	79.6	52.9
17 Societies borrowing from C.F. As (1972-3)					
Number		63	60	71	24
18 Societies advancing loans					
(i) Number		63	52	74	29
(ii) Amount advanced		15.98	10.21	9.87	10.12
19 Societies undertaking marketing and processing activities		—	—	—	—
20 Societies undertaking distribution					
(a) Of farm requisites					
(i) Number		4	1	47	13
(ii) Amount		0.55	0.02	2.32	2.04
(b) Of consumer goods					
(i) Number		18	37	24*	—
(ii) Amount		6.01	13.99	7.60	—
21 Societies with full-time paid manager		31	46	32	26
22 Societies working at:					
(a) Profit					
(i) Number		133	90	113	34
(ii) Amount		0.80	0.71	0.60	0.69
(b) Loss					
(i) Number		72	63	46	9
(ii) Amount		0.40	0.55	0.29	0.11
(c) No profit, no loss		3	28	48	13

* No. in respect of 7 blocks only

ANNEXURE 58

Financial and other Particulars of Co-operative Marketing Societies operating in the Tribal Area for the Year 1972-3

Name of the Marketing Society	Whether dormant	No. of Blocks served	No. of Primary Societies affiliated	Paid-up Capital		Whether undertakes marketing business	Value of Sales as Owner/Agent during 1972-3				Loans of Credit Societies recovered		Whether owns a Go-down	Profit (+)/ Loss (-) for the year
				Total	Of which from Government		Total	Agricultural Produce	Agricultural Requisites	Consumer Goods	Minor Forest Produce	No. of Primary Societies			Amount recovered
Banswara District														
1 Banswara KVSS	No	2	67	3.05	2.25	No							Yes	+ 0.31
2 Ghatol KVSS	No	2	29	0.33	0.15	No							Yes	..
3 Garhi KVSS	No	2	49	0.39	0.30	No							Yes	..
4 Kushalgarh KVSS	No	2	34	0.22	0.09	No							No	
Dungarpur District														
5 Dungarpur KVSS	No	5	159	0.47	0.25	Yes	0.05	—	—	0.05	—	—	Yes	+ 0.18
Udaipur District														
6 Udaipur KVSS	No	9 including 8 tribal	92	2.72	2.15	Yes	35.04	—	2.48	32.56	—	—	No.	+ 0.34
Chittorgarh District														
7 Pratapgarh KVSS	No	1	..	0.29	0.15	Yes	8.10	—	—	8.10	—	..	1.00	No + 0.09
8 Arnod KVSS	No	1	..	0.02	—	No	—	—	—	—	—	—	No	..

ANNEXURE 59

*Financial and other Particulars of Forest Labour Societies in Tribal Areas
for the Year 1972-3*

Rupees Lakhs

Items	Bans- wara	Dungar- pur	Udaipur	Chittor- garh
1 No. of societies				
(i) Total	8	8	20	4
(ii) Of which dormant	8	8	17	—
2 Membership				
(i) Total	616	409	1820	486
(ii) Of which engaged in collection of forest produce	471	283	1762	174
3 Paid-up capital				
(i) Total	0.08	0.07	0.37	0.10
(ii) Of which from Government	—	—	0.12	0.01
4 Reserves	0.01	—	2.28	0.01
5 Deposits	—	0.04	—	0.25
6 Borrowings	0.03	0.26	0.57	1.50
7 Loans outstanding	0.10	—	0.06	0.07
8 Overdues	0.10	—	0.06	0.02
9 Value of forest contracts taken up	—	—	11.25	0.90
10 Value of forest produce collected	—	—	2.39@	0.90
11 Value of forest produce sold	—	—	8.17	0.83
12 Wages paid	—	—	1.28	0.01
13 Societies working at				
(a) Profit				
(i) Number	—	—	2	—
(ii) Amount	—	—	0.32	—
(b) Loss				
(i) Number	—	—	1	3
(ii) Amount	—	—	0.68	0.27
(c) No profit, no loss	8	8	17	1

@ Data in respect of one society not available

ANNEXURE 60
Indebtedness of Tribals from Select Societies

Name of the member	Amount borrowed from the money-lender	Purpose	Interest rate	Amount outstanding/ conditions for repayment	Land holdings of the members	Crops taken	No. of members in the family	Subsidiary occupation	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<i>Umrail GSS, District Banswara</i>									
1 Shri Dipa Bija (Defaulter to society Rs 100)	Rs 50 in kind (cloth) Rs 50 in cash 2 years old		40 Kg of kapas to be delivered for cash loan of Rs 50. Cloth loan to be repaid in kind. If failure of crops then in cash (interest rate worked out to about 75%)	Repaid 20 Kg kapas upto now. Amount outstanding is Rs 300	15 bighas of dry land	Maize Wheat Kapas	5	Casual labour	Unsecured loan — no knowledge what interest is charged
2 Shri Hadia Rajgaji (Non-defaulter society loan Rs 250)	Rs 1000 Rs 400 Rs 500 (Hand loan from relative) July/August 1974	Purchase of land 3½ bighas	3 paise per rupee per month (36%) Condition to repay Rs 660 after 6 months (130%)	Rs 1000 to repay in kind or cash as convenient Rs 400 Rs 500	20 bighas	Kapas Maize Wheat Paddy	9	Casual labour	Loan of Rs 1000 obtained against security of silver ornaments (200 tolas) plus 2 sureties for Rs 500 loan. Hand-loan of Rs 500 from relative unsecured. Borrower owns 3 cows
3 Shri Lal Kering (Non-defaulter society loan Rs 240)	Rs 300 8 months	Purchase of bullock	3 per cent per month (36%)	Rs 300	12 bighas (1.5 bighas irrigated)	Maize Gram Kapas Wheat	10	Labour on mines	Owens 2 cows — Security for loan silver ornaments of 1 Kg weight

ANNEXURE 60 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
4 Shri Mangalia Thavala (Non-defaulter society loan Rs 200)	Rs 860	Purchase of bullocks	1 paise (old) per rupee per month (18.75%)	Rs 860—To repay in kind. Shortage if any, to be paid in cash	16 bighas (4 bighas irrigated)	Wheat Kapas Maize Gram	8	Bullock cart hire	Owms 4 goats — Loan obtained against security of 1½ kgs of silver
5 Shri Portu Bokar (Non-defaulter society loan Rs 300)	Rs 1000 3 years old	Construction of house	4 per cent per month (48%)	Rs 1000 Rs 500 paid towards interest in form of grains during each of the last 2 years	15 bighas	Maize Kapas Pulses Wheat	3	Nil	Milch cattle owned 2 cows and one buffalo Loan obtained against the security of 2 kgs of silver
<i>Amazara GSS, Bicchiwara District, Dungarpur</i>									
6 Shri Mangji Kala (Non-defaulter society loan Rs 240 since converted)	Rs 1500 2 years old	For well	3 paise per rupee per month Interest to be paid in cash	Repaid Rs 350 Fully outstanding	5½ bighas	Maize (3 qtls) Wheat (80 kilos)	6	Labourer	Milch cattle owned One cow, 6 goats — Rs 500 hand loan from relation to supplement Bank of Baroda loan
7 Shri Bada Mada (Non-defaulter society loan Rs 140 since converted)	Rs 300 in kind	For food grains and cloth 2 years old (1972)	2 paise per rupee per month (24%)	No repayment so far	2 bighas (partly hilly track)	Maize (2 qtls)	7 (3 sons)	Mazdoors	Milch cattle owned, one cow, 2 goats Borrowed from a member of the society who is a local trader
8 Shri Jivaraji Vektaji Hon. Secty. of the Amazara Society (Non-defaulter, society loan of Rs 243—since converted, fresh S.T. loan of Rs 150)	Rs 400 from Dungarpur money-lender. Received only Rs 350 after deduction of 3 years old	For meeting medical expenses	6 per cent per month compound (72%) Repayment of interest in cash	Total outstandings together with local borrowings for domestic purposes aggregate about Rs 5000	42 bighas (well shared by 4 brothers) Land holding frangmented	Maize (6 qtls) Wheat (1 qtl)	8 (5 sons)	—	Milch cattle owned 1 cow, 8 goats

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
9 Shri Tehara Ranji (Society loan of Rs 400 — since converted — Fresh S.T. loan of Rs 160)	Rs 80 received only Rs 60 in hand Rs 20 being deducted as discount About 8 years old Rs 80 (from local trader) against security of silver 16 tolas)	Consumption needs	3 paise per rupee per month — has paid Rs 35 in cash towards interest during the period Rs 2½ per 100 per month	Rs 140 Total indebtedness of the member was about Rs 1000	7½ bighas (shared by 4 brothers) 2½ bighas irrigated by a well, digging of well is not completed	Maize (6 qtls) Wheat (3 qtls)	21	Mazdoors	Milch cattle owned 2 goats
<i>Barothi GSS, District Durgapur</i>									
10 Shri Lalo Jule (Non-defaulter to society)	Rs 400 Received Rs 250 after deduction of discount and advance interest 2 years old	Purchase of bullock and interest	25% per annum to be paid in advance at the time of Diwali	Rs 400 (paid interest of Rs 100 for each of last 2 years in kind 1 qtl. of wheat for each year)	8 bighas (4 bighas irrigated by well)	Maize (5 qtls) Wheat (5 qtls)	3	—	
11 Shri Dhla Harji Rs 700 S.T. loan used for digging of a new well which is incomplete	Rs 700 } from bania trader 4 years old 3 years old	Marriage of son —do—	3 paise per month per rupee (compound)	Rs 3000 payment of interest and repayment of loan in form of grains — Lender comes to the farm and takes away the grains	10 bighas ½ bigha irrigated by 1 well jointly owned by 5 brothers hilly track	Maize Wheat Sugarcane in ½ bigha irrigated land	15	Farm and other labour	Milch cattle owned 1 buffalo and 1 cow. Elder brother stood as personal surety for the advances from the traders — He has paid 1 qtl of wheat every year which has been adjusted towards interest by the money-lender

ANNEXURE 60 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
12	Shri Kala	Rs 500 (From trader – Received only Rs 300 after deduction of discount and advance interest) 5-6 years old	For supplementing taccavi loan Rs 500 for digging of well	3 paise per month	Rs 500 (has paid interest in form of grains. 1½ qtls of wheat every year	9½ bighas (4 bighas irrigated on well)	Paddy (2 qtls) Wheat (1½ qtls) and Kapas	15	Farm and other labour	Milch cattle owned 2 cows and 10 goats Loan obtained against a surety
13	Shri Masji Pema	Rs 200 (Received Rs 120 after deduction of discount and advance interest) 1973	Purchase of bullocks	About 25 per cent	Rs 200 (has paid interest for 2 years in the form of 1½ qtls of wheat every year	9½ bighas	Paddy (3 qtls) Maize (3 qtls)	11	Farm labour	Own 2 buffaloes
14	Shri Nana Vokta (Amazara GSS)	Rs 100 (in kind) Rs 150 (in kind)	Food-grains			3 bighas (4 different pieces)	N.A.			He mortgaged one piece of cultivable land for each of the three loans. The remaining one piece is of hilly track and unproductive. He has now no means to repay the loan or pay the interest. The mortgaged land is cultivated by the money-lender and Shri Nana Vokta works as a paid farm labour for cultivation of his own land
15	Shri Nana Mokaji (Member of Bakha GSS)									N.A. He purchased a bullock worth Rs 350 from a Banjara and was short of Rs 160 for payment to him. He borrowed the amount from Kalal and mortgaged the bullock to him as security. Kalal adjusted the bullock towards previous debt owed by the member and took in mortgage, the land for fresh debt of Rs 160. Shri Nana Mokaji had no other means for repayment of loan or repayment of interest. Kalal has since acquired the land toward recovery of interest and evicted the borrower from his land. He now works as Sagri at Kalal's house for repayment of interest on the debt of Rs 160

ANNEXURE 61

State of Land Records in Tribal Area

District/Name of Tehsil	No. of revenue Villages	State of Land Record					Total (col.5 + col.7)
		No. of Villages fully surveyed	Year of latest Survey (year in Sambat)	No. of villages partially surveyed	Year of Survey	Not surveyed	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>District Dungarpur</i>							
1 Dungarpur	420	420	2019	Nil	D.A.	Nil	D.A.
2 Aspur	146	146	2016	—	—	—	—
3 Sagwara	263	263	2021	—	—	—	—
<i>District Banswara</i>							
1 Kushalgarh	397	58	1997	—	—	—	—
		6	2002	—	—	—	—
		9	2006	—	—	—	—
		3	2008	—	—	—	—
		321	2015	—	—	—	—
2 Garhi	167	4	1995	—	—	—	—
		72	1996	—	—	—	—
		1	1997	—	—	—	—
		1	2000	—	—	—	—
		1	2001	—	—	—	—
		23	2002	—	—	—	—
		1	2004	—	—	—	—
		40	2006	—	—	—	—
		17	2007	—	—	—	—
		7	2008	—	—	—	—

ANNEXURE 61 (Contd.)

400

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
3 Ghatol	316	94	1995	Nil	D.A.	Nil	D.A.
		44	1997	—	—	—	—
		1	1998	—	—	—	—
		2	1999	—	—	—	—
		6	2000	—	—	—	—
		1	2001	—	—	—	—
		24	2002	—	—	—	—
		1	2005	—	—	—	—
		86	2006	—	—	—	—
		44	2007	—	—	—	—
		13	2008	—	—	—	—
4 Bagidora	259	1	1995	Nil	D.A.	Nil	D.A.
		18	1996	—	—	—	—
		206	2002	—	—	—	—
		15	2006	—	—	—	—
		19	2008	—	—	—	—
5 Banswara	325	1	1995	—	—	—	—
		22	1996	—	—	—	—
		14	1997	—	—	—	—
		48	1998	—	—	—	—
		7	1999	—	—	—	—
		5	2000	—	—	—	—
		112	2001	—	—	—	—
		4	2002	—	—	—	—
		4	2004	—	—	—	—
		38	2006	—	—	—	—
		2	2007	—	—	—	—
68	2008	—	—	—	—		

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>District Udaipur</i>							
1 Kotra	304	304	2012	—	—	—	—
2 Gogunda	146	15	1994	Nil	D.A.	Nil	D.A.
		7	1995	—	—	—	—
		23	1996	—	—	—	—
		4	1997	—	—	—	—
		5	1998	—	—	—	—
		6	1999	—	—	—	—
		3	2000	—	—	—	—
		2	2001	—	—	—	—
		1	2002	—	—	—	—
		1	2005	—	—	—	—
		65	2007	—	—	—	—
		1	2008	—	—	—	—
		13	2011	—	—	—	—
3 Kherwara	234	3	1992	—	—	—	—
		5	1993	—	—	—	—
		10	1994	—	—	—	—
		2	1996	—	—	—	—
		1	2001	—	—	—	—
		1	2002	—	—	—	—
		48	2008	—	—	—	—

ANNEXURE 61 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
3 Kherwara (contd.)		164	2013	—	—	—	—
4 Phalasia	259	10	1993	Nil	D.A.	Nil	D.A.
		5	1995	—	—	—	—
		4	1999	—	—	—	—
		9	2003	—	—	—	—
		6	2005	—	—	—	—
		225	2011	—	—	—	—
5 Lasadia	245	9	1997	—	—	—	—
		6	1998	—	—	—	—
		16	1999	—	—	—	—
		22	2002	—	—	—	—
		12	2003	—	—	—	—
		20	2004	—	—	—	—
		35	2005	—	—	—	—
		32	2007	—	—	—	—
		93	2011	—	—	—	—
6 Sarada	159	34	1991	—	—	—	—
		8	1992	—	—	—	—
		15	1994	—	—	—	—
		6	1995	—	—	—	—
		2	1997	—	—	—	—
		7	1998	—	—	—	—
		3	1999	—	—	—	—
		4	2000	—	—	—	—
		2	2001	—	—	—	—
		2	2002	—	—	—	—
		1	2003	Nil	D.A.	Nil	D.A.
		2	2005	—	—	—	—
		5	2007	—	—	—	—
		68	2011	—	—	—	—

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
7 Salumber	221	17	1991	—	—	—	—
		14	1992	—	—	—	—
		2	1994	—	—	—	—
		14	1995	—	—	—	—
		7	1997	—	—	—	—
		4	1998	—	—	—	—
		6	1999	—	—	—	—
		4	2001	—	—	—	—
		8	2003	—	—	—	—
		20	2004	—	—	—	—
		27	2005	—	—	—	—
		4	2007	—	—	—	—
		77	2011	—	—	—	—
<i>District Chittorgarh</i>							
1 Pratapgarh	530	129	2001	—	—	—	—
		401	2010	—	—	—	—

ANNEXURE 62

List of Primary Agricultural Credit Societies visited

AJMER

- 1 Udaigarh Kheda Gram Seva Sahakari Samiti, Dhantol.
- 2 Kadedra Gram Seva Sahakari Society, Kadedra.

BHILWARA

- 3 Gurlan Gram Seva Sahakari Society, Gurlan.
- 4 Banka Kheda Gram Sewa Sahakari Society, Banka Kheda.

JODHPUR

- 5 Gajasinghpura Gram Sewa Sahakari Society, Gajasinghpura.
- 6 Bhoopalgarh Large-size Cooperative Society, Bhoopalgarh.

ANNEXURE 63

District-wise Population of Sheep in Rajasthan (as per Livestock Census) and Wool Production

District	1956	1961	1966	1971	Wool Production (in kgs)
1 Ajmer	4,37,351	4,88,718	4,87,202	5,54,593	7,55,356
2 Alwar	98,698	99,427	1,18,565	91,057	1,24,020
3 Barmer	4,71,074	5,86,064	7,92,150	5,67,656	5,79,577
4 Bundi	70,043	78,369	86,048	96,966	99,002
5 Banswara	25,242	23,838	26,440	20,027	20,448
6 Bharatpur	61,714	67,897	78,537	52,449	71,436
7 Bhilwara	5,98,044	6,96,042	7,35,652	7,79,992	7,96,372
8 Bikaner	4,79,810	4,30,232	5,33,517	4,01,701	7,29,489
9 Chittorgarh	1,36,602	1,67,017	2,15,182	2,02,717	2,06,974
10 Dungarpur	75,141	91,428	89,767	1,27,555	1,30,234
11 Ganganagar	3,23,377	2,87,294	3,34,320	2,83,825	5,79,854
12 Jaipur	3,36,686	3,62,875	3,82,539	3,69,389	3,77,146
13 Jodhpur	5,77,973	4,84,963	6,63,335	6,82,636	9,29,750
14 Jaisalmer	3,94,730	4,66,819	5,90,864	3,13,163	7,81,968
15 Jalore	4,36,563	4,06,219	5,15,654	4,53,178	6,17,228
16 Jhalawar	17,493	21,220	29,047	25,016	25,541
17 Jhunjhunu	1,69,327	2,18,114	1,75,701	2,11,593	3,84,253
18 Kota	53,468	49,750	61,834	43,527	44,441
19 Nagaur	6,71,652	3,97,614	5,90,013	8,02,055	14,56,532
20 Pali	6,53,193	4,93,170	6,59,634	6,27,042	8,54,031
21 Sikar	2,32,477	2,92,704	3,25,743	3,96,596	7,20,218
22 S. Madhopur	65,095	94,823	1,01,220	85,840	87,643
23 Sirohi	1,47,268	1,48,239	1,63,915	1,77,196	2,41,341
24 Tonk	1,62,456	2,32,527	2,75,943	3,02,594	3,08,948
25 Churu	3,39,358	2,89,642	3,62,111	4,26,060	8,70,441
26 Udaipur	3,47,440	3,84,579	4,13,241	4,68,401	4,78,237
Total	78,72,805	73,59,593	88,06,174	85,62,822	1,22,70,480

ANNEXURE 64

Rajasthan Sheep Breeds, their Habitat, Number, Annual Wool Production and its Quality

Sr. No.	Breed	Home Tract	Total Sheep Population†	Annual Production of Wool per Sheep (kgs)	Annual Breed-wise Wool Production*	Qualities of Wool
1	Chokla	Churu, Jhunjhunu and Sikar districts also round common boundaries of Bikaner, Jaipur and Jodhpur Division and Nagaur District	7,37,474	1,360 to 2,268	13,39,253	(Fine & medium)
2	Pugal	Pugal area in Western Bikaner District and Northern parts of Jaisalmer District	1,33,379	1,368 to 2,268	2,42,216	(Medium & coarse)
3	Magra	Jaisalmer, Nagaur and Bikaner District	4,90,665	1,360 to 2,268	8,91,048	(Medium and coarse grades)
4	Nali	North, north-eastern parts of Bikaner Division extending into Punjab State	5,15,287	1,360 to 2,721	10,52,731	(Medium and coarse)
5	Jaisalmeri	North-western parts of Jodhpur and Jaisalmer District	5,90,864	1,814 to 3,175	14,75,387	(Medium and Fine)
6	Marwari	Jodhpur Division and adjoining areas of Ajmer and Udaipur Division	35,76,523	0,902 to 1,814	48,71,102	(Medium and coarse)
7	Malpura	Jaipur and S. Modhopur District	14,72,597	0,680 to 1,360	15,03,522	(Coarse and very coarse grades)
8	Sonadi	Udaipur Division extending into former Bombay State	12,89,385	0,907 to 1,360	13,16,462	(Very coarse)
			88,06,174		1,26,91,721	Kgs.

Body Weight—Chokla 20-25 Kg., Pugal 25-30 Kg., Magra 25-30 Kg., Nali 30-35 Kg., Jaisalmeri 30-35 Kg., Marwari 25-30 Kg., Malpura 25-30 Kg., Sonadi 25-30 Kg.

Average wool production—1.44 kgs per sheep

† As per 1966 live-stock census

* As per 1966 estimates

ANNEXURE 65

District-wise Number of Extension and Artificial Insemination Centres and Location of Sheep-breeding Farms

District Sheep and Wool Office	No. of Centres		Sheep-breeding Farms	
	Extension	A.I.	No.	Location
1 Ajmer	10	1	—	—
2 Barmer	8	—	—	—
3 Bhilwara	6	3	—	—
4 Bikaner	13	1	1	Johrbeer
5 Chittorgarh	3	1	1	Chittorgarh
6 Churu	13	—	—	—
7 Ganganagar	—	2	—	—
8 Jaipur	12	1	1	Jaipur
9 Jaisalmer	11	1	1	Lathi
10 Jalore	11	—	—	—
11 Jodhpur	11	1	1	Mandore
12 Nagaur	13	1	1	Nagaur
13 Sikar	16	1	—	—
Total	127	13	6	

ANNEXURE 66
Year-wise Purchases of Wool from 1964-5 to 1973-4

Year	Wool purchased (Kgs)	Value Rs
1964-5	3,75,952.976	20,54,644.84
1965-6	8,78,222.543	51,07,788.77
1966-7	4,29,518.931	20,58,909.09
1967-8	8,41,657.127	45,31,018.04
1968-9	8,95,939.209	47,15,111.23
1969-70	7,89,287.000	42,15,508.00
1970-71	9,83,826.000	53,05,241.30
1971-2	8,85,569.733	47,45,167.12
1972-3	7,11,789.650	54,17,941.37
1973-4	10,73,305.281	121,21,189.73

ANNEXURE 67
District-wise Wool Purchases made by the Sheep and Wool Directorate

Name of District		Wool purchased in Kgs
		As per proforma account 1973-4
1	AJMER (i) Ajmer (ii) Bhilwara (iii) Chittorgarh	1,17,205.689
2	BARMER	79,276.250
3	BIKANER (including Anoopgarh, Suratgarh and Raisinghnagar Tehsils of Ganganagar District)	1,20,677.690
4	CHURU (including Nohar, Bhadra, Hanu- mangarh and Sadulshahar Tehsils of Ganganagar District)	61,506.687
5	JAIPUR (i) Jaipur (ii) Alwar (iii) Bundi (iv) Tonk	2,86,014.750
6	JODHPUR	57,307.500
7	JAISALMER	56,341.680
8	JALORE (i) Jalore (ii) Pali	1,20,272.925
9	NAGAU	73,382.560
10	SIKAR (i) Sikar (ii) Jhunjhunu	1,01,319.550
Total Value Rs		10,73,305.281 Kgs 1,21,21,189.73

ANNEXURE 68

Medium-term Loans issued for Purchase of Sheep to identified Small/Marginal Farmers by Central Co-operative Banks in Ajmer and Bhilwara for the years 1971-2 to 1973-4

410

Rupees Lakhs

Name of the bank	Year						Total (2+3+4)	
	1971-2		1972-3		1973-4		No. of Beneficiaries	Amount
	No. of Beneficiaries	Amount	No. of Beneficiaries	Amount	No. of Beneficiaries	Amount		
(1)	(2a)	(2b)	(3a)	(3b)	(4a)	(4b)	(5a)	(5b)
1 Ajmer	153	2.44	219	3.28	362*	5.34*	734	11.06
2 Bhilwara	55	1.65	321	6.11	298	4.55	674	12.31

* upto November 1974.

ANNEXURE 69***Coverage of Sheep Farmers in the Areas of Societies visited***

Name of the society	No. of Sheep Farmers in the Area	No. of Members	Of Members, Sheep Farmers
<i>Ajmer</i>			
1 Udaigarh Kheda GSS	69	206	69
2 Kadedda GSS	157	423	73
<i>Bhilwara</i>			
3 Gurlan GSS	200	314	70
4 Banka Kheda GSS	35	425	15
<i>Jodhpur</i>			
5 Gajasinghpura GSS	150	261	15
6 Bhoopalgarh Large-sized Co-operative Society	100	615	35

ANNEXURE 70

Medium-term Loans advanced for Purchase of Sheep and Recoveries thereof during the Period 1971-2 to 1973-4 in respect of Societies visited

Name of the society	Medium-term Loans (5 years) for Purchase of Sheep from 1971-2 to 1973-4		
	No. of Farmers	Amount of Loan	Overdues as on 30.6.74
		Rs	Rs
<i>Ajmer</i>			
1 Udaigarh Kheda GSS, Dhantol	16	24,900	3,730
2 Kadeda GSS, Kadeda	12	17,540	900
<i>Bhilwara</i>			
3 Gurlan GSS, Gurlan	10	12,278	Nil
4 Banka Kheda GSS, Banka Kheda	2	3,831	195

ANNEXURE 71

Stock of Sheep with the Members of Udaigarh Kheda GSS who were sanctioned Medium-term Loans for Purchase of Sheep

Name of the Cultivator	Village	Date of loan	Sheep purchased			Present Stock *		
			Ewes	Rams	Total	Ewes	Rams	Total
1 Shri Rama S/o Raha Gujar	Dhantol	11-1-72	30	1	31	60	36	96
2 Shri Kana S/o Ghisa Gujar	"	1-11-71	30	1	31	7	6	13
3 Shri Ganga Ram S/o Dhanna	"	11-1-72	30	1	31	13	11	24
4 Shri Bhagirth S/o Baktawar	"	21-1-72	30	1	31	33	18	51
5 Shri Dhanna S/o Birma	"	1-2-72	30	1	31	43	28	71
6 Shri Chand Mal S/o Chatra	Heerapura	3-2-72	30	1	31	28	10	38
7 Shri Amar Chand S/o Chatra	"	"	30	1	31	42	20	62
8 Shri Sundar S/o Surap Mal	"	"	30	1	31	32	19	51
9 Shri Halu S/o Lucuba	Ganeshpura	21-1-72	30	1	31	25	18	43
10 Shri Nathu S/o Panna	Udaigarh Kharg	3-2-72	30	1	31	7	7	14
11 Shri Gopi S/o Kalla	"	21-1-72	30	1	31	19	11	30
12 Shri Ladu S/o Chhitar	"	"	30	1	31	31	16	47
13 Shri Ramkaran S/o Gokal	Dhantol	27-6-74	30	1	31	54	22	76
14 Shri Raju S/o Gokal	"	"	30	1	31	54	24	78
15 Shri Sandool S/o Jethu	"	"	30	1	31	55	26	81
16 Shri Kan Singh S/o Gordhansing	Gujenwar	"	30	1	31	30	16	46
17 Shri Ladu S/o Sheoji	Dhantol	29-7-74	30	1	31	30	29	59
18 Shri Chhotu S/o Dhanna	Udaigarh Kharg	24-8-74	30	—	30	30	20	50
19 Shri Nathu Ram S/o Gokal	Dhantol	8-9-74	30	—	30	30	27	57
20 Shri Uda S/o Gopal	"	26-9-74	30	—	30	29	15	44

* Inclusive of lambs—ewes and rams.

ANNEXURE 72

Economics of Sheep Unit—30 Ewes and 1 Ram

REVISED SCHEME FOR PURCHASE OF SHEEP

	Total	Loan	Subsidy
Cost of 30 Sheep at Rs 90/- each	2700/-	1800/-	900/-
Cost of 1 Cross bred or Deshi Ram	200/-	133/-	67/-
Cost of Bara	100/-	67/-	33/-
Total Rs	3000/-	2000/-	1000/-

Years	Animals maintained			Total No. of animals	Income by sale of wool		Total income by sale of wool (Rs)	Sale of manure (Rs)	Sale of male animals (Rs)	Total income (Rs)
	Sheep	Ram/lambs	Ram		Sheep wool (Rs)	Ram/lamb wool (Rs)				
I Yr.	30	20	1	51	300	50	350	100	10 × 40/- each = 400	850
II Yr.	40	24	1	65	400	60	460	120	12 × 40/- each = 480	1060
III Yr.	50	30	1	81	500	70	570	140	15 × 40/- each = 600	1310
IV Yr.	65	45	1	101	650	100	750	160	22 × 40/- each = 880	1790
V Yr.	90	55	1	146	900	120	1020	190	27 × 40/- each = 1080	2290
									Five Years' Total Income:	7,300
									Average Income:	1,460

REPAYMENT OF INSTALMENTS

Year				Rs	
	Total Amount	Instalments	Interest	Total	Balance
I Yr. Gross income	850	400	200	600	250
II Yr. Gross income	1060	400	160	560	500
III Yr. Gross income	1310	400	120	520	890
IV Yr. Gross income	1790	400	80	480	1310
V Yr. Gross income	2290	400	40	44	1850
Total income	7300	2000	600	2600	4800

Net Savings in 5 years — Rs 4,800

Average savings in 5 years — Rs 960

- Note:*
- 1 Lambing has been calculated at the rate of 60% keeping 10% mortality in lambs and 5% mortality in Adult sheep.
 - 2 In first year farmer is advised to purchase all unshorn, P egnant or with lamb sheep. Puberty age for Marwar sheep is 14 to 18 months, with the result first year born lambs will conceive in second year and some of the sheep which could not lamb in first year will lamb in second year, with the result that increase in lambing will be maintained.
 - 3 For marketing, male lamb of six months old, local traders contact sheep farmers frequently. Adult male lamb will take 2-3 times more price. Marketing of wool will be either through sheep and wool department or through local wool mandies of Beawar/Kekri etc.
 - 4 Income by sale of wool has been calculated at the rate of 450—500 gms. per fleece weight. Sheep is shorn two times in a year and the average sales price is Rs 8/- to Rs 10/- per Kg. for unwashed wool and Rs 10/- to Rs 14/- per Kg. for washed wool. Shearing is done by local shearers and through the mobile shearing Van of Sheep and Wool Department.
 - 5 No expenditure is incurred on feeding, sheep is maintained on natural pastures. During Feb.-April some sheep farmers purchase Accasia, Kheejadi trees to feed Loong papries for maintenance of new born lamb and flushing the sheep which cost of Rs 100/- per annum.
 - 6 Income by sale of manure has been calculated on an average production of manure @ 4 to 5 carts per annum. Average sale price is Rs 20/- per cart.
 - 7 For sheep, no shed is required. Only enclosure is required for protecting them from wild animals and street dogs.

(Sd.)
PROJECT OFFICER,
Ajmer.

ANNEXURE 73

Block-wise Position of existing Number of Primary Credit Societies; Societies that can be supported on the basis of Cropped Area/Loan Business etc.

Block	No. of pacs	Of col. 2 dormant	Gross Cropped Area ('000 hectares)	No. of pacs that can be supported	Excess (+)/ Credit short-fall (-) of col. 5 over col. 2	Potential (Rs lakhs) in 1973-4	Credit Potential (105% of col. 7) (Rs lakhs)	Credit Requirement to be met (60% of col. 8) (Rs lakhs)	No. of pacs that can be supported w.r. to Credit Potential in col. 9 @ Rs 2 lakhs per Society	Excess (+)/ short-fall (-) of col. (10) over col. (2)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
AJMER										
1 Srinagar@	41	—	12	6	+ 35	19.25	20.21	12.13	6	+ 35
2 Pisangan@	47	—	50	25	+ 22	81.70	85.78	51.47	25	+ 22
3 Jawaja@	35	7	15	7	+ 28	23.24	24.40	14.64	7	+ 28
4 Masuda	31	—	79	40	— 9	111.04	116.59	69.95	35	— 4
5 Kekri@	32	3	45	22	+ 10	74.07	77.77	46.66	23	+ 9
6 Bhinai@	36	3	40	20	+ 16	59.25	62.21	37.33	18	+ 18
7 Kishangarh	30	2	85	43	— 13	118.34	124.26	74.56	37	— 7
8 Arain@	32	7	43	21	+ 11	76.33	80.15	48.09	24	+ 8
Total	284	22	369	184	+ 122 — 22	563.22	591.37	354.83	175	+ 120 — 11
ALWAR										
1 Kishangarhbhas@	24	1	52	26	— 2	74.88	78.62	47.17	23	+ 1
2 Tijara@	32	2	58	29	+ 3	80.50	84.53	50.72	25	+ 7
3 Kotkasim@	24	1	36	18	+ 6	50.39	52.91	31.75	15	+ 9
4 Govindgarh@	44	3	74	37	+ 7	102.98	108.13	64.88	32	+ 12
5 Kathumar@	43	3	53	27	+ 16	107.44	112.81	67.69	33	+ 10
6 Mandawar@	39	3	54	27	+ 12	74.27	77.98	46.79	23	+ 16
7 Ramgarh@	35	2	45	22	+ 13	65.96	69.26	41.56	20	+ 15

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
8 Umrain@	33	2	64	32	+ 1	89.12	93.58	56.15	28	+ 5
9 Rajgarh@	30	2	22	11	+ 19	35.94	37.74	22.64	11	+ 19
10 Reni@	26	1	31	15	+ 11	40.01	42.01	25.21	12	+ 14
11 Behror	29	2	59	30	-- 1	105.94	111.24	66.74	33	-- 4
12 Neemrana@	32	2	36	18	- 14	47.60	49.98	29.99	15	+ 17
13 Bansur@	32	2	45	23	+ 9	64.27	67.48	40.49	20	+ 12
14 Thanagazi@	31	2	33	16	+ 15	52.68	55.31	33.19	16	+ 15
Total	454	28	662	331	+ 126 3	991.98	1041.58	624.97	306	+ 152 4

BHARATPUR

1 Deeg@	30	9	50	25	+ 5	76.84	80.68	48.41	24	- 6
2 Basseri@	33	4	35	17	+ 16	57.39	60.26	36.16	18	- 15
3 Nagarpahari@	36	7	51	25	+ 11	84.15	88.36	53.02	26	+ 10
4 Rajakhera@	43	3	30	15	+ 28	43.55	45.73	27.44	13	+ 30
5 Kama@	35	1	75	38	-- 3	109.52	115.00	69.00	34	+ 1
6 Weir@	65	9	61	31	+ 34	88.44	92.86	55.72	27	-- 38
7 Bayana@	46	4	51	25	+ 21	73.24	76.90	46.14	23	+ 23
8 Rupbas	62	5	60	30	+ 32	79.54	83.52	50.11	25	+ 37
9 Dholpur@	47	6	68	34	+ 13	117.65	123.53	74.12	37	+ 10
10 Nadbai@	43	1	52	26	+ 17	77.07	80.92	48.55	24	+ 19
11 Bari@	29	6	34	17	+ 12	63.87	67.06	40.24	20	+ 9
12 Kumbher@	55	9	60	30	+ 25	94.14	98.85	59.31	29	+ 26
13 Sewar@	34	5	34	17	+ 17	64.45	67.67	40.60	20	+ 14
Total	558	69	661	330	+ 231 3	1029.85	1081.34	648.82	320	+ 238

BHILWARA

1 Mandargarh@	30	3	39	20	+ 10	73.18	76.84	46.10	23	+ 7
2 Mandal@	27	7	35	18	- 9	64.52	67.75	40.65	20	+ 7
3 Shahpura	23	5	52	26	-- 3	88.41	92.83	55.70	27	-- 4
4 Suwana@	26	6	34	17	+ 9	63.23	66.39	39.83	20	+ 6
5 Asind@	28	10	38	19	+ 9	67.21	70.57	42.34	21	+ 7
6 Hurda@	23	4	25	12	+ 11	53.68	56.36	33.82	16	+ 7

ANNEXURE 73 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
7 Banera@	19	4	21	10	+ 9	37.69	39.57	23.74	11	+ 8
8 Jahajpur@	27	6	43	22	+ 5	73.15	76.81	46.09	23	+ 4
9 Kotri@	24	6	27	13	+ 11	46.66	48.99	29.39	14	+ 10
10 Raipur@	18	1	17	8	+ 10	31.61	33.19	19.91	10	+ 8
11 Sahara@	27	4	25	13	+ 14	45.06	47.31	28.39	14	+ 13
Total	272	56	356	178	+ 97	644.40	676.61	405.96	199	+ 77
					— 3					— 4
BUNDI										
1 Talera	43	9	82	41	+ 2	159.87	167.87	100.72	50	— 7
2 Hindoli@	33	9	41	20	+ 13	84.29	88.50	53.10	26	+ 7
3 Nainwa@	30	8	47	23	+ 7	71.89	75.48	45.29	22	+ 8
4 Keshoraipatan	33	2	75	38	— 5	142.21	149.32	89.59	44	— 11
Total	139	28	245	122	+ 22	458.26	481.17	288.70	142	+ 15
					— 5					— 18
GANGANAGAR										
1 Raisinghnagar	64	25	147	73	— 9	298.99	313.94	188.36	94	— 30
2 Karanpur@	41	11	58	29	+ 12	126.09	132.39	79.43	39	+ 2
3 Sadulshabar	39	8	126	63	— 24	229.81	241.30	144.78	72	— 33
4 Miezewala (Ganganagar)	47	5	90	45	+ 2	204.90	215.15	129.09	64	— 17
5 Hanumangarh	55	19	184	92	— 37	351.36	368.93	221.36	110	— 55
6 Nohar	52	13	394	197	— 145	470.84	494.38	296.63	148	— 96
7 Suratgarh	36	12	246	123	— 87	468.58	492.01	295.21	147	— 111
8 Padampur	37	4	75	37	—	143.76	150.95	90.57	45	— 8
9 Bhadra	44	4	178	89	— 45	201.97	212.07	127.24	63	— 19
Total	415	101	1498	748	+ 14	2496.30	2621.12	1572.67	782	+ 2
					— 347					— 369
JAIPUR										
1 Bassi@	39	10	47	24	+ 15	73.71	76.35	45.81	22	+ 17
2 Sanganer@	39	9	52	26	+ 13	81.26	85.32	51.19	25	+ 14
3 Jhotwara@	27	6	40	20	+ 7	61.11	64.17	38.50	19	+ 8

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
4 Phagi@	41	10	71	35	+ 6	89.08	93.53	56.12	28	+ 13
5 Bandikui@	42	10	35	18	+ 24	50.96	53.51	32.11	16	+ 26
6 Jobner	14	6	53	26	— 12	64.09	67.29	40.37	20	— 6
7 Mozmad (Dudu)@	39	10	72	36	+ 3	82.40	86.52	51.91	26	+ 13
8 Govindgarh@	44	11	22	11	+ 33	28.93	30.38	18.23	9	+ 35
9 Amber@	52	13	52	26	+ 26	113.34	119.01	71.41	35	+ 17
10 Jamwaramgarh@	49	12	67	34	+ 15	104.74	109.98	65.99	33	+ 16
11 Shahpura@	32	8	27	13	+ 19	46.86	49.20	29.52	14	+ 18
12 Bairath	11	6	60	30	— 19	77.87	81.76	49.06	24	— 13
13 Kotputli@	32	8	64	32	—	88.00	92.40	55.44	27	+ 5
14 Sikrai@	37	9	40	20	+ 17	63.47	66.64	39.98	20	+ 17
15 Lalsot@	45	12	57	29	+ 16	87.78	92.17	55.30	27	+ 18
16 Dausa@	41	10	62	31	+ 10	115.89	121.68	73.01	36	+ 5
17 Chaksu@	44	11	51	25	+ 19	71.09	74.64	44.78	22	+ 22
Total	628	161	872	436	+ 223 — 31	1299.58	1364.55	818.73	403	+ 244 — 19

JHALAWAR

1 Jhalarpatan@	39	1	58	29	+ 10	82.95	87.10	52.26	26	+ 13
2 Khanpur@	30	3	65	32	— 2	90.96	95.51	57.31	28	+ 2
3 Dag@	40	1	59	30	+ 10	82.03	86.13	51.68	25	+ 15
4 Pirawa@	38	2	45	22	+ 16	60.76	63.80	38.28	19	+ 19
5 Bakani@	33	6	40	20	+ 13	55.39	58.16	34.90	17	+ 16
6 Manoharthana@	37	7	64	32	+ 5	92.11	96.72	58.03	29	+ 8
Total	217	20	331	165	+ 54 — 2	464.20	487.42	292.46	144	+ 73

KOTA

1 Ladpura@	26	—	42	21	+ 5	78.51	82.44	49.46	24	+ 2
2 Antah@	34	—	48	24	+ 10	68.18	71.58	42.95	21	+ 13
3 Baran@	32	8	50	25	+ 7	91.25	95.80	57.49	28	+ 4

ANNEXURE 73 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
4 Atru	30	1	67	33	— 3	120.54	126.57	75.94	38	— 8
5 Shahbad	39	1	112	56	— 17	156.98	164.83	98.90	49	— 10
6 Chechat (Kherabad)@	24	—	49	24	—	67.75	71.14	42.68	21	+ 3
7 Sangod@	33	1	62	31	+ 2	85.94	90.24	54.14	27	+ 6
8 Sultanpur	30	1	60	30	—	104.25	109.47	65.68	32	— 2
9 Itawa@	36	2	38	19	+ 17	52.49	55.12	33.07	16	+ 20
10 Chhipabarod @	24	1	17	9	+ 15	27.17	28.53	17.12	8	+ 16
11 Chhabra	21	—	66	33	— 12	117.06	122.91	73.75	36	— 15
Total	329	15	611	305	+ 56 — 32	970.12	1018.63	611.18	300	+ 64 — 35
PALI										
1 Bali@	48	18	32	16	+ 32	62.94	66.09	39.65	19	+ 29
2 Sumerpur	30	11	102	51	— 21	140.03	147.03	88.22	44	— 14
3 Kharchi@	49	18	58	29	+ 20	62.46	65.58	39.35	19	+ 30
4 Desuri@	22	8	19	9	+ 13	27.10	28.45	17.07	8	+ 14
5 Ranistation@	32	12	29	14	+ 18	35.04	36.79	22.07	11	+ 21
6 Jaitaran@	36	14	105	53	— 17	112.58	118.21	70.93	35	+ 1
7 Raipur@	33	12	37	18	+ 15	47.54	49.92	29.95	15	+ 18
8 Sojat@	39	16	79	40	— 1	97.79	102.68	61.61	30	+ 9
9 Pali	23	8	91	46	— 23	105.36	110.63	66.38	33	— 10
10 Rohat@	18	6	35	17	+ 1	44.27	46.48	27.89	14	+ 4
Total	330	123	587	293	+ 99 — 62	735.11	771.86	463.12	228	+ 126 — 24
SAWAI MADHOPUR										
1 Mahwa@	35	12	50	25	+ 10	74.97	78.72	47.23	23	+ 12
2 Hindaun@	48	17	52	26	+ 22	81.33	85.40	51.24	25	+ 23
3 Gangapur@	36	12	60	30	+ 6	90.10	94.60	56.75	28	+ 8

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
4 Karauli @	44	16	40	20	+ 24	58.09	61.00	36.60	18	+ 26
5 Sapotra@	44	15	41	21	+ 23	69.34	72.80	43.69	21	+ 23
6 Todabhim@	48	16	48	24	+ 24	76.26	80.08	48.05	24	+ 24
7 Sawai Madhopur	49	17	77	38	+ 11	107.02	112.37	67.42	33	+ 16
8 Khandar@	31	11	36	18	+ 13	48.79	51.23	30.74	15	+ 16
9 Bonli @	38	13	68	34	+ 4	99.24	104.20	62.52	31	+ 7
10 Nadoti@	54	19	96	48	+ 6	143.17	150.33	90.20	45	+ 9
Total	427	148	568	284	+ 143	848.31	890.73	534.44	263	+ 164

TONK

1 Tonk @	46	6	60	30	+ 16	95.10	99.85	59.91	30	+ 16
2 Malpura@	39	5	29	14	+ 25	55.45	58.23	34.94	17	+ 22
3 Niwai@	33	4	73	37	— 4	104.41	109.63	65.78	32	+ 1
4 Deoli	38	5	92	46	— 8	128.51	134.94	80.96	40	— 2
5 Uniara@	31	4	72	36	— 5	100.27	105.29	63.17	31	—
6 Todaraisingh	27	4	71	35	— 8	102.11	107.21	64.33	32	— 5
Total	214	28	397	198	+ 41 — 25	585.85	615.15	369.09	182	+ 39 — 7

BANSWARA

1 Garhi@	40	4	25	13	+ 27	34.63	36.36	21.82	10	+ 30
2 Kushalgarh@	21	7	13	6	+ 15	17.04	17.90	10.74	5	+ 16
3 Sajjagarh@	20	5	23	12	+ 8	29.58	31.06	18.64	9	+ 11
4 Bagidora@	22	12	58	29	— 7	72.58	76.21	45.73	22	—
5 Bhukhiya@	16	4	32	16	—	40.93	42.98	25.79	12	+ 4
6 Ghatol@	33	25	31	15	+ 18	43.31	45.48	27.29	13	+ 20
7 Pipalkhunt@	20	16	3	1	+ 19	4.78	5.02	3.01	1	+ 19
8 Banswara (Talwara)@	37	12	46	23	+ 14	66.56	69.88	41.93	21	+ 16
Total	209	85	231	115	+ 101 — 7	309.41	324.89	194.95	93	+ 116

ANNEXURE 73 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
CHITTORGARH										
1 Begun@	27	5	27	14	+ 13	49.07	51.53	30.92	15	+ 12
2 Chittorgarh@	37	14	43	21	+ 16	81.40	85.47	51.28	25	+ 12
3 Rashmi@	32	9	37	19	+ 13	64.63	67.86	40.72	20	+ 12
4 Kapasin@	22	6	25	12	+ 10	43.23	45.39	27.23	13	+ 9
5 Pratapgarh@	34	14	53	27	+ 7	76.25	80.06	48.04	24	+ 10
6 Neembahera@	24	2	42	21	+ 3	68.97	72.42	43.45	21	+ 3
7 Bhadesar@	24	11	24	12	+ 12	42.12	44.23	26.54	13	+ 11
8 Doongla@	30	10	44	22	+ 8	68.94	72.39	43.43	21	+ 9
9 Chhotisadri@	30	9	46	23	+ 7	72.29	75.90	45.54	22	+ 8
10 Achnera (Arnod)@	21	5	36	18	+ 3	49.27	51.74	31.04	15	+ 6
11 Bhainsorgarh@@	13	3	21	11	+ 2	35.27	37.03	22.22	11	+ 2
12 Bhopalsagar@	17	5	19	9	+ 8	29.95	31.45	18.87	9	+ 8
Total	311	93	418	209	+ 102	681.39	715.47	429.28	209	+ 102
DUNGARPUR										
1 Simalwara@	45	15	30	15	+ 30	33.69	35.38	21.23	10	+ 35
2 Sagwara@	34	10	39	20	+ 14	44.00	46.20	27.72	13	+ 21
3 Dungarpur@	31	11	13	6	+ 25	16.06	16.87	10.12	5	+ 26
4 Bichiwara@	35	4	32	16	+ 19	41.04	43.09	25.85	12	+ 23
5 Aspura@	35	8	27	13	+ 22	29.58	31.06	18.64	9	+ 26
Total	180	48	141	70	+ 110	164.37	172.60	103.56	49	+ 131
SIROHI										
1 Pindwara@	29	15	32	16	+ 13	40.53	42.56	25.54	12	+ 17
2 Sirohi@	30	11	44	22	+ 8	58.33	61.26	36.76	18	+ 12
3 Sheoganj@	24	10	36	18	+ 6	54.87	57.61	34.57	17	+ 7
4 Reodar@	31	12	55	27	+ 4	71.36	74.93	44.96	22	+ 9
5 Abu Road@	21	11	16	8	+ 13	24.29	25.50	15.30	7	+ 14
Total	135	59	183	91	+ 44	249.38	261.86	157.13	76	+ 59

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
UDAIPUR										
1 Kotra@	24	20	21	10	+ 14	25.44	26.71	16.03	8	+ 16
2 Rajsamand@	28	6	21	11	+ 17	36.57	38.40	23.04	11	+ 17
3 Kumbhalgarh@	33	3	13	6	+ 27	18.89	19.84	11.90	6	+ 27
4 Reimgra@	27	4	17	8	+ 19	26.70	28.04	16.82	8	+ 19
5 Amet@	20	—	14	7	+ 13	22.10	23.20	13.92	7	+ 13
6 Girwa@	41	11	28	14	+ 27	41.00	43.05	25.83	12	+ 29
7 Badgaon@	31	7	11	5	+ 26	14.09	14.79	8.87	4	+ 27
8 Khamnore@	28	9	18	9	+ 19	31.42	32.99	19.79	9	+ 19
9 Dhariawad@	31	15	29	14	+ 17	35.82	37.61	22.57	11	+ 20
10 Salumber@	31	10	31	16	+ 15	43.82	46.01	27.61	13	+ 18
11 Sarada@	32	6	24	12	+ 20	34.38	36.10	21.66	10	+ 22
12 Mavli@	42	15	30	15	+ 27	45.27	47.53	28.52	14	+ 28
13 Kherwara@	37	7	27	14	+ 23	29.40	30.87	18.52	9	+ 28
14 Bhinder@	42	19	39	20	+ 22	54.45	57.17	34.30	17	+ 25
15 Gogunda@	24	3	14	7	+ 17	20.08	21.08	12.65	6	+ 18
16 Jhadol@	26	7	24	12	+ 14	28.17	29.58	17.75	8	+ 18
17 Deogarh@	16	1	12	6	+ 10	20.10	21.11	12.67	6	+ 10
18 Bhim@	36	8	14	7	+ 29	21.53	22.61	13.57	6	+ 30
Total	549	151	387	193	+ 356	549.23	576.69	346.02	165	+ 384
BARMER										
1 Suwana	29	9	118	24	+ 5	98.39	103.31	61.98	31	— 2
2 Sheo	26	12	149	30	— 4	111.47	117.04	70.22	35	— 9
3 Balotra@	29	10	75	15	+ 14	66.61	69.94	41.96	21	+ 8
4 Dhromanna	33	—	123	25	+ 8	99.17	104.13	62.48	31	+ 2
5 Baitu	33	7	160	32	+ 1	122.00	128.10	76.86	38	— 5
6 Barmer	35	—	506	101	— 66	382.33	401.45	240.87	120	— 85
7 Sindhari@	32	—	112	22	+ 10	84.35	88.57	53.14	26	+ 6
8 Chohtan	33	—	273	54	— 21	205.05	215.30	129.18	64	— 31
Total	250	38	1516	303	+ 38	1169.37	1227.84	736.69	366	+ 16
					— 91					— 132

ANNEXURE 73 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
BIKANER										
1 Bikaner	40	21	203	41	— 1	157.84	165.73	99.44	49	— 9
2 Loonkaransar	25	13	168	33	— 8	125.71	132.00	79.20	39	— 14
3 Nokha@	23	12	67	13	+ 10	49.90	52.40	31.44	15	+ 8
4 Kolayat	37	19	173	35	+ 2	135.43	142.20	85.32	42	— 5
Total	125	65	611	122	+ 12 — 9	468.88	492.33	295.40	145	+ 8 — 28
CHURU										
1 Sardarshahar	34	29	256	51	— 17	192.56	202.19	121.31	60	— 26
2 Ratangarh	25	16	285	57	— 32	214.08	224.79	134.87	67	— 42
3 Rajgarh@	43	21	154	31	+ 12	115.36	121.13	72.68	36	+ 7
4 Taranagar	21	10	109	22	— 1	81.72	85.81	51.49	25	— 4
5 Ratannagar (Churu)	26	17	128	26	—	96.15	100.96	60.58	30	— 4
6 Sujangarh	34	14	168	33	+ 1	125.94	132.24	79.34	39	— 5
7 Dungargarh	26	4	125	25	+ 1	93.63	98.31	58.99	29	— 3
Total	209	111	1225	245	+ 14 — 50	919.44	965.43	579.26	286	+ 7 — 84
JAISALMER										
1 Shankra (Pokhran)@	49	45	33	6	+ 43	25.40	26.67	16.00	8	+ 41
2 Jaisalmer@	22	20	68	14	+ 8	51.07	53.63	32.18	16	+ 6
3 Sam@	31	30	35	7	+ 24	25.94	27.24	16.34	8	+ 23
Total	102	95	136	27	+ 75	102.41	107.54	64.52	32	+ 70

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
ALORE										
1 Ahore	39	21	244	49	— 10	280.76	294.80	176.88	88	— 49
2 Jalore@	23	12	38	8	+ 15	50.99	53.54	32.12	16	+ 7
3 Sayala@	32	17	37	7	+ 25	55.06	57.81	34.69	17	+ 15
4 Sanchore	51	28	274	55	— 4	284.76	299.00	179.40	89	— 38
5 Bhinmal	28	15	101	20	+ 8	129.79	136.28	81.77	40	— 12
6 Raniwara@	25	13	10	2	+ 23	21.29	22.35	13.41	6	+ 19
7 Jaswantpura@	21	11	17	3	+ 18	37.10	38.95	23.37	11	+ 10
Total	219	117	721	144	+ 89 — 14	859.75	902.73	541.64	267	+ 51 — 99
JHUNJHUNU										
1 Jhunjhunu@	31	19	83	17	+ 14	64.19	67.40	40.44	20	+ 11
2 Alsisar@	25	11	99	20	+ 5	74.37	78.09	46.85	23	+ 2
3 Buhana@	35	25	54	11	+ 24	42.31	44.43	26.66	13	+ 22
4 Khetri@	31	21	38	8	+ 23	28.17	29.58	17.75	8	+ 23
5 Udaipurwati@	39	20	12	2	+ 37	28.71	30.15	18.09	9	+ 30
6 Nawalgarh@	32	14	92	18	+ 14	76.61	80.44	48.26	24	+ 8
7 Chirawa@	24	14	72	14	+ 10	54.09	56.79	34.07	17	+ 7
8 Surajgarh@	31	20	36	7	+ 24	40.83	42.87	25.72	12	+ 19
Total	248	144	485	97	+ 151	409.28	429.75	257.84	126	+ 122
JODHPUR										
1 Bilara@	33	10	83	16	+ 17	67.96	71.36	42.82	21	+ 12
2 Bhopalgarh@	33	5	98	20	+ 13	77.45	81.32	48.79	24	+ 9
3 Osian@	49	5	81	16	+ 33	69.82	73.31	43.99	22	+ 27
4 Jodhpur@	28	4	72	14	+ 14	67.26	70.62	42.37	21	+ 7
5 Luni	33	8	159	32	+ 1	122.89	129.03	77.42	38	— 5
6 Shergarh	20	18	158	33	— 13	137.13	143.99	86.39	43	— 23

ANNEXURE 73 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
7 Balesar	22	12	101	20	+ 2	81.88	85.97	51.58	25	— 3
8 Phalodi	25	18	250	50	— 25	189.06	198.51	119.11	59	— 34
9 Bap	20	4	117	23	— 3	87.62	92.00	55.20	27	— 7
Total	263	84	1119	224	+ 80 — 41	901.07	946.11	567.67	280	+ 55 — 72
NAGAU										
1 Deedwana@	48	32	129	26	+ 22	101.38	106.45	63.87	32	+ 16
2 Ladnu@	27	18	84	17	+ 10	63.71	66.90	40.14	20	+ 7
3 Kuchaman@	42	28	10	2	+ 40	12.80	13.44	8.06	4	+ 38
4 Nagaur	32	21	175	35	— 3	133.73	140.42	84.25	42	— 10
5 Mundawa	32	21	162	32	—	121.84	127.93	76.76	38	— 6
6 Jayal	37	24	163	33	+ 4	123.53	129.71	77.83	38	— 1
7 Makrana@	32	21	109	22	+ 10	87.13	91.49	54.89	27	+ 5
8 Parbatsar@	30	20	69	14	+ 16	56.22	59.03	35.42	17	+ 31
9 Degana@	35	23	118	23	+ 12	93.08	97.73	58.64	29	+ 6
10 Riyan@	34	22	85	17	+ 17	89.29	93.75	56.25	28	+ 6
11 Merta@	28	19	101	20	+ 8	80.89	84.93	50.96	25	+ 3
Total	377	249	1205	241	+ 139 — 3	963.60	1011.78	607.07	300	+ 94 — 17
SIKAR										
1 Fatehpur@	36	7	99	20	+ 16	74.38	78.10	46.86	23	+ 13
2 Lachmangarh@	37	24	44	9	+ 28	34.30	36.02	21.61	10	+ 27
3 Piprali@	31	1	65	13	+ 18	54.85	57.60	34.56	17	+ 14
4 Dohat@	35	5	73	14	+ 21	59.05	62.00	37.20	18	+ 17
5 Dantaramgarh@	42	10	94	19	+ 23	94.98	99.73	59.84	30	+ 12
6 Srimadhapur@	31	12	54	11	+ 20	66.03	69.33	41.60	20	+ 11
7 Khandela@	37	12	55	11	+ 26	61.45	64.52	38.71	19	+ 18
8 Neemkathana@	48	27	80	16	+ 32	79.62	83.60	50.16	25	+ 23
Total	297	98	564	113	+ 184	524.66	550.90	330.54	162	+ 135

ANNEXURE 73 (Contd.)

District-wise Summary

District	Exist- ing number of pacs	Of col. 2 dor- mant	Excess (+) / short-fall (—) of Societies that can be supported on the basis of				
			Cropped Area		Loan Business		
			No. of Blocks	No. of Societies	No. of Blocks	No. of Societies	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Normal Zone							
(a) NTA							
1	Ajmer	284	22	6	+ 122	6	+ 120
				2	— 22	2	— 11
2	Alwar	454	28	12	+ 126	13	+ 152
				2	— 3	1	— 4
3	Bharatpur	558	69	12	+ 231	13	+ 238
				1	— 3		
4	Bhilwara	272	56	10	+ 97	10	+ 77
				1	— 3	1	— 4
5	Bundi	139	28	3	+ 22	2	+ 15
				1	— 5	2	— 18
6	Ganganagar	415	101	2*	+ 14	1	+ 2
				6	— 347	8	— 369
7	Jaipur	628	161	14*	+ 223	15	+ 244
				2	— 31	2	— 19
8	Jhalawar	217	20	5	+ 54	6	+ 73
				1	— 2		
9	Kota	329	15	6@	+ 56	7	+ 64
				3	— 32	4	— 35
10	Pali	330	123	6	+ 99	8	+ 126
				4	— 62	2	— 24
11	Sawai Madhopur	427	148	10	+ 143	10	+ 164
12	Tonk	214	28	2	+ 41	3*	+ 39
				4	— 25	2	— 7
	Sub-total	4267	799	88	+1228	94	+1314
				27	— 535	24	— 491
(b) TA							
13	Banswara	209	85	6*	+ 101	7*	+ 116
				1	— 7		
14	Chittorgarh	311	93	12	+ 102	12	+ 102
15	Dungarpur	180	48	5	+ 110	5	+ 131
16	Sirohi	135	59	5	+ 44	5	+ 59
17	Udaipur	549	151	18	+ 356	18	+ 384
	Sub-total	1384	436	46	+ 713	47	+ 792
				1	— 7		

ANNEXURE 73 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Arid Zone						
18 Barmer	250	38	5	+	38	3 + 16
			3	—	91	5 — 132
19 Bikaner	125	65	2	+	12	1 + 8
			2	—	9	3 — 28
20 Churu	209	11	3*	+	14	1 + 7
			3	—	50	6 — 84
21 Jaisalmer	102	95	3	+	75	3 + 70
Sub-total	686	209	13	+	139	8 + 101
			8	—	150	14 — 244
Semi-arid Zone						
22 Jalore	219	117	5	—	89	4 + 51
			2	—	14	3 — 99
23 Jhunjhunu	248	144	8	+	151	8 — 122
24 Jodhpur	263	84	6	+	80	4 + 55
			3	—	41	5 — 72
25 Nagaur	377	249	9*	—	139	8 + 94
			1	—	3	3 — 17
26 Sikar	297	98	8	—	184	8 + 135
Sub-total	1404	692	36	+	643	32 + 457
			6	—	58	11 — 188
Total	7741	2136	183	+	2723	157 + 2664
			42	—	750	70 — 923

* No excess or short-fall in one block in the district

@ No excess or short-fall in 2 blocks in the district

ANNEXURE 74
List of Blocks having excess Societies

Zone	District	Names of Blocks wherein the No. of excess Societies					
		exceeds the number of dormant Societies in the Block		does not exceed the number of dormant Societies in the Block			
		Block	Excess	Block	Short- fall		
(1)	(2)	(3)	(4)	(5)	(6)		
Normal (a) NTA Ajmer		1	Srinagar*	35			
		2	Pisangan*	22			
		3	Jawaja	21			
		4	Kekri	6			
		5	Bhinai	15			
		6	Arain	1			
	Alwar	7	Tijara	5	1	Kishangarhbas	—
		8	Kotkasim	8			
		9	Govindgarh	9			
		10	Kathumar	7			
		11	Mandawar	13			
		12	Ramgarh	13			
		13	Umrain	3			
		14	Rajgarh	17			
		15	Reni	13			
		16	Neemrana	15			
		17	Bansur	10			
		18	Thanagazi	13			
	Bharatpur	19	Basseri	11	2	Deeg	3
		20	Nagarpahari	3			
		21	Rajakhera	27	3	Kama	—
		22	Weir	29			
		23	Bayana	19			
		24	Rupbas	32			
		25	Dholpur	4			
		26	Nadbai	18			
		27	Bari	3			
		28	Kumbher	17			
	29	Sewar	9				
	Bhilwara	30	Mandalgarh	4	4	Mandal	—
		31	Hurda	3	5	Suwana	—
		32	Banera	4	6	Asind	3
		33	Kotri	4	7	Jahajpur	2
		34	Raipur	7			
		35	Sahara	9			
	Bundi				8	Hindoli	2
					9	Nainwa	—
	Ganganagar				10	Karanpur	9
		Jaipur	36	Bassi	7	11	Kotputli
	37		Sanganer	5	12	Dausa	5
	38		Jhotwara	2			
	39		Phagi	3			
40	Bandikui		16				
41	Dudu		3				
42	Govindgarh		24				

ANNEXURE 74 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)
		43 Amber	4		
		44 Jamwaramgarh	4		
		45 Shabpura	10		
		46 Sikarai	8		
		47 Lalsot	6		
		48 Chaksu	11		
	Jhalawar	49 Jhalarpatan	12	13 Khanpur	1
		50 Dag	14		
		51 Pirawa	17		
		52 Bakani	10		
		53 Manoharthana	1		
	Kota	54 Ladpura *	2	14 Baran	4
		55 Antah *	13		
		56 Chechat *	3		
		57 Sangod	5		
		58 Itawa	18		
		59 Chhipabarod	15		
	Pali	60 Bali	11	15 Jaitaran	13
		61 Kharchi	12	16 Sojat	7
		62 Desuri	6	17 Rohat	2
		63 Ranistation	9		
		64 Raipur	6		
	Sawai	65 Hindaun	6	18 Mahwa	—
	Madhopur	66 Karauli	10	19 Gangapur	4
		67 Sapotra	8	20 Sawai Madhopur	1
		68 Todabhim	8	21 Bonli	6
		69 Kandar	5	22 Nadoti	10
	Tonk	70 Tonk	10	23 Niwai	3
		71 Malpura	17		
(b) TA	Banswara	72 Garhi	26	24 Bhukhiya	—
		73 Kushalgarh	9	25 Ghatol	5
		74 Sajjanganr	6		
		75 Pipalkhunt	3		
		76 Banswara	4		
	Chittorgarh	77 Begun	7	26 Chittorgarh	2
		78 Rashmi	3	27 Pratapgarh	4
		79 Kapasin	3	28 Bhadesar	—
		80 Neembahera	1	29 Doongla	1
		81 Arnod	1	30 Chhotisadri	1
		82 Bhopalsagar	3	31 Bhainsorgarh	1
	Dungarpur	83 Simalwara	20		
		84 Sagwara	11		
		85 Dungarpur	15		
		86 Bichiwara	19		
		87 Aspur	18		
	Sirohi	88 Pindwara	2	32 Sheoganj	3
		89 Sirohi	1	33 Reodar	3
		90 Abu Road	3		

(1)	(2)	(3)	(4)	(5)	(6)
	Udaipur	91 Rajsamand 92 Kumbalgarh 93 Relmagra 94 Amet* 95 Girwa 96 Badgaon 97 Khamnore 98 Dhariawad 99 Salumber 100 Sarada 101 Mavli 102 Kherwara 103 Bhinder 104 Gogunda 105 Jhadol 106 Deogarh 107 Bhim	11 24 15 13 18 20 10 5 8 16 13 21 6 15 11 9 22	34 Kotra	.
Arid	Barmer	108 Dhromanna* 109 Sindhari*	2 6	35 Balotra	2
	Bikaner			36 Nokha	4
	Churu			37 Rajgarh	14
	Jaisalmer			38 Pokharan 39 Jaisalmer 40 Sam	4 14 7
Semi-arid	Jalore	110 Raniwara	6	41 Jalore 42 Sayala 43 Jaswantpura	5 2 1
	Jhunjhunu	111 Khetri 112 Udaipurwati	2 10	44 Jhunjhunu 45 Alsisar 46 Buhana 47 Nawalgarh 48 Chirawa 49 Surajgarh	8 9 3 6 7 1
	Jodhpur	113 Bilara 114 Bhopalgarh 115 Osian 116 Jodhpur	2 4 22 3		
	Nagaur	117 Kuchaman	10	50 Deedwana 51 Ladnu 52 Makrana 53 Parbatsar 54 Degana 55 Riyan 56 Merta	16 11 16 7 17 16 16
	Sikar	118 Fatehpur 119 Lachmangarh 120 Piprali 121 Dohat 122 Dantaramgarh 123 Khandela	6 3 13 12 2 6	57 Srimadhapur 58 Neemkathana	1 4

N.B. In Bagidora block in Banswara district and Uniara block in Tonk district, the number of existing societies is equal to the number of required societies in each block.
(* No dormant society in the block)

ANNEXURE 75

Blocks where additional Societies are required to be organised

Block	Additional Societies which the Block can support on the basis of	
	Cropped Area	Loan Business
(1)	(2)	(3)
AJMER		
1 Masuda	9	4
2 Kishangarh	13	7
ALWAR		
3 Kishangarhbas	2	—
4 Behrot	1	4
BHARATPUR		
5 Kama	3	—
BHILWARA		
6 Shahpura	3	4
BUNDI		
7 Talera	—	7
8 Keshoraipatan	5	11
GANGANAGAR		
9 Raisinghnagar	9	30
10 Sadulshahar	24	33
11 Ganganagar	—	17
12 Hanumangarh	37	55
13 Nohar	145	96
14 Suratgarh	87	111
15 Padampur	—	8
16 Bhadra	45	19
JAIPUR		
17 Jobner	12	6
18 Bairath	19	13
JHALAWAR		
19 Khanpur	2	—
KOTA		
20 Atru	3	8
21 Shahbad	17	10
22 Sultanpur	—	2
23 Chhabra	12	15
PALI		
24 Sumerpur	21	14
25 Jaitaran	17	—
26 Sojat	1	—
27 Pali	23	10

	(1)	(2)	(3)
TONK			
28	Niwai	4	—
29	Deoli	8	2
30	Uniarā	5	—
31	Todaraisingh	8	5
BANSWARA			
32	Bagidora	7	—
BARMER			
33	Suwana*	—	2
34	Sheo*	4	9
35	Baitu*	—	5
36	Barmer*	66	85
37	Chohtan*	21	31
BIKANER			
38	Bikaner	1	9
39	Loonkaransar	8	14
40	Kolayat	—	5
CHURU			
41	Sardarshahar*	17	26
42	Ratangarh*	32	42
43	Taranagar*	1	4
44	Ratannagar (Churu)*	—	4
45	Sujangarh*	—	5
46	Dungargarh*	—	3
JALORE			
47	Ahore*	10	49
48	Sanchores*	4	38
49	Bhinmal*	—	12
JODHPUR			
50	Luni	—	5
51	Shergarh	13	23
52	Balesar	—	3
53	Phatodi	25	34
54	Bap	3	7
NAGOUR			
55	Nagaur*	3	10
56	Mundawa*	—	6
57	Jayal*	—	1

ANNEXURE 75 (Contd.)
ABSTRACT

District	Additional Societies which can be supported on the basis of			
	Cropped Area		Loan Business	
	No. of Blocks	No. of Societies	No. of Blocks	No. of Societies
Normal Zone				
(a) NTA				
Ajmer	2	22	2	11
Alwar	2	3	1	4
Bharatpur	1	3	—	—
Bhilwara	1	3	1	4
Bundi	1	5	2	18
Ganganagar	6	347	8	369
Jaipur	2	31	2	19
Jhalawar	1	2	—	—
Kota	3	32	4	35
Pali	4	62	2	24
Tonk	4	25	2	7
(b) TA				
Banswara	1	7		
Arid-Zone				
Barmer	3	91	5	132
Bikaner	2	9	3	28
Churu	3	50	6	84
Semi-arid Zone				
Jalore	2	14	3	99
Jodhpur	3	41	5	72
Nagaur	1	3	3	17
Total	42	750	49	923

ANNEXURE 76

District-wise Position of existing Societies vis-a-vis Societies which can be retained after re-organization

District	No. of existing Societies	No. of Societies which can be retained after re-organization
Normal Zone		
(a) NTA		
1 Ajmer	284	175
2 Alwar	454	306
3 Bharatpur	558	320
4 Bhilwara	272	199
5 Bundi	130	142
6 Ganganagar	415	782
7 Jaipur	628	403
8 Jhalawar	217	144
9 Kota	329	300
10 Pali	330	228
11 Sawai Madhopur	427	263
12 Tonk	214	182
Sub-total	4267	3444
(b) TA		
13 Banswara	209	81
14 Chittorgarh	311	199
15 Dungarpur	180	39
16 Sirohi	135	76
17 Udaipur	549	160
Sub-total	1384	555
Arid Zone		
18 Barmer	250	234
19 Bikaner	125	145
20 Churu	209	202
21 Jaisalmer	102	32
Sub-total	686	613
Semi-arid Zone		
22 Jalore	219	168
23 Jhunjhunu	248	126
24 Jodhpur	263	280
25 Nagaur	377	283
26 Sikar	297	162
Sub-total	1404	1019
Total	7741	5631

ANNEXURE 77

Number of Villages affected by Drought conditions in Rajasthan in 1968-9 to 1972-3

District	Total No. of Villages	No. of Villages where <i>Annewari</i> declared was six Annas or less					Percentage of Villages affected to total Villages				
		1968-9	1969-70	1970-71	1971-2	1972-3	1968-9	1969-70	1970-71	1971-2	1972-3
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Normal Zone											
(a) NTA											
1 Ajmer	976	899	750	—	283	975	92	77	—	29	100
2 Alwar	1942	—	—	—	—	—	—	—	—	—	—
3 Bharatpur	1015	—	—	—	—	339	—	—	—	—	33
4 Bhilwara	1545	—	—	—	—	—	—	—	—	—	—
5 Bundi	739	387	130	—	—	238	52	18	—	—	30
6 Ganganagar	3105	628	328	34	132	314	20	10	1	4	10
7 Jaipur	2929	2617	520	—	—	1370	89	18	—	—	47
8 Jhalawar	1591	314	167	—	—	229	20	10	—	—	14
9 Kota	2252	109	146	99	—	712	5	7	4	—	32
10 Pali	853	853	818	—	—	851	100	96	—	—	99
11 Sawai Madhopur	1653	—	—	—	—	141	—	—	—	—	9
12 Tonk	1084	—	—	89	—	182	—	—	8	—	17
Sub-total	19684	5807	2859	222	415	5351	30	15	1	2	27
(b) TA											
13 Banswara	1464	1464	499	—	—	1454	100	34	—	—	99
14 Chittorgarh	2364	1608	21	—	398	426	68	1	—	17	18
15 Dungarpur	842	790	733	—	—	806	94	87	—	—	96
16 Sirohi	449	449	449	—	194	402	100	100	—	43	90
17 Udaipur	3178	2207	24	1065	3000	2994	69	1	34	94	94
Sub-total	8293	6518	1726	1065	3592	6082	79	21	13	43	73

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Arid Zone												
18	Barmer	852	852	852	133	310	585	100	100	16	36	69
19	Bikaner	659	653	598	83	415	659	99	90	13	63	100
20	Churu	907	834	346	21	254	734	92	38	2	28	81
21	Jaisalmer	512	512	512	132	312	512	100	100	26	61	100
	Sub-total	2930	2851	2308	369	1291	2490	97	79	13	44	85
Semi-arid Zone												
22	Jalore	611	607	608	—	—	560	99	99	—	—	92
23	Jhunjhunu	696	168	28	—	—	645	24	4	—	—	93
24	Jodhpur	726	726	722	722	49	693	100	99	99	7	95
25	Nagaur	1257	970	711	—	—	1036	77	57	—	—	82
26	Sikar	823	694	18	—	—	741	84	2	—	—	90
	Sub-total	4113	3165	2087	722	49	3675	77	51	18	1	89
	Total	35020	18341	8980	2378	5347	17598	52	26	7	15	50

ANNEXURE 78

Relief for Non-wilful Defaulters — Conversion of Two Overdue Loans as a six-year Rehabilitation Loan

Particulars of loans	Year of calamity	Rehabilitation loan and fresh short-term loan	Due dates and instalments of rehabilitation loan					
			March 1976	March 1977	March 1978	March 1979	March 1980	March 1981
1 Short-term loan of Rs 100 due in March 1972 but in default	1971-2 (one year)	The aggregate of the overdue short-term and medium-term loans converted as a six-year rehabilitation loan repayable in six annual instalments	Rs	Rs	Rs	Rs	Rs	Rs
2 Normal medium-term loan of Rs 150, the first instalment of which was due in March 1972, but in default (Total amount of default Rs 250)			40	40	45	50	55	20
3 Fresh short-term loan (to be issued) in the respective years			Burden of interest on the above at 10 per cent per annum	25	21	17	12½	7½	2
		Annual repayment of short-term loan and interest at 10 per cent per annum	110	110	110	110	110	110
		Total annual burden of all loans with interest	175	171	172	172½	172½	132
		Total annual burden as a percentage to gross produce (per cent)	58.33	57.00	57.33	57.50	57.50	44.00
N.B.: Overdue interest								
On short-term loan upto March 1975					Rs 40.00			
On medium-term loan upto March 1975					Rs 60.00			
					<u>Rs 100.00</u>			

ANNEXURE 79

Relief for Non-wilful Defaulters — Conversion of Three Overdue Loans as a seven-year Rehabilitation Loan

Particulars of loans	Years of calamity	Rehabilitation loan and short-term fresh loan	Due dates and instalments of rehabilitation loan							
			March 1976	March 1977	March 1978	March 1979	March 1980	March 1981	March 1982	
1 Short-term loan of Rs 100 due in March 1972 but converted with due date in March 1973 but defaulted	1971-2 and 1972-3 (Two years)	Overdue interest collected in 1974-5 and 50 per cent of the first Short-term (conversion) loan written off and balance of loans re-scheduled								
2 Short-term loan of Rs 100 due in March 1973 but defaulted		Annual repayments of loans re-scheduled as one loan (Principal only)	Rs	35	35	40	45	50	55	40
3 Normal Medium-term Loan of Rs 150 the first instalment of which was due in March 1973 but in default		Burden of interest on re-scheduled loan at 10 per cent per annum	Rs	30	26½	23	19	14½	9½	4
4 Fresh Short-term loan (to be issued) in the respective years		Annual repayment of fresh Short-term Loans for respective years and interest	Rs	110	110	110	110	110	110	110
		Total annual burden of all loans and interest	Rs	175	171½	173	174	174½	174½	154
		Total annual burden as a percentage of gross produce	%	58.33	57.17	57.67	58.00	58.17	58.17	51.33

ANNEXURE 80

Relief for Non-wilful Defaulters — Payment of overdue interest and a part of the Principal amount if 1974-5 is a good year

		Where default is for		
		two loans	three loans	four loans
Amount overdue under principal	Rs	250	350	450
Overdue interest on overdue loans	Rs	100	115	120
Percentage of overdue interest to gross produce	%	33.33	38.33	40.00
25 per cent of the principal amount in default or balance of the repaying capacity, whichever is less	Rs	62½ (25%)	60 (17.2%)	55 (12.2%)
Percentage of the principal so payable to gross produce	%	20.83	20.00	18.33
Total burden of overdue Interest and a part of the Principal amount	Rs	162½	175	175
Total burden as a percentage to gross produce		54.16	58.33	58.33

N.B.: The percentage in brackets refer to the percentage to the principal amount in default

ANNEXURE 81

Estimate of overdues under Non-wilful Default as on 30 June 1973

District	Rupees Lakhs						
	Percentage of number of Villages affected by natural calamity to total number of Villages			Overdues at primary level as on 30.6.73			Non-wilful default (2a × 3a)
	1970-71	1971-2	1972-3	2-3 years	1-2 years	Less than 1 year	+ (2b × 3b) + (2c × 3c)
(1)	(2a)	(2b)	(2c)	(3a)	(3b)	(3c)	(4)
Normal Zone							
(a) NTA							
1 Ajmer	—	29	100	5.34	6.93	33.81	35.82
2 Alwar	—	—	—	13.34	12.79	11.18	—
3 Bharatpur	—	—	33	22.05	68.14	58.33	19.25
4 Bhilwara	—	—	—	5.25	14.86	3.61	—
5 Bundi	—	—	30	2.28	2.17	10.66	3.20
6 Ganganagar	1	4	10	4.05	15.76	25.76	3.25
7 Jaipur	—	—	47	14.57	16.63	4.34	2.04
8 Jhalawar	—	—	14	7.64	22.28	6.90	0.97
9 Kota	4	—	32	15.65	32.91	61.55	20.32
10 Pali	—	—	99	21.81	1.31	28.56	28.27
11 Sawai Madhopur	—	—	9	5.28	11.59	7.46	0.67
12 Tonk@	8	—	17	5.78	5.78	14.46	2.92
							116.71
(b) TA							
13 Banswara	—	—	99	2.44	4.33	23.91	23.67
14 Chittorgarh	—	17	18	2.32	2.21	10.86	2.33
15 Dungarpur	—	—	96	2.94	—	1.88	1.80
16 Sirohi	—	43	90	2.04	2.36	1.73	2.57
17 Udaipur	34	94	94	11.37	3.86	16.81	23.30
							53.67

ANNEXURE 81 (Contd.)

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(1)	(2a)	(2b)	(2c)	(3a)	(3b)	(3c)	(4)
Arid Zone							
18 Barmer	16	36	69	3.00	13.52	18.37	18.02
19 Bikaner@	13	63	100	4.14	4.14	10.35	13.49
20 Churu	2	28	81	6.15	7.30	2.11	3.88
21 Jaisalmer	26	61	100	0.10	—	—	0.03
							35.42
Semi-arid Zone							
22 Jalore@	—	—	92	2.44	2.44	6.11	5.62
23 Jhunjhunu	—	—	93	1.66	0.84	1.70	1.58
24 Jodhpur	99	7	95	8.08	7.95	4.38	12.72
25 Nagaur	—	—	82	14.82	14.82	37.08	30.41
26 Sikar	—	—	90	4.04	3.40	4.19	3.77
							54.10
							2259.90

@Period-wise classification was not available for these districts and, therefore, 50 per cent of total overdues have been treated as below 1 year, 20 per cent 1-2 years and another 20 per cent 2-3 years

ANNEXURE 82

Departmental action in the filing of disputes/arbitration cases and in the execution of awards obtained (position as at the end of 1972-3)

Rupees Thousands

District	Overdues at primary level as on 30 June 1973	Suit filed cases pending as on 30.6.72		Cases filed during 1972-3	
	Amount	No.	Amount	No.	Amount
(1)	(2)	(3a)	(3b)	(4a)	(4b)
Normal Zone					
(a) NTA					
1 Ajmer	61,87	Data not received			
2 Alwar	47,79	2,232	7,32	776	4,62
3 Bharatpur	168,26	1,634	14,00	269	2,52
4 Bhilwara	37,42	—	—	—	—
5 Bundi	20,77	—	—	2	1
6 Ganganagar	62,58	499	4,20	1,575	14,15
7 Jaipur	68,21	9,088	46,65	1,558	8,00
8 Jhalawar	44,48	—	—	—	—
9 Kota	124,72	—	—	—	—
10 Pali	51,81	5	8	1	—
11 Sawai Madhopur	34,93	75	2,96	30	92
12 Tonk	30,22	Data not received			
Sub-total	753,06	14,533	75,21	4,211	30,22
(b) TA					
13 Banswara	20,01	—	—	—	—
14 Chittorgarh	53,64	—	—	—	—
15 Dungarpur	15,63	Data not received			
16 Sirohi	11,48	154	1,21	401	4,52
17 Udaipur	52,25	—	—	—	—
Sub-total	153,01	154	1,21	401	4,52
Arid Zone					
18 Barmer	39,97	—	—	—	—
19 Bikaner	20,71	Data not received			
20 Churu	25,29	—	—	—	—
21 Jaisalmer	4,07	1	3	—	—
Sub-total	90,04	1	3	—	—
Semi-arid Zone					
22 Jalore	14,32	7	8	7	3
23 Jhunjhunu	11,02	Data not received			
24 Jodhpur	33,85	10	39	18	15
25 Nagaur	74,04	Data not received			
26 Sikar	15,02	16	2	—	—
Sub-total	148,25	33	49	25	18
Total	1144,36	13,721	76,94	4,637	34,92

Rupees Thousands

	Awards obtained during 1972-3		Suit filed cases pending as on 30.6.73 (3+4-5)		Awards pending execution as on 30.6.72		Awards executed during 1972-3	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
	(5a)	(5b)	(6a)	(6b)	(7a)	(7b)	(8a)	(8b)
1					Data not received			
2	596	3,15	2,412	8,79	2,676	8,31	82	34
3	175	1,53	1,728	14,99	1,255	9,74	206	1,83
4	—	—	—	—	—	—	—	—
5	4	—	2	1	—	—	—	—
6	826	7,05	1,248	11,30	518	4,82	607	4,81
7	493	2,72	10,153	51,93	3,921	20,44	2,201	11,31
8	—	—	—	—	—	—	—	—
9	—	—	—	—	—	—	—	—
10	—	7	2	1	—	—	—	—
11	6	32	99	3,56	3	4	—	—
12					Data not received			
	2,100	14,84	15,644	90,59	8,373	45,35	3,096	18,9
13	—	—	—	—	—	—	—	—
14	—	—	—	—	—	—	—	—
15					Data not received			
16	333	3,33	222	2,40	138	1,27	134	72
17	—	—	—	—	—	—	—	—
	333	3,33	222	2,40	138	127	134	72
18	—	—	—	—	—	—	—	—
19					Data not received			
20	—	—	—	—	—	—	—	—
21	—	—	1	3	—	—	—	—
	—	—	1	3	—	—	—	—
22	19	9	5	2	8	6	—	—
23					Data not received			
24	15	9	13	45	10	39	4	16
25					Data not received			
26	—	—	16	2	4	2	—	—
	34	18	34	49	22	47	4	16
	2,467	18,35	15,901	93,51	8,533	45,09	3,234	19,17

Rupees Thousands

	Awards pending execution as on 30.6.73 (col. 5+7-8)		Awards pending for more than six months as on 30.6.73		Of col. 9 awards stayed	
	No.	Amount	No.	Amount	No.	Amount
	(9a)	(9b)	(10a)	(10b)	(11a)	(11b)
1			Data not received			
2	3,190	11,12	2,824	9,77	—	—
3	1,224	9,44	1,017	5,85	8	20
4	—	—	—	—	—	—
5	—	—	—	—	—	—
6	737	7,06	503	4,13	1	20
7	2,213	11,85	1,674	8,41	—	—
8	—	—	—	—	—	—
9	—	—	—	—	—	—
10	4	7	—	—	—	—
11	9	36	5	16	—	—
12			Data not received			
	7,377	39,90	6,023	28,32	9	40
13	—	—	—	—	—	—
14	—	—	—	—	—	—
15			Data not received			
16	337	3,88	241	2,67	—	—
17	—	—	—	—	—	—
	337	3,88	241	2,67	—	—
18	—	—	—	—	—	—
19			Data not received			
20	—	—	—	—	—	—
21	—	—	—	—	—	—
22	17	15	8	6	—	—
23			Data not received			
24	21	32	8	9	—	—
25			Data not received			
26	4	2	4	2	—	—
	42	49	20	17	—	—
	7,756	44,27	6,284	31,16	9	40

ANNEXURE 83

Statement of overdues and coercive action for their recovery for the year 1973-4

Name of the central Bank	Total overdues as on 30.6.74	Action under Section 117				Action under Section 118			
		Pending at the beginning of the year	Filed during the year	Disposed of during the year	Pending at the end of the year	Pending at the beginning of the year	Filed during the year	Disposed of during the year	Pending at the end of the year
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1 Ajmer	87.16		1396	778	618	2528	701	367	2862
2 Bhilwara	52.0	—	12.09	6.31	5.78	20.16	5.69	3.73	22.12
3 Jaipur	84.83	979		407	572	759		32	727
		4.04		1.75	2.29	3.02		0.14	2.88
4 Pali	55.10	3589	803	477	3915	630	146	30	746
		24.76	7.70	5.10	27.36	5.32	1.81	0.58	6.55
5 Banswara	29.19	—	—	—	—	97	—	—	97
		294		23	271	1.19			1.19
6 Dungarpur	17.53	0.74	—	0.03	0.71	271	—	12	259
		0.74		0.03	0.71	0.495		0.02	0.47
7 Sirohi	23.66	53	—	35	18	337		210	127
		0.75		0.51	0.24	3.88		1.83	2.05

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
8 Udaipur	61.88	—	—	—	—	—	—	—	—
9 Churu	34.63	1	—	—	1	609	50	114	545
		..	—	—	..	1.70	0.02	0.37	1.35
10 Jhunjhunu	24.81	7	—	—	7	103	—	1	102
		0.96	—	—	0.96	1.56	—	0.01	1.55
11 Sikar	40.62	199	1417	780	836	211	89	56	244
		1.04	7.96	3.72	5.78	1.05	0.75	0.47	1.34

N.B. : Figures under the lines in cols. 3 to 10 indicate amount involved in Rs lakhs

ANNEXURE 84

*Extract of the Summary of Conclusions and Recommendations from the Report of the Overdues Study Team***Measures for Recovery of Overdues**

59 It was observed that the directors of co-operative credit institutions were generally not as much alive to their role of management or to the need for their direct and active participation in the matter of recovery of loans as they should have been. It is recommended, therefore, that the role of directors of co-operative credit institutions especially those of central banks and primary agricultural credit societies should, among other things, be dynamic so as to promote an atmosphere for voluntary repayment by the borrowers and even to exert pressure for repayment when it is not voluntarily forthcoming. The primary responsibility for the recovery of loans is that of the non-official managements of the co-operatives, who should be aided in this task by the executive and supervisory staff of the institutions concerned. Recourse to coercive action for recovery should be really only as a last resort and that too in extreme cases of recalcitrance. The co-operative principles of mutual knowledge and supervision when effectively practised especially by those in charge of management of the institutions should to a large extent solve the problem of recovery.

60 The managing committee of a primary credit society or the board of directors of a central bank should have the right to stay in office only if they collectively wield influence over and enjoy the confidence of the majority of members. A suitable provision should, therefore, be incorporated in the Co-operative Societies Acts of all the states and union territories in terms of which the entire board of directors or managing committee should stand automatically disqualified if the amount of default and/or the number of defaulters exceeded 60 per cent of the total demand and/or the total number of indebted societies in the case of central banks and 70 per cent of the total demand and/or total number of indebted members in the case of primary credit societies, for a continuous period of 2 years.

61 A consequential provision should also be made for appointing a special officer by the Registrar of Co-operative Societies, who should be charged with the responsibility for managing the affairs of such central bank/society as long as is necessary, but not exceeding two years. The officer appointed in the central co-operative bank should be vested with summary powers for directly proceeding against individual defaulters at the primary level for the recovery of overdues.

62 If the position of overdues of the institution whose management is entrusted to the special officer does not improve even after his tenure of two years the management of the institution should not be restored to the elected representatives but alternative institutional arrangements for the disbursement of agricultural credit in the area should be thought of. For initiating necessary action in this behalf the tenure of office of the special officer may be extended by one year. In the case of a primary credit society, such an arrangement may be the liquidation of the society and extension of the area of an adjoining viable society so as to enable the latter to meet the credit needs of non-defaulters and new members from the area or the central bank may by-pass the society and undertake to finance the cultivators directly through its branch, if necessary, newly opened for the purpose. In the case of a central bank, it may be amalgamated with the state co-operative bank and the latter may take up financing of primary credit societies in the district through branches or alternatively good societies in the area may be ceded for financing to commercial banks operating in the district.

63 We endorse the view expressed by the various committees on co-operative credit that financial supervision should be the responsibility of the central co-operative banks and hence control over the supervisory staff should vest in the banks. Our recommendations about automatic disqualification of the boards of directors of central banks are applicable only if the control over supervision of the societies vests in the banks and provided further the chief executives of

these institutions are also under their control. Likewise in the case of the managing committees of primary credit societies, the disqualification will apply only if the society is having a full-time paid secretary.

64 In about one-third the number of central banks in the country (130 out of 341), the charge per supervisor was more than 15 societies. The staff of the central banks should be suitably strengthened. As an interim measure, the staff of the Co-operative Department should be either additionally placed at the disposal of central banks accountable to their boards of directors or the state governments may in the initial years subsidise appropriately the cost of additional supervisors employed by the banks.

65 The boards of directors of central banks should periodically review the work done, progress made in the recovery of loans by the banks' field staff and not hesitate to take action against those found to be evasive, slack and irresponsible. The chief executive officer should be authorized to deal with such cases. So also in the case of primary credit societies, the secretary should be answerable to the managing committee and in some way also to the central bank. The duties and responsibilities of the secretary should be clearly defined. It should be his specific duty to assist the supervisors of the central bank/Department visiting the society for recovery of loans and also in preparing and submitting arbitration/execution cases for the orders of the managing committee.

66 The primary agricultural credit societies should be re-organized on a viable basis and each society should have the services of a full-time paid secretary. The Registrar of Co-operative Societies should also lay down certain minimum standards for the qualifications and training of the paid secretaries and ensure that these are complied with. The appointment of a trained and full-time paid secretary by a primary credit society should be made a condition for any financial assistance by the state government to the society.

67 Section 101 of the Maharashtra Co-operative Societies Act 1960 empowers the Registrar of Co-operative Societies to issue certificate for the recovery, even on his own motion, of loans issued to a member for raising crops as arrears of land revenue. This provision may be included in the Co-operative Societies Acts of other states, if it does not already exist at present. Besides, we also recommend that the applications of the co-operative credit institutions for the recovery of arrears of instalments under medium-term loans for agricultural purposes should be, as in the case of crop loans, treated by the Registrar as simple money claims and disposed of by grant of certificates of recovery and for this purpose suitable enabling provisions may be incorporated in all the State Co-operative Societies Acts.

68 We reiterate the recommendation of the All-India Rural Credit Review Committee that a provision enabling the central co-operative bank to initiate action on its own against the defaulter members of a primary agricultural credit society when the latter is reluctant to do so, may be incorporated in the Co-operative Societies Acts of those states where such a provision does not exist at present.

69 A sum of Rs 277 crores i.e., about three-fourths of the overdues as at the end of 1971-2 at the level of primary agricultural credit societies may be deemed to have arisen out of wilful defaults. Coercive action against the defaulters was found to be belated and inadequate. In 9 states/union territories, hardly 10 per cent of the overdues over one year were covered by arbitration. In 4 states, hardly 25 per cent of the overdues over three years were covered by execution proceedings.

70 In view of the magnitude of the work involved in taking coercive action against a much larger number of defaulters, the state governments may have to appoint additional staff. We would strongly urge on the state governments to review the whole position district-wise and take immediate steps to appoint and post the required number of persons in the concerned department so as to ensure speedy disposal of arbitration cases as also the execution of awards. The primary credit societies should not also delay the institution of arbitration proceedings

against the defaulters and their sureties but resort to such action within 3 months of the default. Where the societies fail to do so, the central bank should step in and take action.

71 The managing committees of the primary credit societies or the boards of directors of the central banks should not, however, feel absolved of their responsibility because of initiating coercive action. Even after such action, the managements should with the assistance of the Co-operation Department and the state government continue their efforts with zeal to ensure the recovery of the overdue loans of the institutions. They must recognize the fact that recovery through coercive process is time consuming and the results may not be significant if the number of defaulters is very large in relation to the recovery officers in position. Persuasion should, therefore, continue even after the matter has been handed over to the recovery officers. Further, the managements of the state and central co-operative banks as also the Registrar of Co-operative Societies should review the position of recovery of especially the overdue loans at periodical intervals and initiate suitable follow-up action, wherever warranted.

72 In order to introduce a degree of automaticity in the recovery operations, we recommend an arrangement whereby every cultivator should under Law be required to obtain the permission for the transfer/sale of agricultural produce in a prescribed form from the primary agricultural credit society and no cultivator, whether member or non-member, should be permitted to offer his produce for auction/sale in a *mandi*/regulated market unless he produces the certificate from the society. The certificate should indicate the amount recoverable from the cultivator by the society. A non-borrower member or non-member's certificate will show 'nil' dues to be recovered. It should be made obligatory on the part of the *mandi*/regulated market to recover the dues to the society or 50 per cent of the sale proceeds, whichever is less, and remit it to the society/central bank concerned.

73 In states where agricultural commodities are subject to monopoly procurement, the recovery of co-operative dues will be greatly facilitated if a statutory provision is incorporated on the lines of section 48A of the Maharashtra Co-operative Societies Act 1960 for the recovery of co-operative dues from the sale price of agricultural commodities subject to monopoly procurement by the state government and also agricultural commodities purchased by the Food Corporation of India or other commodity corporations or the co-operative marketing societies. At least 50 per cent of the sale proceeds or the amount of the dues to the primary credit society, whichever is less, should be made recoverable under the provision.

74 The central and state governments may ensure that agricultural machinery and implements purchased out of the loans obtained from the co-operative credit institutions are exempted from the definition of "implements of husbandry" (which under section 60(1) of the Civil Procedure Code are exempt from attachment), as such a step will give the necessary degree of security to the lending institutions.

75 Because of laxity it may happen that the co-operative credit societies find no movable properties such as agricultural produce or agricultural machinery available for attachment and have necessarily to resort to the realization of dues by sale of land. The difficulties faced by the societies in this regard are many and varying. One of the major difficulties is the lack of bidders whenever the lands are put to auction particularly if the owners are influential cultivators in the village. The society/central co-operative bank can certainly step in to buy the lands in question. Experience, however, is that they find it difficult to take possession of and sell the lands or to give them on lease. In the meanwhile, the funds of the institutions remain locked up. In such a situation, there are two alternatives. The state government may themselves purchase the lands in auction because with the authority at their command they would not only be in a position to take possession of the lands but also be able to dispose them of by sale or lease on a long-term basis. Alternatively, we would recommend the setting up of a State Farming Corporation in each state fully owned by the state government. All that the Corporation may do is to bid in the auction for an amount which

would settle the dues of the society/central co-operative bank together with interest. The Corporation would have the same authority as the government to dispose of the land by sale or long-term lease. In both the alternatives, the interest of the co-operative credit institutions is safeguarded as they will be receiving their dues back from the government or the Corporation as the case may be.

76 We endorse the recommendation of the All-India Rural Credit Review Committee that defaulters of co-operatives should not be financed by the government in any circumstances. Even the financing in the form of fertilizers of such defaulters should be avoided. The credit societies themselves should ensure that a defaulter is denied fresh loans. He should not be accommodated either through *benami* transactions or book adjustments or through another member of his own family. We further recommend that the surety of a defaulter should also be treated as a defaulter and denied fresh credit. Besides, the defaulter of a primary credit society and his surety should be denied fresh credit by not only the concerned society but also all other institutional credit agencies like commercial banks, and the state governments.

77 It is recommended in the 'Manual on Production-Oriented System of Lending for Agriculture' that the primary credit society might be allowed to operate on the fresh limit sanctioned by the central bank provided it had repaid to the central bank at least the minimum proportion of the demand. This discipline should be enforced. The specific qualifying proportion between 50 and 75 per cent may be determined by the central bank in consultation with the Registrar and the state co-operative bank.

78 As a corollary to the above recommendation, the Reserve Bank of India may consider laying down a stipulation in terms of which the central banks should be required to repay their entire short-term borrowings for seasonal agricultural operations from the state co-operative banks or a specified proportion thereof before allowing them draws on the credit limits.

79 The state governments should initiate action to amend the Co-operative Societies Acts or the Rules framed thereunder to disqualify a member from voting in a general meeting or an election of any primary credit society if he is in default to that society for more than one year. We are also of the view that the sureties of a defaulter also should be debarred from voting in general meetings or elections of any society.

80 The State Co-operative Societies Acts or the Rules framed thereunder disqualify a defaulter from being elected or appointed or continued as a member of the managing committee of a society. The surety of a defaulter should also suffer similar disqualification. The Co-operative Societies Acts of other states may be amended on the lines of section 29C of the Mysore Co-operative Societies Act 1959.

81 There has been a growing tendency on the part of primary credit societies in certain states to do away with the system of obtaining sureties. We have recommended denial of certain rights and privileges like eligibility for fresh credit, election as office-bearer and voting in an election or general meeting, to the surety of a defaulter as well. These recommendations can have the desired effect if the practice of obtaining sureties is restored and the principal borrower put under the constant pressure of his surety for prompt repayment. We recommend, therefore, that in respect of all short-term agricultural loans for amounts of Rs 500 and over, the primary credit society should insist on at least one surety even if the loan is secured by a statutory charge on land.

82 The denial of voting right to a defaulter could be circumvented and rendered ineffective by admitting another adult member of the family of the defaulter to the membership of the society. Action may also be taken, therefore, to amend the Co-operative Societies Acts so as to restrict the membership of a primary agricultural credit society to only one adult member of cultivating household.

83 The Registrars of Co-operative Societies of all states and union territories should by a general order or otherwise provide for amendment of the by-laws

of the primary agricultural credit societies for imposition of penal interest on defaulted loans or a part thereof at least at 5 per cent per annum above the normal rate and the interest at such penal rate should be payable for the entire period of the loan. Similar provisions should also be made by the central banks in their by-laws or loan rules so as to ensure that the defaulting societies are required to pay interest at a penal rate of not less than 3 per cent above the normal rate.

84 A special investigation cell with adequate trained staff should be created under the control of the Registrar of Co-operative Societies by all the state governments to undertake full scale investigations in areas from where existence of *berami* transactions, 'ghost' acreages, 'ghost' crops, etc., are reported. The special investigation cell so created should also expeditiously investigate the cases of defalcations, embezzlements, etc., so as to ensure that deterrent administrative or legal action is taken against erring persons promptly and the interests of the concerned co-operative credit institution are safeguarded.

85 The extension services should not confine their activities to ensuring the provision of credit for agriculture. The agencies should fully involve themselves in the task of recoveries also so that agricultural development becomes really a businesslike and successful venture.

86 We would urge on the state governments that they should come down heavily on the wilful defaulters through coercive steps implemented with the full backing and assistance of the Revenue authorities. No mercy should be shown to them. The state governments should also refrain from any statements or passing any instructions to their officers which might give the impression to the borrowers of the co-operatives that repayment of the loans could be held back. We need hardly point out that if the state governments fail in their responsibility to create the appropriate climate for recovery, the remedial measures proposed by us for adoption in the sphere of legislative amendments, administrative and management changes and structural reforms will have little significance and impact on recovery.

ANNEXURE 85

*Extract of Section 101 of the Maharashtra Co-operative Societies Act, 1960***Recovery of arrears due to certain societies as arrears of land revenue**

101. (1) Notwithstanding anything contained in sections 91, 93 and 98, on an application made by a resource society undertaking the financing of crop and seasonal finance as defined under the Bombay Agricultural Debtors Relief Act, 1947, for the recovery of arrears of any sum advanced by it to any of its members on account of the financing of crop or seasonal finance or by a crop-protection society for the recovery of the arrears of the initial cost or of any contribution for obtaining services required for crop protection which may be due from its members or other owners of lands included in the proposal (who may have refused to become members) or by a lift irrigation society for the recovery of arrears of any subscription due from its members for obtaining services required for providing water supply to them, and on the society concerned furnishing a statement of accounts in respect of the arrears, the Registrar may, after making such inquiries as he deems fit, grant a certificate for the recovery of the amount stated therein to be due as arrears.

(2) Where the Registrar is satisfied that the concerned society has failed to take action under the foregoing sub-section in respect of any amount due as arrears, the Registrar may, of his own motion, after making such inquiries as he deems fit, grant a certificate for the recovery of the amount stated therein to be due as arrears, and such a certificate shall be deemed to have been issued as if on an application made by the society concerned.

(3) A certificate granted by the Registrar under sub-section (1) or (2) shall be final and a conclusive proof of the arrears stated to be due therein, and the same shall be recoverable according to the law for the time being in force for the recovery of land revenue.

(4) It shall be lawful for the Collector and the Registrar to take precautionary measures authorised by sections 140 to 144 of the Bombay Land Revenues Code, 1879, or any law or provision corresponding thereto for the time being in force, until the arrears due to the concerned society, together with interest and any incidental charges incurred in the recovery of such arrears, are paid, or security for payment of such arrears is furnished to the satisfaction of the Registrar.

ANNEXURE 86

Managers joined in Primary Agricultural Credit Societies and in Position as on 31 July 1974 under Half a Million Jobs Programme during 1973-4

District	No. of managers joined in pacs	No. of managers in the pacs in position as on 31-7-1974
Normal Zone		
(a) NTA		
1 Ajmer	43	41
2 Alwar	50	Information not received
3 Bharatpur	50	50
4 Bhilwara	57	57
5 Bundi	50	5
6 Ganganagar	85	69
7 Jaipur	216	Information not received
8 Jhalawar	34	29
9 Kota	37	37
10 Pali	23	23
11 Sawai Madhopur	29	Information not received
12 Tonk	54	54
Sub-total	718	365
(b) TA		
13 Banswara	37	37
14 Chittorgarh	110	Information not received
15 Dungarpur	34	Information not received
16 Sirohi	16	Nil
17 Udaipur	81	62
Sub-total	278	99
Arid Zone		
18 Barmer	5	Information not received
19 Bikaner	40	Information not received
20 Churu	36	5
Sub-total	81	5
Semi-arid Zone		
21 Jalore	18	Information not received
22 Jhunjhunu	34	34
23 Jodhpur	46	Nil
24 Nagaur	20	Nil
25 Sikar	125	Information not received
Sub-total	243	34
Total	1320	503

ANNEXURE 87***Extracts from the Recommendations of the Evaluation Committee for Secretaries Caderisation Scheme*****Recommendation****Chapter 10 — Control and Supervision**

51 All primary secretaries, save secretaries attached to Class I societies, who will form part of a State level cadre, should form part of a regional cadre of secretaries. (Para 10.1)

52 All primary secretaries, irrespective of their classification shall be deemed, in principle, to be the employees of the State Level Controlling Authority. (Para 10.1)

53 The supervision and control over all the regional cadres and the state cadre of primary secretaries throughout the State should be the charge and responsibility of a State Level Authority. (Para 10.3)

54 We recommend that the responsibility of collection and management of the State Caderisation Fund should be the function of the State Level Authority. The State Government may take necessary statutory powers by making suitable amendments in the Maharashtra Co-operative Societies Act for setting up of such a "State Caderisation Fund." (Para 10.3)

55 Recruitment should be on a regional basis and the recruitment and consequently award of punishments right up to dismissals, should be the function of the Regional Authority working under the State Authority. (Para 10.4)

56 The State Level Authority will act as a final appellant and revisionary authority in the matter of grievances or complaints arising out of either recruitment or dismissals, or award of any punishment higher than censure, or in the matter of finalisation of emoluments, inter-se seniority and promotions of secretaries. (Para 10.4)

57 The Regional Authority shall prepare and maintain a district-wise seniority list of secretaries in Class III, a regionwise seniority list of secretaries in Class II and the State Level Authority will prepare and maintain a statewide seniority list of secretaries in Class I. Such seniority lists shall be published. (Para 10.6)

58 There should be a District Level Authority working under the Regional Authority. (Para 10.7)

59 In the matter of evaluation of the work of a primary secretary, the primary document should be an annual confidential report or a special report which the board of management of the primary society shall tender to the District Authority. (Para 10.7)

60 The District Authority will also have a sou motu right to investigate or inspect the work of a primary secretary. (Para 10.7)

61 Any adverse observations made by the District Authority, consequent to the evaluation of work of a primary secretary, will be a matter appealable to the Regional Authority and revisable before the State Authority. (Para 10.7)

62 In the matter of annual confidential report submitted by the primary society to the District Authority, the District Authority shall, within a reasonable period not exceeding one month from the date of receipt of such report, serve copies thereof on the concerned primary secretary. (Para 10.8)

63 Release of the annual increment to a primary secretary shall be dependent on a specific recommendation in that behalf in the annual confidential report. (Para 10.8)

64 Any adverse observation in the annual confidential report, including the recommendation of the non-release of the annual increment, being the matter

appealable to the State Level Authority, the State Level Authority shall expeditiously frame, rules for the submission of such an appeal, for hearing and for decision thereon. The State Level Authority shall similarly frame norms, guidelines and formats for purposes such as the annual confidential report, special reports and for such other service-documents as may be deemed necessary. (Para 10.8)

65 In the matter of promotion of secretaries from third grade to second grade, and from second grade to first grade, the Regional Authority shall prepare annually or periodically select-lists which shall be published and such promotions shall be awarded strictly on the basis of the select-lists so prepared. (Para 10.9)

66 The power to grant annual increments and to permit the crossing of an efficiency bar, shall rest with the District Authority. (Para 10.9)

67 Authority to transfer a primary secretary belonging to Class III shall rest with the District Authority and, mutatis mutandis, similar authority in relation to secretaries in Class II shall be the Regional Authority and for Class I secretaries, it shall be the State Authority. (Para 10.10)

68 The Regional and the District Authorities in the matter of transfers shall be guided and abide by the guidelines and norms in regard to transfers as may be fixed, from time to time, by the State Level Authority. (Para 10.10)

69 Any continuance of a primary secretary beyond the normal prescribed period with any particular society or any transfer prior to the period so prescribed in the normal rules shall be a matter to be effected only with the prior approval of the State Level Authority. (Para 10.10)

70 The State Level Authority, with the prior approval of the State Government, shall fix, from time to time, the contribution payable by a Society or a class of societies to the State Caderisation Fund. Once such contributions are notified, they shall be the first charge on the revenue account of the society. Normally such fixation of contribution should be for a period of 5 years. (Para 10.11)

State Level Authority

71 The State Level Authority shall comprise of the following:

- (a) The Chairman of the M.S.C. Bank as ex-officio Chairman,
- (b) The Registrar of Co-operative Societies as the Vice-Chairman,
- (c) Four more nominees of the M.S.C. Bank, being persons other than a Chairman of a District Central Co-operative Bank, as far as possible representing the four geographical regions of Maharashtra, viz., Vidarbha, Marathwada, Western Maharashtra and Konkan, to be selected in consultation with the Registrar, Co-operative Societies,
- (d) one nominee of the Secretary to Government in Finance Department and one nominee of the Secretary to Government in Co-operation Department,
- (e) two other persons nominated by the State Government — one representing the interest of agriculturists and the other representing interests of Co-operative Movement generally,
- (f) four representatives of primary secretaries, nominated by the State Government in consultation with the Registrar of Co-operative societies, being actual working primary secretaries, selected to represent the four distinct geographical regions, referred to in (c) above,
- (g) four representatives of primary societies, being working office-bearers, to be nominated by the State Government from the panel submitted

by the Registrar, Co-operative Societies broadly representing four geographical regions, referred to in (c) above,

- (h) one nominee of the Reserve Bank of India in the Agricultural Credit Department,
- (i) the Managing Director of the Maharashtra State Co-operative Bank as Ex-officio Member Secretary, and Chief Executive Officer,
- (j) the Joint Registrar (Caderisation) in the office of the Registrar, Co-operative Societies as Administrator and Controller of the State Caderisation Fund, and a member of the State Level Authority (Para 10.12)

72 The State Caderisation Fund shall be maintained in a separate account with the Maharashtra State Co-operative Bank and any operation thereupon shall be under a joint signature of the Controller and the Chief Executive Officer of the Authority. (Para 10.12)

73 There shall be 4 Regional Level Authorities with a jurisdiction commensurate with the four Revenue divisions of the State. The Regional Level Authority shall comprise of 5 members, of which the Divisional Joint Registrar shall be a member and the representative or nominee of the Maharashtra State Co-operative Bank shall be the Member-Chairman, — such a representative of the MSC Bank shall, as far as possible, be from amongst the Chairmen of the District Central Co-operative Banks from that region. The State Level Authority shall nominate other three members with the prior approval of the State Government. One would represent the primary secretaries in the region, one should represent the primary societies and the third should represent the District Central Co-operative Banks. There shall be a non-member stipendary secretary and Chief Executive Officer of the Regional Level Authority to be appointed by the State Level Authority. (Para 10.13)

74 The District Level Authority shall comprise of a full-time Deputy Registrar, Co-operative Societies as Chairman, to be seconded for this purpose by the Registrar, Co-operative Societies, the Manager of the District Central Co-operative Bank, as vice-chairman, a working office-bearer of the primary societies and a working primary secretary in the District and a prominent non-official worker in the Co-operative Sector. The last three members shall be nominated by the State Level Authority in consultation with the Registrar of Co-operative Societies. The State Level Authority shall appoint a non-member stipendary Chief Executive Officer of a suitable rank. (Para 10.14)

75 The District Level Authority shall be responsible for preparation, and maintenance of primary documents like service books, confidential records, provident fund and other accounts, etc. The State Level Authority shall fix guidelines and norms as well as prescribe returns, from time to time, which the District Level Authority shall use in the matter of general day-to-day supervision. (Para 10.15)

76 The entire expenditure incurred by the State Level Authority, the Regional Level Authority and the District Level Authority shall be a charge on the State Caderisation Fund. (Para 10.15)

77 The State Level Authority shall prescribe, from time to time, guidelines and norms in regard to qualifications and also frame rules in regard to recruitment as well as award of punishment and disciplinary action against the primary secretaries. (Para 10.16)

78 The Regional Level Authority shall prepare an estimate of future and existing vacancies on the regional cadre in various classes of societies, and on prior approval by the State Level Authority, recruit a panel of suitable candidates against such estimated vacancies and the District Level Authority shall

appoint persons from such panel, against the vacancies as they may arise from time to time. (Para 10.16)

79 The State Level Authority shall expeditiously frame detailed rules regarding service-conditions, promotions, punishments, crossing of the efficiency bar, as well as frame norms and guidelines and rules for recruitment by the Regional Level Authority and in respect of the duties and responsibilities of the primary secretaries. Such rules shall be published in the official gazette and shall be approved by the Registrar of Co-operative Societies. (Para 10.16)

80 The State Level Authority shall also frame detailed rules in regard to arbitration, resolution of disputes, hearing of grievances and complaints. All the decisions of the State Level Authority shall be final and shall not be called in question. (Para 10.17)

81 In the matter of such supervision exercised by the State Level Authority through the District Level Authority, statutory functions of supervision of the District Deputy Registrar, Co-operative Societies shall not be attracted, and those functions shall rest with the District Deputy Registrar, Co-operative Societies. (Para 10.18)

ANNEXURE 88

Particulars regarding Deposit Mobilization by Central Financing Agencies in the State

Zone	District	Credit support from co-operatives*	Short-term loans to be issued by CFAs in 1978-9 (90% of col. 3)	Deposits required to sustain loan business in col. 4 (40% of col. 4)	Level of deposits to be reached in 1978-9 (200% of col. 5)	Total Deposits as on 30 June 1974	Rupees Crores	
							Annual growth rate of deposits over col. 7 required to reach the level in	
							col. 5	col. 6
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8a)	(8b)
Normal								
(a) NTA	Ajmer	2.95	2.65	1.06	2.12	1.15	—	13
	Alwar	5.65	5.09	2.04	4.08	0.98	16	33
	Bharatpur	6.09	5.48	2.19	4.38	1.12	14	31
	Bhilwara	3.66	3.29	1.32	2.64	0.83	10	26
	Bundi	2.69	2.42	0.97	1.94	0.40	19	37
	Ganganagar	11.13	10.02	4.01	8.02	1.97	16	33
	Jaipur	6.39	5.75	2.30	4.60	0.96	19	37
	Jhalawar	2.52	2.27	0.91	1.82	0.84	2	17
	Kota	6.11	5.50	2.20	4.40	1.88	3	19
	Pali	3.63	3.27	1.31	2.62	0.56	19	36
	Sawai Madhopur	3.94	3.55	1.42	2.84	0.27	39	60
	Tonk	2.89	2.60	1.04	2.08	0.29	29	47
	Sub-total	57.65	51.89	20.77	41.54	11.25		
(b) TA	Banswara	1.75	1.58	0.63	1.26	0.27	18	35
	Chittorgarh	3.89	3.50	1.40	2.80	0.65	17	34
	Dungarpur	1.04	0.94	0.38	0.76	0.33	3	19
	Sirohi	1.37	1.23	0.49	0.98	0.22	17	35
	Udaipur	3.46	3.11	1.24	2.48	0.80	9	25
	Sub-total	11.51	10.36	4.14	8.28	2.27		

ANNEXURE 88 (Contd.)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8a)	(8b)
Arid	Barmer	4.77	4.29	1.72	3.44	0.29	43	62
	Bikaner	1.75	1.58	0.63	1.26	0.26	19	37
	Churu	3.39	3.05	1.22	2.44	0.13	57	80
	Sub-total	9.91	8.92	3.57	7.14	0.68		
Semi-arid	Jalore	3.82	3.44	1.38	2.76	0.15	56	79
	Jhunjhunu	2.18	1.96	0.78	1.56	0.08	58	81
	Jodhpur	3.68	3.31	1.32	2.64	0.73	12	29
	Nagaur	3.87	3.48	1.39	2.78	0.17	52	75
	Sikar	2.51	2.26	0.90	1.80	0.26	28	47
	Sub-total	16.06	14.65	5.77	11.54	1.39		
Total		95.13	85.82	34.25	68.50	15.59		

* A 60 per cent of short-term credit needs in 1978-9 (col. 9 of Annexure 73) less the credit needs expected to be met by commercial banks.

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- Study Team on Co-operative Agricultural Credit Institutions in West Bengal 1972**
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ABBREVIATIONS

ACB	Agricultural Credit Board of the RBI
ACD	Agricultural Credit Department of the RBI
ARC	Agricultural Refinance Corporation
AZ	Arid Zone
AI	Artificial Insemination
ccb	Central co-operative bank
CCADP	Chambal Command Area Development Project
cfa	Central financing agency
DDP	Dairy Development Project
DIC	Deposit Insurance Corporation
DPAP	Drought Prone Areas Project
GM	General Manager
GOI	Government of India
GOR	Government of Rajasthan
GSS	Gram-seva Sahakari Samiti
IDA	International Development Agency
KVSS	Kraya Vikraya Sahakari Samiti
LTO Fund	RBI's Long-Term Operations Fund
MD	Managing Director
NCDC	National Co-operative Development Corporation
nodc	Non-overdue cover
NTA	Non-tribal area
pacs	Primary agricultural credit societies
pldb	Primary land development bank
RCCADP	Rajasthan Canal Command Area Development Project
RCP	Rajasthan Canal Project
RSDP	Rajasthan Sheep Development Project
RSCB	Rajasthan State Co-operative Bank
RRSBVB	Rajasthan Rajya Sahakari Bhoomi Vikas Bank
RCS	Registrar of Co-operative Societies
RBI	Reserve Bank of India
sao	Seasonal agricultural operations
SAZ	Semi-arid Zone
TA	Tribal Area
VBSS	Vrahat Bahudhandi Sahakari Samiti
VKRSS	Vrihat Krishi Rindatri Sahakari Samiti

NOTATIONS

—	Nil or negligible
.	Not applicable
..	Not available

GLOSSARY

Adimjati - Adivasi, i.e., tribals
 Narota, i.e., Custom of mutual help amongst tribals

FISCAL YEAR

GOI, GOR and agencies	April 1—March 31
ARC, Co-operatives	July 1—June 30
Commercial Banks	January 1—December 31
Commercial Banks (For agricultural loans issued)	Last Saturday of September to last Friday of next September
Commercial Banks (For overdues of agricultural loans)	Last Saturday of June to last Friday of next June