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REPORT ON
THE WORKINGS OF
THE GAON PANCHAYAT LEVEL CO-OP. SOCIETIES
IN THE
TRIBAL SUB-PLAN AREAS AND LAMPS
IN THE HILL AREAS OF ASSAM

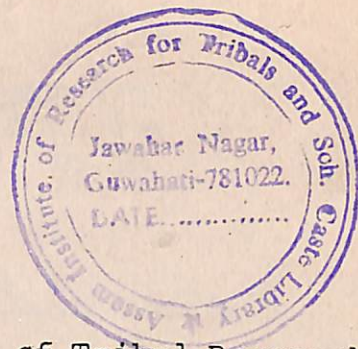


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TRIBAL RESEARCH INSTITUTE, ASSAM, GUWAHATI

P R E F A C E .



In the meeting of the Directors of Tribal Research Institutes held in New Delhi on 24th September 1979 under the aegis of the Ministry of Home Affairs, Government of India it was decided that the Tribal Research Institutes should undertake a study on the working of the LAMPS in the Tribal Sub-Plan areas in their respective states with a view to finding out their impacts on the economy of the tribal people.

Following the recommendations of the Baw Committee, LAMPS with three main objectives, viz. credit marketing and supply of essential commodities, were constituted throughout the rural and tribal areas of India. In Assam, however, while Large Areas Marketing Societies were converted into LAMPS in the hill areas, Gaon Panchayat Samabai Samities were constituted with the same objectives as those of the LAMPS.

As there had been no field staff under the Directorate of Tribal Research Institute, till May 1983 except two District Research Officers, field studies were conducted with great difficulty. Data from 40 (forty) G.P.S.S and 4 (four) LAMPS were collected covering a period of 5 years from 1975-76 to 1979-80. Collection of field data was completed by the middle of 1982. Although the tabulation, analysis and report writing were completed by November 1983, the report could not be brought to light immediately due to some practical difficulties when some data were required to be reverified at the society level because of inaccuracy.

I am grateful to the officials of the Co-operative Department and also to the Project Officers, Integrated Tribal Development Projects for extending their help and cooperation at the time of conducting our field study.

Dated Guwahati,
the 31st August, 1984.

B.N. Bordoloi,
Director,
Tribal Research Institute: Assam,

REPORT ON
THE WORKINGS OF THE GAON PANCHAYAT
LEVEL CO-OPERATIVE SOCIETIES IN THE
TRIBAL SUB-PLAN AREAS AND LAMPS IN
THE HILL AREAS OF ASSAM.

A brief history of the Co-operative
Movement in Assam.

1.1. The history of the Co-operative movement dates back to 1904 when the Co-operative Credit Societies Act was passed by the Imperial Legislative Council. In pursuance of the provisions of this Act a good beginning was made by establishing 10 Co-operative Societies in the State but subsequently the Act of 1904 was replaced by the Act of 1912 to cause expansion to the co-operative movement by bringing non credit function to the ambit of the Co-operative Movement. Till 1913-14 Assam had 224 Primary Agricultural Credit Societies, 16 Non-Agricultural Credit Societies and 6 Central Co-operative Banks. There was non Credit Society inspite of the expansion. Co-operative Credit Movement was further accentuated during the twenties. There were 1304 Agricultural Credit Co-operative Societies by the end of 1930-31 and these societies could cover only 4% of the population. Thereafter the history of Co-operative Movement had to pass through many ups and downs. The economic depression of the thirties gave a major set back to the Movement. The number of Agricultural Credit Co-operative Societies declined to 1098 by 1945-46. The Central Co-operative Banks had to count the days of closure when their advances dwindled from Rs.2'40 lakhs in 1930-31 to Rs. 5,000'00 in 1944-45.

1.2. While this gloomy picture of credit and banking Co-operatives was looming large, large, consumers co-operatives during war years had seen silver lining. Their numbers increased from 19 in 1941-42 to 1403 in 1945-46. Alongside, the membership increased from 1609 to 1'31 lakhs and profits also showed upward trend from Rs. 18,000'00 to Rs. 4'26 lakhs.

1.3. After independence falling in line with the Central Government, the State Government had drawn up plans to revitalise the co-operative movement. The Government of Assam entered into the arena of Co-operation in a big way. It was felt that rural development and co-operation must go hand in hand. Thus each rural panchayat was to have a Primary Trading Co-operative whose function was to supply production requisites as well as consumer goods to the members of the Primary Trading Co-operatives and to arrange market for their produce. These Societies were to arrange credit and banking facilities too. To extend

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dependable banking facilities a new Provincial Apex Co-operative Bank was established in 1948. Initially 1921 Societies were registered with 2'27 lakh members and Rs. 35'83 lakhs share capital. These societies had the monopoly business of cloth and yarn. But inspite of all these measures these Trading Co-operatives had failed to cater to the credit needs of the members. This by 1952-53 the number of such societies had come down to 639. People's faith upon co-operatives was waning gradually and the Co-operative Department did not lose any time to rehabilitate the weak credit co-operatives and the Central Co-operative Bank. The original Assam Provincial Co-operative Bank was liquidated and the Assam Co-operative Apex Bank got a new lease of life having a Government share capital contribution of Rs. 10 lakhs. The Assam Co-operative Act of 1949 boosted up the Co-operative movement. The Five Year Plan approach found co-operative a useful instrument for rural development through democratic process. Till Second Five Year Plan emphasis was laid on large size societies. But soon it was felt that the Co-operative societies were too large and unyielding. Thus the thrust was switched over to small sized societies which possessed the potential for economic viability. These societies could easily extend the non credit services needed by the cultivators as also by the non cultivating families of the area. Thus the new concept of service co-operative in lieu of farming co-operative came to be used.

1.4. Another development during this period is the formation of Krishi Sahayak Samabai Samities. These Societies covered areas which were co-terminus with Gaon Panchayats. The Government appointed the co-operative Marketing Societies as Government agents for state trading in paddy and the K.S.S.S. were to act as sub agents. Emphasis was laid more on procurement than on credit. But the overdue position of the Primary Societies was far from satisfactory inspite of the best efforts of the Apex Co-operative Bank. Government came forward with the 'Credit Revitalisation Scheme' to facilitate the flow of credit into the Primary Societies i.e., K.S.S.S.. Due to this liberal policy of the Government a good number of societies became eligible for fresh loan from the financing banks. These measures could partially improve the credit position of the Primary Co-operative Societies. From Rs. 2'81 Crores loan advanced in 1968-69, the figure came down to Rs. 1'2 crores while overdues increased to Rs. 5'5 crores. The Assam Co-operative Apex Bank again came to the forefront bypassing the Central Co-operative Banks and offered Rs. 12'00 lakhs to 34 selected K.S.S.S. by the end of August, 1973.

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1.5. When the Co-operatives were in the vicious circle of periodic ups and downs, the State Government evolved an entirely new scheme called G.P.S.S. (Gaon Panchayat Level Samabai Samities) under which New Primary Societies were to be organised at the Gaon Panchayat level each covering the area of a Gaon Panchayat with all the families enrolled as members. In most cases the existing Krishi Sahayak Samabai Samities were either liquidated or merged with the new Gaon Panchayat Level Samabai Samities. While G.P.S.S. was the set up in the plains area, the LAMPS (Large Areas Multipurpose Societies) were assigned similar activities in the two hill districts. As regards finance, the Assam Co-operative Apex Bank as well as nationalised Commercial Banks were entrusted to provide necessary fund to these newly formed societies over shadowing the Central Co-operative Banks altogether. These societies were multipurpose organisations and they could concentrate upon the essential economic aspects of the villagers like supply, marketing distribution and credit. The venture gained momentum when as many as 665 G.P. Level Societies were organised in the plains districts of Assam within a span of three months. In view of the amalgamation of the Central Co-operative Banks with Assam Co-operative Apex Bank, the credit structure became a viable two tier system.

1.6. The marketing co-operative societies in the meantime improved its position. Thus from 19 societies in 1955-56, the number increased to 177 in 1960-61. These societies enjoyed monopoly procurement of paddy and along with the Apex body they boosted up the Co-operative movement so far as the marketing aspect is concerned. In 1967, the Food Corporation of India was entrusted with the procurement work and because of better marginal gain, the F.C.I. soon got upperhand over the co-operatives. The Apex Marketing Co-operative Societies were in a bad shape and the Government came to their rescue by dividing the state into two procurement zones and allowing the Apex Co-operative Societies to function in one. As a result the Co-operative Societies in the F.C.I. zone had to count their days.

1.7. The newly formed G.P.S.S. were expected to handle marketing and distribution as part of their activities. Thus the existence of marketing societies appeared to be redundant. Certain changes had to be made. Those societies which had processing as their activity were given the status of processing co-operatives. The urban area co-operatives were converted into Consumers Stores. Some Societies were converted into Single Commodity marketing Co-operatives while state Co-operative marketing Society had its new name as Assam State Co-operative Marketing and Consumers' Federation (STATMCD).

1.8. Above is a brief description of the historic development of the co-operative structure of major sectors of the

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Co-operative structure, it is obvious that G.P.S.S. or LAMPS are the living embodiment of the Co-operative movement and it is worth-while to review the activities of these organisations. The G.P.S.S./ LAMPS formed in the tribal areas had a special role to play in view of economic backwardness of these people and an effort has been made to study the impact of these societies on the economy of the tribals.

METHODOLOGY

1.9. For conducting a methodological study of the subject under reference, necessary schedules were drawn up on the basis of 20% random sampling. There were 232 G.P. level Co-operative Societies in the Sub-Plan Areas out of which a total of 42 societies were selected for purpose. It may, however, be mentioned here that although our basis of selection was 20% random sampling yet in micro-level project areas where there are less than 5 societies we have picked up at least one such society for our study. As for example Gauhati North (ITDP NO. 6) is a microlevel project having only 3 Gaon Panchayats with 3 G.P. level Societies. No one of this society ordinarily may come within our purview if the 20% random sampling is strictly maintained. But a deviation in this regard has been made as ostensibly to bring at least one society of each I.T.D.P. area to the fold of our study. Similar deviation have been made in regard to other micro project areas also.

2.1. A list of Gaon Panchayat Level Co-operative Societies within the Tribal Sub-Plan area of Assam, is enclosed at Appendix 'A'. The societies brought under the purview of the study are shown by underlines.

2.2. In the Hill Area of Assam there are 22 Nos. of LAMPS at the time of our study. Out of 22 societies only 4 societies were brought under the purview of the study. A separate report on the workings of the LAMPS is appended towards the last parts of this study report.

2.3. Field works were conducted from the later part of 1980 and completed by the middle of 1982. Tabulation, analysis and report writing were completed by November 1983.

2.4. Out of 42 societies taken up for study, data from 2 (two) societies could not be obtained due to inadequacy records as well as the absence of office bearers at the time of field visit.

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SUMMARY OF FINDINGS.

2.5. In the tribal Sub-Plan area the percentage of Scheduled Tribes members to the total members is 34'25.

2.6. Individual paid up share capital does not show a steady trend of increase but a trend of tide and ebb is observed. Government contribution towards share capital of the societies is not uniform.

2.7. Majority of the societies confine themselves to issuing of short term loans. Societies are found to be reluctant to issue medium term loan due to bad overdue position and lack of proper titles over land.

2.8. While the number of societies earning net profit during 1975-76 to 1977-78 was less than the societies incurring losses, the position had considerably improved during 1978-79 and 1979-80. 10 to 25% of the societies were running on non profit no loss basis.

2.9. Major portion of the loans issued by the societies have gone to the tribal members where the majority of the members of a society belong to Scheduled Tribes. Short term loans are issued for carrying out agricultural purposes primarily. Some societies have issued loans for poultry and piggery as well. Small and marginal tribal farmers are found to have received due consideration in respect of issuing short term loans.

3.1. Loan outstanding is found to have increased substantially every year.

3.2. The percentage of overdue varies from society to society, the minimum being 18'20 and the maximum being 100.

3.3. Credit limit statements are prepared for all the members applying for loans.

3.4. The time gap between the receipt of applications for the loans and submission of C.L.S. to the banks varies from one month to 6 months depending on the ability of the office bearers of the societies.

3.5. Out of 40 societies 30 or 75% are found to have disbursed the cash and kind components of the loans in time.

3.6. The strength of the Scheduled Tribes Membership in the Managing Committees varies from 6'06 percent to 91'66%.

3.7. Loans were issued to Managing Committee member by 66% of the societies. But so far as the recovery aspect is concerned all the members were found to be defaulters.

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3.8. 65% of the societies did not deal in agricultural inputs other than kind component of loans.

3.9. All the societies under the purview of the studies were found to have sold commodities under the public distribution system. But these commodities were reported to be insufficient compared to the demand.

4.1. More than 50% of the societies were found to deal in other essential commodities like pulses, mustard oil, tobacco Biddi, cigarettes, baby food, stationery goods, cosmetics, etc.

4.2. Marketing other than procurement of paddy was found to be totally absent.

4.3. Only about 30% of the societies had their own godowns.

4.4. Annual general meetings and Managing Committee meetings were found to be held regularly.

4.5. Establishment cost was increasing year after year although the business transactions were not increasing proportionately.

4.6. Misappropriation, misuse and blockade of fund by the office bearers and employees of the societies have rather become rules and not exceptions.

4.7. About 60% societies had not availed themselves of the loans under Differential Rates of Interests.

4.8. The societies had experienced great difficulties in obtaining loans from the local lead Banks, But inspite of these difficulties the flow of bank credit to the members of the G.P.S.S.s. had increased steadily.

4.9. Bakijai cases were found to have been instituted against the defaulters.

5.1. More than 50% of the G.P.S.S.s had started Savings Bank under deposit mobilization schemes.

5.2. About 42% of the societies introduced cattle insurance scheme while only one society had introduced crop insurance scheme.

5.3. Stock positions were found to be verified by the Internal Auditors periodically. Only 27% of the societies were found to be inspected regularly by the Inspecting staff of the Co-operative Department.

5.4. Compared to the G.P.S.S.s, LAMPs in the Hill Areas of Assam were found to be more efficiently managed.

5.5. Marketing of hill area products except paddy and credit mobilization had not made much headway.

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5.6. The LAMPs. are groaning under three tyoes of taxes namely, Central Sales Tax, Assam Finance Tax and District Council Tax so far as the marketing aspects are concerned.

5.7. All LAMP societies under the purview of study were found to earn gross profits but only 50% of them could earn net profit.

MEMBERSHIP.

To see to what extent the tribal communities have responded to the call to take part in the co-operative ventures an enquiry was made to know the membership pattern of the G.P.S.Ss., The following table (Table-I) gives an impression of their participation in the working of the G.P.S.S.

TABLE NO.-I
Membership as on 30-6-80

S1. No.	Name of G.P.S.S.	Scheduled Tribe.	Scheduled Casts.	O.B.C.	Others	Total	P.C.of S/T to total members.
-1	2	3	4	5	6	7	8
1.	Kalaigaon Samabai Samitee Ltd.	1578	Nil	300	1089	2967	53'18
2.	Dangari GPSS Ltd.	1501	Nil	Nil	12	1513	39'28
3.	Udalguri Gaon Panc-hayat Samabai Sami-tee Ltd.	1910	493	574	655	3632	52'5
4.	Paneri G.P.S.S.	740	13	1127	1601	3481	21'2
5.	Bihpuria G.P.S.S.	300	213	171	1365	2049	14'6
6.	Mankata G.P.S.S.	1862	Nil	1713	Nil	3575	52'00
7.	Burhidihing G.P.S.S. Ltd.	155	Nil	470	940	1565	9'9
8.	Salkocha	717	632	142	1041	3819	18'7
9.	Boginadi Ukhamati S.S.Ltd.	600	295	700	264	2859	20'9
10.	Rangamati S.S.Ltd.	528	172	896	952	2548	20'7
11.	Boko G.P.S.S.Ltd.	499	33	Nil	564	1096	45'5
12.	Kachugaon S.S.Ltd.	456	5	93	155	709	64'3
13.	Maridhal G.P.S.S.	377	70	1699	349	2495	15'1
14.	Madhupur G.P.S.S.Ltd.	2400	300	1000	1050	4750	50'5
15.	Sarfenguri S.S.Ltd.	380	10	183	142	715	53'1
16.	Barapujia S.S.Ltd.	386	83	876	Nil	1345	28'69
17.	Kalabari S.S.Ltd.	140	200	243	1782	2374	6'2

Sl. No.	Name of G.P.S.S.	Scheduled Tribals	Scheduled Caste	O.B.C.	Others.	Total.	P.C. of S/T to total members.
1	2	3	4	5	6	7	8
18.	Jagireed S.S. Ltd.	920	484	736	494	2634	34'0
19.	Uttar Baska S.S. Ltd.	305 (out of NSA 1120)		NS		1120	27'2
20.	North Marangi GPSS. Ltd.	152	124	620	1005	1891	8'00
21.	Pub Konwarour GPSS Ltd.	750	260	850	466	2326	32'2
22.	Bhakat Para S.S. Ltd.	720	400	195	1884	3199	22'50
23.	Uttar Sadiya GPSS Ltd.	800	115	1055	930	2900	27'5
24.	Salakati S.S. Ltd.	80	13	302	60	455	17'5
25.	Sapkata G.P. Level S.S. Ltd.	211	250	255	710	1426	29'7
26.	Jowour Co-op. Society.	374	150	305	642	1471	25'42
27.	Kaklabari Co-op. Society.	Not shown					
28.	Dhenubhanga S.S. Ltd.	251	N.P.	N.P.	N.A.	853	29'4
29.	Panigaon S.S. Ltd.	310	536	89	1158	2093	14'8
30.	Sonapur G.P.S.S. Ltd.	1155	748	468	769	3140	36'7
31.	Harinagar Co-op Society.	200	98	71	578	947	21'1
32.	Lohit Mukh G.P.S.S. Ltd.	2020	-	-	-	2020	100
33.	Dotoma M.M.S.S. Ltd.	2128	17	256	481	2881	73'8
34.	Kulejan G.P.S.S. Ltd.	1250	200	366	376	2192	57'00
35.	Bijni S.S. Ltd.	350	312	750	1050	2462	14'2
36.	Sapaguri Co-op. Society Ltd.	1197	564	437	1990	4188	28'5
37.	Goreswar G.P.S.S. Ltd.	1530	596	1096	1596	4817	31'7
38.	Barama G.P.S.S. Ltd.	351	43	305	442	1143	20'8
39.	Dudhnoi G.P.S.S.	511	205	275	140	1131	45'1
40.	Chandrapur G.P.S.S.	300	63	159	1488	2010	14'9
Total:-		30,405	7,696	17,777	28,220	88,781	34'25

In is seen from the above table that inspite of the location of the Gaon Panchayat Level Samabai Samities in the Tribal Sub-Plan Areas membership of the societies was not confined exclusively to the tribals. There were members from Scheduled Castes, Other Backward Classes and Others. In fact non-tribal membership was found to be prevailing in majority cases. Out of the 40 societies taken up for our study, only 10 societies(25%) could claim to have tribal membership above 50% in each case. These societies were :-

1) Kalaigain	G.P.S.S.
2) Dangari	"
3) Odalguri	"
4) Mankata	"
5) Kadhugeon	"
6) Madhupur	"
7) Serfenguri	"
8) Lohit Mukh	"
9) Dotoma	"
10) Kulajan	"

In other words $\frac{1}{4}$ th of the 40 societies were primarily dominated by non-tribals. The distinction of having 100% share holders from tribal communities goes to Lohit Mukh G.P.S.S.

PAID-UP SHARE CAPITAL.

In majority cases the individual paid up share capital does not show a steady upward trend which can be gauged from the position of paid up share capital in the initial year i.e. 1975-76 and that of the last a counting year i.e., 1979-80. The following table shows the position of paid up share capital in the societies under the purview of survey.

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PAID UP SHARE CAPITAL AS ON 30-6-76 to 30-6-80.
B.I.P. - II (In Rs.)

Sl. No.	Name of G.P.S.S.	Individual	Government
1	Goreswar.	1545.00	1976
2	Chandrapur.	2960.00	1977
3	Sonapur	27460.00	1978
4	Panigaon S.S.	11650.00	1979
5	Dhanubhanga.	4660.00	1980
6	Dotoma.	5140.00	
7	Lohitmuhi.	14470.00	
8	Barama Behumukhi	7040.00	
9	Harinagar.	6307.00	
10	Binai	11090.00	
11	Kulijan.	20750.00	
12	Bhakatpara.	13527.00	
13	Uttar Sadia.	13770.00	
14	Sub Konwarpur.	13000.00	
15	North Marangl.	12404.00	
16	Sapaguri.	8762.00	
17	Salakati.	8860.00	
18	Saikata.	9490.00	
19	Joypur.	4800.00	
20	Sartanguri.	7076.00	
21	Kakilebari.	1950.00	
22	Bartujia.	11448.00	
23	Maridhal	18958.00	
24	Kalabari	12647.00	
25	Jagtiroad.	18350.00	
26	Uttar Paske.	30870.00	
27	Boko.	1450.00	
28	Kachugaon.	6527.00	
29	Madhopur.	19000.00	
30	Kalagaon.	14178.00	
31	Dangari.	4720.00	
32	Udalgauri.	17297.00	
33	Mancotta.	8104.00	
34	Burhidithing.	9336.00	
35	Salcoche.	16523.00	
36	Bihpuria.	15400.00	
37	Rangemati.	15906.00	
38	Jogi Bhakati.	9447.00	
39	Khong.	12521.00	
40	Kamalabari.	11460.00	

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Sl. No.	Name of the G.P.S.S.	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
26	Uttar Paske.	30870.00	31190.00	31220.00	31300.00	32060.00	9000.00	18000.00	28000.00	28000.00	38000.00	38000.00	43000.00	10000.00	10000.00	5000.00
27	Boko.	1450.00	8668.00	15713.00	16293.00	17000.00	6800.00	9000.00	33000.00	33000.00	43000.00	43000.00	5000.00	5000.00	5000.00	5000.00
28	Kachugaon.	6527.00	6230.00	80.00	160.00	320.00	9000.00	14000.00	33000.00	33000.00	43000.00	43000.00	5000.00	5000.00	5000.00	5000.00
29	Madhopur.	19000.00	20300.00	27000.00	28000.00	29000.00	10000.00	10000.00	5000.00	5000.00	10000.00	10000.00	10000.00	10000.00	10000.00	10000.00
30	Kalagaon.	14178.00	19628.00	19739.00	20109.00	20663.00	14000.00	28000.00	38000.00	38000.00	5000.00	5000.00	5000.00	5000.00	5000.00	5000.00
31	Dangari.	4720.00	2870.00	13470.00	14210.00	14210.00	5000.00	9000.00	33000.00	33000.00	43000.00	43000.00	5000.00	5000.00	5000.00	5000.00
32	Udalgauri.	17297.00	43813.00	44165.00	44325.00	44365.00	23000.00	23000.00	23000.00	23000.00	23000.00	23000.00	23000.00	23000.00	23000.00	23000.00
33	Mancotta.	8104.00	10152.00	10182.00	10642.00	10642.00	5000.00	9000.00	23000.00	23000.00	43000.00	43000.00	5000.00	5000.00	5000.00	5000.00
34	Burhidithing.	9336.00	16007.00	16487.00	16927.00	16927.00	9000.00	23000.00	28000.00	28000.00	28000.00	28000.00	28000.00	28000.00	28000.00	28000.00
35	Salcoche.	16523.00	32560.00	32710.00	32867.00	32867.00	14000.00	23000.00	28000.00	28000.00	38000.00	38000.00	43000.00	43000.00	43000.00	43000.00
36	Bihpuria.	15400.00	18347.00	19060.00	19190.00	19480.00	14000.00	23000.00	23000.00	23000.00	23000.00	23000.00	23000.00	23000.00	23000.00	23000.00
37	Rangemati.	15906.00	18712.00	18887.00	18887.00	18950.00	14000.00	23000.00	23000.00	23000.00	23000.00	23000.00	23000.00	23000.00	23000.00	23000.00
38	Jogi Bhakati.	9447.00	17347.00	20081.00	23633.00	N.A.	9000.00	23000.00	23000.00	23000.00	28000.00	28000.00	28000.00	28000.00	28000.00	28000.00
39	Khong.	12521.00	14585.00	15698.00	15718.00	15718.00	5000.00	14000.00	14000.00	14000.00	14000.00	14000.00	14000.00	14000.00	14000.00	14000.00
40	Kamalabari.	11460.00	12019.00	12139.00	12409.00	13883.00	5000.00	14000.00	14000.00	14000.00	14000.00	14000.00	14000.00	14000.00	14000.00	14000.00

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From the preceding table it is seen that in the year 1976 the 40 societies under the purview of our study had Rs. 4,46,230.00 in total and the amount in 1980 went up to Rs. 6,19,804.00. But in 1977 the amount was higher than the amount shown for the year 1980 and in 1978 it was the highest. Thus a sharp rise and a fall are indicated.

Similarly governments contribution to share capital of the societies was also not uniform. Although the contribution rose to Rs. 11,87,290.00 in 1980 from Rs. 4,07,800.00 nevertheless this increase is in a diminishing rate only. From Rs. 4,07,800.00 in the year 1976, it rose to Rs. 7,58,000.00 in 1977, to Rs. 9,82,000.00 in 1978 and to Rs. 12,39,800.00 in the year 1979. But in the year 1980 it came down to Rs. 11,87,290.00 indicating a fall of Rs. 52,510.00.

The reason for variation in the Government share capital from society to society and from year to year remained unexplained in specific terms.

BORROWING OUTSTANDING.

Since the societies had been entrusted with the dual function of supplying consumer goods at reasonable price and providing short term and medium term loans, most of the societies had tried to discharge their responsibility as best as they could. It was however, apparent from the study that majority of the societies preferred to confine their activities with short term loans rather than exposing themselves to the transactions involving medium term loans. There was no borrowing outstanding against the Chandrapur G.P.S.S as they had not disbursed any agricultural loans due to the technological reasons. The negligible amount of Rs. 2,221.00 as short term loan disbursed to 29 cultivators in 1977-78 was from the society's own fund. The case of Kachugaon G.P.S.S was, however different. There was no borrowing outstanding against the society due to the fact that Kachugaon being entirely a forest area the cultivators were not having clear title over their lands. They were holding their lands on payment of a small premium to the Forest Department which did not confer them the right of transfer or mortgage. Therefore no amount could be borrowed by the society and no disbursement of any loan was done by the society.

Contd. 12/-

The tables given below showing borrowing outstanding in respect of Term Loan and Cash Credit reveal the actual positions obtaining in the societies under study.

T A B L E - III(A)

Borrowing Outstanding (Crop Loan) (In Rs.)

S.L. No.	Name of G.P.S.S.	1975-76	1976-77	1977-78	1978-79	1979-80	TOTAL
1.	Pangamati S.S.Ltd.	254.00	9811.00	8391.00	8391.00	6220.00	33067.00
2.	Bihuria S.S.Ltd.	5218.00	2549.00	3860.00	59960.00	63290.00	169617.00
3.	Salkocha S.S.Ltd.	2252.00	29613.00	14889.00	35779.00	-	92533.00
4.	Mancotta G.P.S.S.	326.00	1212.00	825.00	755.00	N.A.	3118.00
5.	Udalpur G.P.S.S.	2345.00	35128.00	23995.00	17810.00	29651.00	109929.00
6.	Peneri G.P.S.S.	1058.00	27380.00	42888.00	NIL.	156139.00	227465.00
7.	Dangari G.P.S.S.	12628.00	27771.00	NIL.	NIL.	NIL.	19624.00
8.	Kaleigaon S.S.Ltd.	NIL.	6752.00	2284.00	3025.00	2837.00	14898.00
9.	Madhapur G.P.S.S.	563.00	10130.00	17850.00	5190.00	47025.00	80758.00
10.	Kachugaon S.S.Ltd.	NIL.	NIL.	NIL.	NIL.	NIL.	NIL.

Contd. 11(B)

Borrowing Outstanding as on		1975-76	
Sl.No.	Name of G.P.S.S.		

11.	Boko G.P.S.S. Ltd.	21875.00	14315.00	14806.00	NIL	NIL	50991.00
12.	Uttar Baska .S.S.Ltd.	1025.00	NIL.	NIL	NIL	NIL	1025.00
13.	Jagroad. S.S.S.Ltd.	6896.00	NIL	NIL	NIL	NIL	6896.00
14.	Kalabari S.S.Ltd.	9219.00	NIL	NIL	NIL	NIL	9219.00
15.	Narainagar G.P.S.S.	-	-	1147.00	8355.00	28974.00	38476.00
16.	Bijn S.S.Ltd.	109.00	2645.00	2159.00	2289.00	2289.00	9491.00
17.	Kulajan G.P.S.S.	NIL	16992.00	23841.00	22600.00	24319.00	87752.00
18.	Bhakatpore G.P.S.S.Ltd.	NIL	17140.00	18412.00	9118.00	NIL	44870.00
19.	Uttar Sadhya G.P.S.	NIL	NIL	NIL	NIL	NIL	NIL
20.	Pub Komwar G.P.S.S.	10647.00	13074.00	12761.00	5492.00	54196.00	146170.00
21.	North Morong G.P.S.S.	2381.00	17833.00	13625.00	91832.00	94339.00	219947.00
22.	Sapaur G.P.S.S.	7122.00	6919.00	4930.00	2142.00	2142.00	23255.00
23.	Salakati S.S.Ltd.	NIL	NIL	NIL	NIL	NIL	NIL
24.	Sapkata G.P.S.S.Ltd.	NIL	NIL	NIL	NIL	NIL	NIL
25.	Sarfenguri S.S.Ltd.	428.00	12074.00	9854.00	14286.00	14717.00	51359.00
26.	Joyour Co-operative Socy.	NIL.	NIL	NIL	NIL	NIL	NIL
27.	Kaklabari G.P.S.S.	11101.00	NIL	NIL	NIL	NIL	11101.00

Contd. 11(C)

Borrowing Outstanding as on		1975-76		1976-77		1977-78		1978-79		1979-80	
Sl.No.	Name of G.P.S.S.										

28.	Goreswar G.P.S.S.	2845.00	2634.00	795.00	429.00	7429.00	7132.00	-	-	-	-
29.	Borjila S.S.Ltd.	1029.00	4013.00	734.00	4819.00	10047.00	20642.00	-	-	-	-
30.	Chandrapur S.S.Ltd.	-	-	-	-	-	-	-	-	-	-
31.	Sonepur S.S.Ltd.	3274.00	5659.00	5630.00	7646.00	7254.00	29463.00	-	-	-	-
32.	Panigaon S.S.Ltd.	1346.00	22324.00	16091.00	17928.00	19254.00	76943.00	-	-	-	-
33.	Dhenubhanga S.S.Ltd.	-	-	11699.00	-	-	11699.00	-	-	-	-
34.	Dotoma S.S.Ltd.	3606.00	4674.00	4471.00	4968.00	12298.00	30017.00	-	-	-	-
35.	Lohitmukh G.P.S.S.	23678.00	16302.00	19619.00	22461.00	NIL.	82060.00	-	-	-	-
36.	Barama S.S.Ltd.	-	2692.00	4628.00	35910.00	25814.00	69044.00	-	-	-	-
37.	Kamalabari G.P.S.S.	NIL	NIL	NIL	NIL	NIL	NIL	-	-	-	-
38.	Khawang G.P.S.S.	9513.00	11019.00	9364.00	9514.00	NIL	39410.00	-	-	-	-
39.	Jagdi Bhakatgaon.	6495.00	99715.00	89162.00	27943.00	N.A.	223315.00	-	-	-	-
40.	Naharbari G.P.S.S.	-	-	-	-	-	-	-	-	-	-

154166.00 392594.00 413650.00 468642.00 601234.00 2030286.00

Contd. 11(D)

:-11-(D):-

(Borrowing Outstanding)

Term Loan.

(In Rs.)

Sl. No.	Name of G.P.S.S.	Borrowing Outstanding as on					Total Borrowing Outstanding.
		1975-76	1976-77	1977-78	1978-79	1979-80	

1.	Pangameti S.S.Ltd.	NIL	17139.00	16454.00	16454.00	16454.00	65501.00
2.	Bihuria S.S.Ltd.	2000.00	2000.00	2000.00	22000.00	21481.00	29481.00
3.	Balkocha S.S.Ltd.	NIL	8472.00	8472.00	5994.00	NIL	23938.00
4.	Mancotta G.P.S.S.	NIL	NIL	NIL	15478.00	NIL	15478.00
5.	Udalpur G.P.S.S.	NIL	141312.00	131734.00	117204.00	118090.00	508430.00
6.	Paneri G.P.S.S.	NIL	54201.00	54549.00	990.00	144127.00	253957.00
7.	Dangari G.P.S.S.	NIL	NIL	21884.00	14081.00	NIL	35965.00
8.	Kalelgaon S.S.Ltd.	NIL	27200.00	27200.00	27200.00	29369.00	110969.00
9.	Modhapur G.P.S.S.	NIL	99005.00	54000.00	34200.00	NIL	187205.00
10.	Kachugaon S.S.Ltd.	NIL	-	-	-	-	-
11.	Boko G.P.S.S.	NIL	37933.00	14095.00	NIL	NIL	52028.00
12.	Uttar Baske S.S.Ltd.	NIL	NIL	NIL	NIL	NIL	NIL
13.	Jagiroad S.S.Ltd.	NIL	NIL	NIL	28856.00	NIL	28856.00
14.	Kalebari S.S.Ltd.	NIL	NIL	NIL	NIL	60507.00	60507.00
15.	Harinagar G.P.S.S.	NIL	NIL	NIL	NIL	NIL	NIL
16.	Bljni S.S.Ltd.	NIL	NIL	NIL	NIL	NIL	NIL
17.	Kalejan G.P.S.S.	-	-	2625.00	-	2000.00	4625.00
18.	Bhakatpara G.P.S.S.	NIL	NIL	NIL	NIL	NIL	NIL

:- 11(E) :-

Sl. No.	Name of G.P.S.S.	Borrowing Outstanding as on					Total Borrowing Outstanding.
		1975-76	1976-77	1977-78	1978-79	1979-80	

19.	Uttar Sadiya G.P.S.S.	2000.00	2000.00	2000.00	2000.00	2000.00	10000.00
20.	Pub Konwarpur G.P.S.S.	4609.00	55055.00	51465.00	93384.00	86829.00	291342.00
21.	North Morongt G.P.S.S.	1000.00	2000.00	NIL	NIL	2535.00	5535.00
22.	Sapaguri G.P.S.S.	2100.00	14521.00	12994.00	NIL	12899.00	61414.00
23.	Salakati S.S.Ltd.	NIL	NIL	NIL	NIL	NIL	NIL
24.	Sapkata G.P.S.S.	NIL	10000.00	6400.00	71400.00	NIL	87800.00
25.	Sartanguri S.S.Ltd.	NIL	1138.00	6578.00	5653.00	6175.00	25544.00
26.	Joypur Co-op.Society.	NIL	NIL	NIL	NIL	NIL	NIL
27.	Kaklabari G.P.S.S.	-	47700.00	NIL	-	-	47700.00
28.	Gorewar G.P.S.S.	-	-	-	-	-	-
29.	Borouja S.S.Ltd.	NIL	NIL	8577.00	5554.00	28553.00	42684.00
30.	Chandrapur G.P.S.S.	NIL	NIL	NIL	NIL	NIL	NIL
31.	Sonapur G.P.S.S.	NIL	NIL	NIL	NIL	NIL	NIL
32.	Panigaon G.P.S.S.	NIL	1000.00	1000.00	1000.00	1000.00	4000.00
33.	Dhanubhang G.P.S.S.	-	-	10642.00	5000.00	26206.00	41842.00
34.	Dotoma S.S.Ltd.	-	-	-	-	-	-
35.	Barame S.S.Ltd.	-	22668.00	26800.00	64558.00	28393.00	28393.00
36.	Lohitmuks G.P.S.S.	-	NIL	-	-	-	-
37.	Khawang G.P.S.S.	2000.00	2000.00	2000.00	2000.00	2000.00	10000.00
38.	Jagi Bhakat Gaon S.S.Ltd.	NIL	64111.00	70315.00	8103.00	N.A.	142529.00
39.	Kamalabari G.P.S.S.	7728.00	NIL	NIL	NIL	NIL	7728.00
40.	Naharbari G.P.S.S.	40337.00	615540.00	531784.00	616199.00	695112.00	3498972.00

: -11(F) -:

T A B L E - III(C)
Borrowing Outstanding (CASH CREDIT) (In Rs.)

Sl.No.	Name of G.P.S.S.	Borrowing Outstanding as on					Total borrowing outstanding.
		1975-76	1976-77	1977-78	1978-79	1979-80	
1.	Rangamati S.S.Ltd.	11824.00	21154.00	10616.00	7820.00	NIL.	51414.00
2.	Bihupuria S.S.Ltd.	NIL.	NIL.	NIL.	10745.00	17000.00	27745.00
3.	Salkocha S.S.Ltd.	NIL.	NIL.	NIL.	NIL.	NIL.	NIL.
4.	Mancotta G.P.S.S.	10007.00	8008.00	21250.00	42633.00	NIL.	81898.00
5.	Udalguri G.P.S.S.	NIL.	NIL.	NIL.	NIL.	NIL.	NIL.
6.	Paneri G.P.S.S.	NIL.	NIL.	NIL.	NIL.	NIL.	NIL.
7.	Dangeri G.P.S.S.	NIL.	NIL.	NIL.	12500.00	225000.00	350000.00
8.	Kalaijan S.S.Ltd.	NIL.	NIL.	132500.00	13250.00	NIL.	26500.00
9.	Madhapur G.P.S.S.	NIL.	NIL.	75000.00	NIL.	NIL.	NIL.
10.	Kachugaon S.S.Ltd.	NIL.	NIL.	7500.00	NIL.	NIL.	7500.00
11.	Boko G.P.S.S.	NIL.	NIL.	NIL.	NIL.	12500.00	12500.00
12.	Uttar Baska S.S.Ltd.	NIL.	NIL.	NIL.	NIL.	NIL.	NIL.
13.	Jaxiroad S.S.Ltd.	NIL.	NIL.	NIL.	NIL.	NIL.	NIL.
14.	Kalabari S.S.Ltd.	NIL.	NIL.	NIL.	NIL.	NIL.	NIL.
15.	Harinagar G.P.S.S.	NIL.	NIL.	NIL.	NIL.	NIL.	NIL.
16.	Bijni S.S.Ltd.	NIL.	7500.00	7500.00	15000.00	15000.00	45000.00
17.	Kulajan G.P.S.S.	NIL.	NIL.	45000.00	NIL.	45000.00	90000.00
18.	Bhakatpara G.P.S.S.	NIL.	NIL.	NIL.	NIL.	NIL.	NIL.

Contd..... 11(C).

P-11(G)

Sl. No.	Name of G.P.S.S.	Borrowing Outstanding as on					Total
		1975-76	1976-77	1977-78	1978-79	1979-80	
19.	Uttar Saliya G.P.S.S.	9375.00	9375.00	9375.00	9375.00	9375.00	46875.00
20.	Pub Konwarpur G.P.S.S.	NIL	NIL	NIL	18350.00	1850.00	20200.00
21.	North Morongi G.P.S.S.	NIL	NIL	NIL	NIL	NIL	NIL
22.	Sapaguri G.P.S.S.	76767.00	295650.00	297196.00	85221.00	NIL	754834.00
23.	Salakati S.S.Ltd.	NIL	NIL	NIL	NIL	NIL	NIL
24.	Sapkata S.S.Ltd.	NIL	NIL	NIL	NIL	12500.00	12500.00
25.	Sarfanguri S.S.Ltd.	NIL	7500.00	NIL	7500.00	12500.00	27500.00
26.	Joypur Co-op. Society Ltd.	NIL	-	-	-	-	-
27.	Kaklabari G.P.S.S.	NIL	NIL	NIL	NIL	NIL	NIL
28.	Goreswar G.P.S.S.	14088.00	17419.00	13652.00	6403.00	NIL	51562.00
29.	Bdrapujia S.S.Ltd.	NIL	138219.00	228359.00	114788.00	-	481365.00
30.	Chandrapur G.P.S.S.	NIL	7291.00	47728.00	55623.00	26628.00	137270.00
31.	Sonapur G.P.S.S.	10926.00	12992.00	6712.00	4464.00	20000.00	55094.00
32.	Panigaon G.P.S.S.	-	-	-	7500.00	25000.00	32500.00
33.	Dhanubhanga G.P.S.S.	-	-	-	18995.00	125000.00	143995.00
34.	Dotoma S.S.Ltd.	5426.00	13363.00	27624.00	12043.00	35196.00	93652.00
35.	Lohitmukh G.P.S.S.	9375.00	1875.00	NIL	41250.00	NIL.	69375.00
36.	Barama S.S.Ltd.	-	-	-	17000.00	NIL	17000.00
37.	Kamalabari G.P.S.S.	7728.00	-	-	-	-	7728.00
38.	Khawang G.P.S.S.	35330.00	4566.00	9368.00	18709.00	NIL	67973.00
39.	Jagi Bhakatgaon G.P.S.S.	23250.00	-	-	10803.00	-	34053.00
40.	Naharbari G.P.S.S.	NIL	NIL	NIL	NIL	NIL	NIL
		214096.00	561787.00	745129.00	529972.00	380049.00	2431023.00



PROFIT AND LOSS.

In all co-operative ventures service is the motto and naturally profit occupies a secondary position. This is more applicable in case of the G.P.S.S. On perusing the gross profit/loss and net profit/loss account of the societies we have found that although the co-operative societies being commercial institutions are expected to earn some profit, the question of earning profit or incurring loss depended more or less on the quantum of personal interest of the Secretary and Chairman in particular and the group interest taken by the Managing Committee in general. There are other factors too, ~~like~~ to influence on this score. The availability of controlled commodities at regular intervals, nearness to the FCI godowns from where controlled items are to be lifted, nearness of railhead, availability of trunks for hiring, occupational and livelihood pattern of the locality where the society is located, etc, also influence the profit and loss position of the societies.

~~And~~ Taking all these factors into consideration, reference may be made of the quantum of profit earned by a particular society namely Chandrapur G.P.S.S. in Gauhati Sub-Division. The gross profit and net profit for four years beginning 1975-76 are shown below :-

<u>Year.</u>	<u>Gross Profit.</u>	<u>Net Profit.</u>
1975-76	Rs. 46,020.00	Rs. 22,406.00
1976-77	Rs. 78,979.00	Rs. 39,196.00
1977-78	Rs. 91,319.00	Rs. 37,956.00
1978-79	Rs. 96,694.00	Rs. 36,373.00

The above data give a very much encouraging picture relating to a co-operative enterprise at a village level. It may be noted that this society is running on profit since inception. The total accumulated profit of the society till 30-6-79 was Rs. 1,36,931.00. As against this we may look into the workings of some societies which had incurred net loss inspite of earning gross profit. The Kalabari G.P.S.S. is such a ~~xxxxxx~~ society whose performance was anything but satisfactory as revealed by the following figures.

Contd. 13/-

<u>Name of the G.P.S.S.</u>	<u>Years.</u>	<u>Gross Profit/ Loss.</u>	<u>Net Profit/ Loss.</u>
Kalabar-i.	1975-76	(+) 313'69	(-) 11,369'40
	1976-77	(+) 329'07'14	(-) 19,823'46
	1977-78	(+) 7296'20	(-) 21,272'74
	1978-79	(+) 4553'49	(-) 3,753'62
	1979-80	(+) 13020'32	(-) 244'78

(+) indicates gross profit.
(-) indicates loss.

The recurring net loss of a business concern consecutively for five years is not only a simple indication of malfunctioning by its own strength but it also gives hint of something more on the efficient management of the society. But majority of the societies did not fall under these two extreme categories. Most of them were seen following the middle course facing ups and downs in the course of their business transactions. The following table shows the yearwise position of profit and loss in respect of societies under the purview of survey.

Contd. 14/-

T A B L E - IV

Table showing yearsise Net Profit/Loss of G.P.S.S. under study.

Year.	No. of Societies showing Net Profit	P.C. of total Societies	No. of societies showing net profit loss.	P.C. to total Societies	No. of Societies showing loss.	P.C. to total Societies	Total No. of Societies	Remarks.
1	2	3	4	5	6	7	8	9
1975-76	17	43.58	4	10.25	18	46.15	39	Data not available for one society
1976-77	13	33.33	4	10.25	22	56.41	39	- Do-
1977-78	14	35.89	5	12.82	19	48.71	39	- Do-
1978-79	19	48.77	8	20.51	12	30.76	39	- Do-
1979-80	18	46.15	10	25.64	11	28.20	39	- Do-

From the table above it is clear that the number of societies earning net profit varies from year to year- Thus in 1975-76 out of a total of 39 societies 17 Nos. earned net profit whereas the figure came down to 13 in 1976-77. Similarly net profit position didnot show much improvement in 1977-78, the figure ~~xx~~ being 14. But in 1978-79 and in 1979-80 the position had improved. Thus from 13 societies in 1976-77, the figure come up to 19 in 1978-79 and 18 in 1979-80. ~~xxxxxxxxxxxx~~

As regards no profit no loss which however is not the primary motive of the societies an increasing trend is noticed. Thus from 4 societies in 1975-76, the figure came upto 10 in 1979-80. Some of the societies on the loss side could improve and this led to the increase of the number of societies on the no profit/no loss score.

Societies incurring loss was found to be maximum during the year 1976-77 (56.41%). But the position was found to be improved and in 1979-80 only 11 societies or 28.20 per cent were found on red side.

Contd. 15/-

Among the various factors that caused recurring losses were underweightment through average weight account at the lifting points, shrinkage or shortage found at the retail level, heavy transport charges, irregular and insufficient supply of controlled commodities, etc.

C R E D I T

From the analysis that follows it will be seen that the co-operative societies at the G.P. level were not found in an enviable position in the matter of supplying rural credit although this was one of the main objectives of organising the G.P. level Co-operative societies. This was partly due to the lack of credit worthiness of the potential borrowers and partly due to rise of overdue positions of the societies.

Most of the loans issued by the Co-operative societies were in the form of short term loans for carrying out both Rabi and Kharif operations. Loans were also issued for pumsets, cattle loans, poultry loans, etc. but the quantum of such loans were few and far between.

The following table gives an idea of the position of different types of short term loans.

T A B L E - V.

Year.	Total No. of Societies under Study.	No. of societies offering loans.
1975-76	40	21
1976-77	-do-	23
1977-78	-do-	15
1978-79	-do-	14
1979-80	-do-	11

From the preceding table it is seen that the number of societies dealing in agricultural loans had been decreasing at a faster rate. This may be ascribed to two important reasons.

Contd. 16/-

First, the overdue position of the societies was really bad. Secondly, in some areas specially in the northern belt of Kokrajhar district the cultivators have no proper titles on land, the land holding being reserved forest land. These cultivators, therefore, could avail no loan whatsoever for carrying out agricultural operations.

TABLE - VI

Other short term loans.
Total No. of Societies under study - 40

Types of loan.	No. of societies offering loan yearwise.				
	1975-76	1976-77	1977-78	1978-79	1979-80
	2	4	3	1	3
1. Cattle loan.					
2. Irrigation & Industrial loan	NIL	NIL	1	1	1
3. Piggery loan.	NIL	NIL	1	NIL	NIL.

It is seen from the table above that the number of short-term & cattle loan offered was very much negligible compared to the needs of the cultivators and cart-bullers. The position of irrigation and industrial loans and piggery loans was still worse.

The study also reveal that the societies were not at all enthusiastic for disbursement of medium term loans due to their bad overdue position.

TABLE - VII

Medium Term Loans.

Total Number of Societies under study - 40

Types of Loan.	No. of societies offering loans yearwise.				
	1975-76	1976-77	1977-78	1978-79	1979-80
1. Agricultural loan.	3	4	2	1	2
2. Piggery loan.	1	NIL	1	1	2
3. Cattle loan.	NIL	2	2	1	..
4. Irrigation & Industrial loan	1	5	2	1	3

It is seen from the preceding table that only a very few societies had offered medium term loans to their members.

Contd. 17/-

Another interesting factor in case of issuing loans is also observed. Although all the societies under the purview of the studies are within the tribal sub-plan area the percentage of tribal beneficiaries to total beneficiaries came to be 32'04. As the tribal membership came to 34'25 percent the above percentage of the tribal beneficiaries is more or less proportionate. Of course, in some societies tribal beneficiaries accounted for 85'05% (Dotoma G.P.S.S.), 83'58% (Jagiroad G.P.S.S.), and so on. While in some other societies tribal beneficiaries accounted for 12'26% (North Marangi G.P.S.S.), 17'24% (Chandrapur G.P.S.S.) and so on.

It was seen that the Co-operative societies based on tribal areas also extended greater benefits to the marginal farmers so far as loans were concerned. Thus the vulnerable section i.e., landless agriculturists were over looked who in fact deserved special treatment. For example the Boko G.P.S.S. issued short term loans to 20 marginal farmers and 8 small farmers. The Goreswar G.P.S.S. in 1978-79 issued 49 loans and all went to the marginal land holders. But Baginadi G.P.S.S., Serfanguri G.P.S.S. and Ranganadi G.P.S.S. were exceptions in this regard. In the former G.P.S.S. 29 landless members were issued crop loan in 1980. The Rangamati G.P.S.S. issued 20 S.T. loans to 20 landless families in 1977 and 6 landless members in 1979, while the Serfanguri G.P.S.S. issued S.T. loans to 3 landless members in 1976 and 11 landless members in 1977. As regards M.T. loans both small and marginal farmers were benefitted leaving the landless uncared for.

LOAN OUTSTANDING.

It was difficult to understand why almost all the G.P.S.S. were suffering from the maladies of loan outstanding. The following table shows the total loan outstanding position in the societies under the purview of the survey.

Contd. 18/-

:- 18 :-
T A B L E - VIII.
Loan Outstanding. (In Rs.)

Sl. No.	Name of C.P.S.S.	Loan Outstanding in relation to loan issued.					Total outstanding.
		1975-76	1976-77	1977-78	1978-79	1979-80	
1.	Boko G.P.S.S.	N	I	L			
2.	Goreswar G.P.S.S.	2845' 00	2634' 00	795' 00	429' 00	429' 00	7132' 00
3.	Chandrapur G.P.S.S.	-	-	-	2148' 00	2148' 00	4296' 00
4.	Japirood G.P.S.S.	3457' 00	2820' 00	4058' 00	5532' 00	NIL.	15867' 00
5.	Borapujia G.P.S.S.	1029' 00	4013' 00	2734' 00	4819' 00	10047' 00	22642' 00
6.	Jagri Bhakat Gaon G.P.S.S.	5759' 00	22065' 00	161486' 00	287567' 00	NIL	476877' 00
7.	Kalairaoon S.S.Ltd.	1823' 00	33281' 00	28724' 00	26624' 00	31235' 00	121687' 00
8.	Dangari G.P.S.	17155' 00	7430' 00	7430' 00	7430' 00	7300' 00	47245' 00
9.	Burhidibira G.P.S.S.	NIL	3278' 00	15988' 00	NIL	NIL	19266' 00
10.	Salkocha S.S.Ltd.	33' 00	14803' 00	14808' 00	28820' 00	30914' 00	89388' 00
11.	Borinadi ukhamati S.S.Ltd.	2943' 00	2043' 00	3526' 00	1896' 00	13365' 00	24763' 00
12.	Mancotta G.P.S.S.	32' 00	1254' 00	14561' 00	13500' 00	N.A.	29641' 00
13.	Knowang G.P.S.S.	7285' 00	2158' 00	NIL	70' 00	70' 00	9513' 00
14.	Haringgar G.P.S.S.	NIL	NIL	1147' 00	8355' 00	29012' 00	38514' 00
15.	Joypur G.P.S.S.	NIL	NIL	NIL	NIL	NIL	NIL
16.	Dotoma M.H.S.S.Ltd.	3796' 00	4682' 00	NIL	NIL	7697' 00	16175' 00
17.	Rangamati S.S. Ltd.	237' 00	37935' 00	28142' 00	34722' 00	34703' 00	135739' 00
18.	Dudhnoi S.S.Ltd.	9269' 00	23229' 00	14171' 00	16597' 00	14342' 00	77608' 00

Contd. 19/-

:- 19 :-

Sl. No.	Name of C.P.S.S.	Loan outstanding in relation to issued.					Total loan outstanding.
		1975-76	1976-77	1977-78	1978-79	1979-80	
19.	North Morongri C.P.S.S.	4640' 00	19042' 00	13928' 00	91831' 00	94339' 00	223780' 00
20.	Dhanubhanga C.P.S.S.	NIL	NIL	nil	NIL	NIL	NIL
21.	Uttar Baska C.P.S.S.	NIL	8317' 00	NIL	NIL	NIL	8317' 00
22.	Moridhal C.P.S.S.	10627' 00	12074' 00	12761' 00	55492' 00	54496' 00	146470' 00
23.	Pub Konwarpur C.P.S.S.	10647' 00	13074' 00	12761' 00	55492' 00	54496' 00	146470' 00
24.	Kamalabari C.P.S.S.	2272' 00	6951' 00	NIL	NIL	NIL	9223' 00
25.	Madhupur C.P.S.S.	NIL	NIL	15000' 00	37000' 00	47000' 00	99000' 00
26.	Odalpur C.P.S.S.	17550' 00	23995' 00	17810' 00	17750' 00	NIL	77105' 00
27.	Kulajan C.P.S.S.	NIL	12409' 00	23481' 00	NIL	NIL	36250' 00
28.	Uttar Sadiya C.P.S.S.	NIL	NIL	995' 00	484' 00	484' 00	1963' 00
29.	Phakatpara C.P.S.S.	NIL	146628' 00	18612' 00	9118' 00	5741' 00	180299' 00
30.	Paneri C.P.S.S.	NIL	1236' 00	54291' 00	26700' 00	22026' 00	110253' 00
31.	Barama C.P.S.S.	NIL	2555' 00	15694' 00	39212' 00	73782' 00	131243' 00
32.	Kachugoon S.S.Ltd.	NIL	NIL	NIL	NIL	NIL	NIL
33.	Sarfuncuri S.S. Ltd.	2083' 00	12074' 00	19854' 00	14286' 00	14717' 00	53014' 00
34.	Kalabari C.P.S.S.	9219' 00	9219' 00	9219' 00	9219' 00	9219' 00	46095' 00
35.	Panigraon S.S. Ltd.	8488' 00	23017' 00	22016' 00	23103' 00	23020' 00	99644' 00
36.	Bihmuri C.J.S.S.	5224' 00	2549' 00	38600' 00	59960' 00	61290' 00	167623' 00
37.	Sapkata C.P.S.S.	NIL	11838' 00	10249' 00	50752' 00	59021' 00	131860' 00
38.	Lohitpukh C.P.S.S.	NIL	NIL	NIL	NIL	NIL	NIL
39.	Naharbani C.P.S.S.	NIL	NIL	NIL	NIL	NIL	NIL
40.	Salakati C.P.S.S.	NIL	NIL	NIL	NIL	NIL	NIL
		116580' 00	463057' 00	569417' 00	598881' 00	693907' 00	27,25,931' 00

The above table indicates the general outstanding position in respect of the loans issued. It was reported that inspite of best efforts most of the societies were not in a position to clear the outstanding. Some of the societies, however, reported that the secretary was overburdened to pursue the realisation of the outstanding loans. The pitiable economic condition of the loanees was another reason for this state of affairs. Whenever the Co-operative officials approached the loanee they pleaded non-surplus of agricultural products. Another important factor that comes to light is that the Co-operative ~~xxxx~~ Officials do not go to the people for realization of loans at the time of harvest when the borrowers are in a position to repay at least a certain part of the loan.

The above table reveals that the loan outstanding increases at a faster rate from year to year. In 1975-76 from Rs. 1,16,580'00 it went upto Rs. 6,93,989'00 in 1979-80 the grand total for the five years being Rs. 27,25,931'00

As regards overdue the percentage varied from 18'20% in Serfanguri, 30'41% in Dotoma, 40% in Dangari, 50% in Barapujia and Boginadi Ukhamati to 78% in Odalguri and 100% in Rangamati G.P.S.S. This overdue condition was the deterrent factor in the healthy growth of the G.P.S.S. because the Banks always stipulated in the clearance of the overdues.

The total outstanding of Govt. ~~xxxx~~ loan provided as working capital loan, godown loan, S.F.D.A. loan and branch opening loan, etc., was considerable which hampered the growth of Co-operative organisation on a sound footing. There were various constraints such as delay in selecting sites for godown, or branch. While some societies are free from this malady, the others are not free.

The table below shows the total outstanding of Govt. loan in respect of the G.P.S.S. falling within major tribal inhabited areas.

Contd. 21/-

TABLE - IX,

Name of the G.P.S.S. ; Outstanding of Govt. loan upto 1980	
1	2
Barapujia	Nil
Dangari	Nil
Baginadi Ukhamati	Nil
Dotoma	Rs. 55,280'00
Odalguri	Rs. 15,000'00
Serfanguri	Rs. 7,500'00

CREDIT LIMIT STATEMENTS

As regards Credit limit statement it was found that most of the societies prepared C.L.S. for the members who applied for loans C.L.S. for all the members were not prepared partly because of lack of co-operation from concerned departments relating to land records and partly due to non completion of lands register.

Loan applications were collected by fixing notices in the office of the society as well as in prominent places. The managing committee members also contacted members for the loan applications. The Secretary also approached the members during his off time particularly on Sundays or holidays. Some societies (Harinagar and Jaypur G.P.S.S.) took resort to drum beating also.

Regarding motivation by the departmental officers in connection with financing of members it was observed that almost all the societies had formed credit sub committees with local members, agricultural officers and officers of the co-operative societies and lead banks. The officers of the Co-operative Department associated themselves in motivation and extension works.

The time lag in between individual loan application from members and submission of C.L.S. to the banks varied from society to society. Generally one month was required for the purpose. In some societies the time lag was unduly lengthened. For example the Kalabari G.P.S.S. took about 3 months while Madhapur G.P.S.S. took an unduly long period of 6 months. There are societies like Harinagar G.P.S.S., Joypur G.P.S.S., Rangmati G.P.S.S., Goreswar G.P.S.S., Kolaigaon G.P.S.S., Sapaguri G.P.S.S., Pub Konwarpur G.P.S.S., Kalabari G.P.S.S., Odalguri G.P.S.S., Lohitmukh G.P.S.S., Uttar Sadia G.P.S.S.

Contd. 22/-

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North Marangi G.P.S.S. Paneri G.P.S.S. and Serfangrui G.P.S.S. which took 10 to 20 days for collection of loan applications from members and submission of the same to the banks. Still there are societies like Dudhnoi, Dotoma, Salkocha, Maridhal and Kulajan which required only 7 days for the abovementioned purpose. Madhapur G.P.S.S. was the only exception in this regard which required 6 months for collection of loan application from the members. The Kalabari G.P.S.S. also took about 3 months. Thus it was seen that much time was spent by most of the societies in collection of applications only which could have been avoided easily because the societies were located in and around the localities of the members.

Similarly as regards time taken for submission of C.L.S. to Banks, different societies took different times. While Mankata, Dhanubhanga, Jagiroad, Jagi Bhakatgaon, Madhapur G.P.S.S. took more than two months rest of the societies (except Dotoma and Paneri G.P.S.S. which took 7 days) took 10 days to 40 days.

As regards the time taken for disbursement of cash and kind components to the members as per scale of finance, 30 societies distributed both cash and kind components in time. Some of these societies distributed the kind component first in order to ensure the release of the cash, because experience showed that some members failed to turn up for receiving the kind if they received the cash early. Six societies reported that due to irksome formalities the distribution could not be made in time. The banks insisted upon periodic patta lands which the members, particularly tribal members did not possess. Sometimes C.L.S. were received late from the members. Four societies namely joypur G.P.S.S. Kachugaon G.P.S.S. Maridhal G.P.S.S. and Chandrapur G.P.S.S. did not make any arrangement for loans, thereby depriving the members from receiving loans which were essential for economic development.

Contd.23/-

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MEMBERSHIP IN MANAGING COMMITTEES.

T A B L E - X

Sl.No.	Name of G.P.S.S.	Total members of M.C.	S/T. members of the M.C.	P.C. of S/T Members.
1.	Boko G.P.S.S.	12	3	25.00
2.	Goreswar G.P.S.S.	17	6	35.29
3.	Chandrapur G.P.S.S.	17	5	29.41
4.	Jagiroad G.P.S.S.	14	5	35.71
5.	Borapujia G.P.S.S.	14	4	28.57
6.	Kalaigaon S.S.Ltd.	15	4	26.66
7.	Dangari G.P.S.S.	12	11	91.66
8.	Burhidihing G.P.S.S.	12	2	16.66
9.	Mancotta G.P.S.S.	12	5	41.66
10.	Harinagar G.P.S.S.	15	2	13.33
11.	Dotoma M.C.S.S.	16	13	81.25
12.	Rangamati S.S.Ltd.	13	7	53.84
13.	Dudhnoi S.S.Ltd.	12	6	50.00
14.	Sonapur G.P.S.S.	17	6	35.29
15.	Dhanubhanga G.P.S.S.	15	2	13.33
16.	Pub Konwarpur G.P.S.S.	15	1	6.66
17.	Kamalabari G.P.S.S.	12	1	8.33
18.	Madhapur G.P.S.S.	14	2	14.28
19.	Odalguri G.P.S.S.	12	6	50.00
20.	Kulajan G.P.S.S.	12	6	50.00
21.	Lohitmukh G.P.S.S.	11	9	81.81
22.	Bhakatpara G.P.S.S.	12	3	25.00
23.	Paneri G.P.S.S.	12	1	8.33
24.	Barama G.P.S.S.	21	5	23.80
		334	115	34.43

(N:B: Due to inadequacy of data, position in respect of 16 other societies could not be furnished.)

Contd. 24/-

From the above table it is seen that 34'43% of the members of the Managing Committees belong to Scheduled Tribes. As the total Scheduled Tribes membership to total membership in the societies under the purview of survey was 34'25, the representation of the scheduled tribes in Managing Committees appears to be more or less proportionate. The membership in Managing Committees varies from 91'66% to 68'66%.

It is also seen that societies like Dangari, Dotoma, Lohitmukh have more than 80% tribal members in the Managing Committee which is quite appreciable, while of Odalguri and Kulajan societies have 50% S.T. members in the Managing Committees. Borpujia G.P.S.S. which is located in a growth centre dominated by the Lalungs has only 33'3% S.T. members although the President himself is a Lalung. The Pub Konwarpur G.P.S.S., Kamalabari G.P.S.S., and paneri G.P.S.S. had only one S.T. member in the Managing Committees.

FINANCIAL BENEFITS TO MANAGING COMMITTEE MEMBERS

During the years 1975-76 to 1979-80, 16 societies out of 40 did not give financial benefit to any M.C. members while Harinagar and Bihpuria G.P.S.S. financed 13 and 11 members respectively. Next came Salkicha with 10 members closely followed by Pub Konwarpur with 9 members. Panigaon and Serfanguri G.P.S.S. extended loans to 6 M.C. members each while Boko, Jagiroad, Jagi Bhakatgaon financed 5 members each. Five societies namely Goresar, Baginadi Ukhamati, Dhanubhanga, Maridhal and Barma G.P.S.S. financed 4 members each. Mankatta and Uttar Baska G.P.S.S. financed 3 Managing Committee members each while Khawang, Dudhnoi, Madhapur, Kalajan G.P.S.S. FINANCED MEMBERS EACH. Three societies namely Barapujia, Dotoma, Rangamati G.P.S.S. financed only one member each.

Till the time of our study all the above mentioned M.C. members were defaulters.

Contd. 25/-

AGRICULTURAL INPUTS.

Most of the societies did not deal in agricultural inputs. Altogether 26 societies returned nil in this column. Only 4 societies viz Barapujia, Paneri, Barama and Serfanguri G.P.S.S. were undertaking business in agricultural inputs during the entire period of five years. Three societies conducted the business only for 3 years. Four societies conducted business in agricultural inputs for two years while 3 societies served the members only for one year. The Co-operatives were expected to serve the villagers with agricultural inputs but from the above analysis it was seen that the very purpose was not fulfilled in major cases. The members are, therefore, compelled to resort to explore other sources to meet their requirements of agricultural inputs.

SELLING OF ARTICLES UNDER PUBLIC DISTRIBUTION SYSTEM.

All the societies under study were selling articles under public distribution system. Six of these societies, however, could not submit the details of sales during the period of survey. As regards other goods 13 Nos. of Societies could not furnish the details of the sales for the same period. Most of the societies reported about the insufficiency of articles under public distribution system compared to demands. It is seen that almost all the societies failed to supply the required other goods like cosmetics, biddis, cigarettes, gur, baby food, dal, etc khatas, foolscap paper, etc. for which the members had to depend upon the Mahajans of the nearest growth centre.

But a few societies under the purview of the survey were found to have done roaring business by providing consumers goods to the neighbouring people by keeping only a short margin of profit. One such society is the Chandrapur Gram Panchayat Samabai Samiti. The success of this society has become possible through the diversified net work of trading activities like that of a Department Store. The business turnover of this society in respect of items not covered by public distribution system is really amazing which may be seen from the figures quoted below:-

Year:-	
1975-76	Rs. 6,20,000'00
1976-77	Rs. 9,16,000'00
1977-78	Rs. 9,42,000'00
1978-79	Rs. 9,43,500'00
1979-80	Rs. 10,96,000'00 (Till June 1980)

Contd. 26/-

As a natural corollary of this huge turnover, the profit margin has always been on the higher side, though profit ~~margin~~ making is not the intended aim of a Co-operative society.

The success of the society is also attributable to the fact that during the last five years (1975-76 to 1979-80) no cases of misappropriation, defalcation, loss or shortage of stock on any account have occurred which have been vouchsafed from the Audit Reports. The existence of large scale industrial complexes like the Spinning Wing of the National Textiles Corporation, Assam Chemical Unit of the A.I.D.C., Assam Hard Board Ltd., Chandrapur Thermal Project of the A.S.E.B., Lime and Phenol Factory Ltd., Assam Asbestos Ltd., Fertilchem Assam Ltd., etc. have provided good scope of business turnover through the numbers industrial workers and officers located there. The availability of all commodities under single roof together with the ~~xxx~~ trust reposed on it as holding the price line by charging the minimum allowable profit margin make all people run after it in preference to other private traders of the locality. In this context the contribution of the departmental secretary deserves commendation for his far sightedness and business acumen. The initiative taken by the Managing Committee in constructing the society's godown and building timely has also contributed much towards uninterrupted flow of business transactions.

Another such society is the Harinagar Gaon Panchayat Samabai Samiti located within the Integrated Tribal Development Project Area of Cachar District. This society has been supplying all the essential commodities in bulk to seven tea gardens of Cachar. The secretary is a local youth who works 12 hours a day. He not only possesses business acumen but foresightedness as well. He has also received full Co-operation from the chairman of the society.

The Paneri Gaon Panchayat Samabai Samiti and the Jagi-road Gaon Panchayat Samabai Samiti are two of our societies under the purview of our studies which have been dealing with consumer's goods of all varieties and earning good dividends.

All the societies had agents for distribution of articles under public distribution system who were retail shopkeepers.

Crops like paddy, jute, sugarcane, potato, wheat mustard seeds were grown within the jurisdiction of each society. It was seen that most of the societies procured only paddy from the villagers. In case of procurement and marketing of surplus agricultural products all the societies preferred to stick to their own jurisdictions. But due to non existence of movement restriction certain G.P.S.S. (Example Pachim Nagaon G.P.S.S.) preferred business in nearest town.

OFFICE AND GODOWN.

Out of 40 societies 16 societies had their own office or office-cum godown or office-cum sales counter. Sixteen societies had been housed in rented houses. Nine societies had their own godowns, while funds for godown construction had been provided to 20 Nos. of societies. Twenty one G.P.S.S. had their own godowns.

ANNUAL GENERAL MEETING AND MANAGING COMMITTEE MEETINGS.

Annual General Meetings were held regularly in 25 G.P.S.S. Fifteen G.P.S.S. could not hold Annual General Meetings since 1979-80 due to agitational programmes. In this connection some anomalies in respect of, allowing the membership holders to sit in the general body's meet were brought to our ~~xxx~~ notice. In Boginadi G.P.S.S.: all families within the jurisdiction of the G.P.S.S. made members of the society. It was alleged that some of the persons entrusted with the task of membership against payment did not return the counterfoils to the authorities. As a consequence newly enlisted members whose membership counterfoils were not available with the authority were not allowed to sit in the general body's meet. This had adversely effected people's faith in Co-operative movement.

Managing Committee meetings were held in all the G.P.S.S. almost regularly. During the period of survey of Harinagar G.P.S.S. held 138 Managing Committee meetings followed by Sepaguri with 106 sittings and Kalabari with 103 sittings. The Uttar Sadiya G.P.S.S. held 23 Nos. of Managing Committee meetings, followed by Kachugaon G.P.S.S. with 26 meetings, Khowang G.P.S.S. with 31 and Jagiroad G.P.S.S. with 32 meetings.

Although Harinagar had the record of holding 138 Managing Committee meetings, one society also had the record of 43 adjourned Managing Committee sittings due to lack of quorum. Kalaigaon G.P.S.S. could not hold 24 Managing Committee sittings due to want of quorum. Similarly, Bhakatpara G.P.S.S. could not hold 23 Managing Committee meetings due to lack of quorum.

FUNCTIONARIES

Every society is generally manned by a secretary, one or two Managers, one Office Assistant, one or two Salesmen and one Chowkidar or Chowkidar-Cum-Peon. It may be noted that the staff position varied from society to society according to the business transaction the society had undertaken. The Secretary is drawn from the cadre Management of Co-operative Societies and his pay and allowances are borne by the Cadre Management.

The pay and allowances of other employees were borne by respective societies. It was observed that most of the societies paid the secretary from their own funds which were adjusted when the pay and allowances of the Secretary from the Cadre Management were received.

As regards establishment cost there was an upward trend from year to year although most of the societies did not undertake any worthwhile sale and marketing business since 1973-79. Besides most of the societies were not earning sufficiently to justify the increased number of employees. For example the Boko G.P.S.S. spent Rs. 8,500'00 as establishment cost during 1976-77 but the net profit in that year was only Rs. 199'88. Again the Kalabari G.P.S.S. incurred continuous net losses during 1975-76 to 1979-80. But the establishment cost increased from Rs. 7,241'00 in 1975-76 to Rs. 8,792'00 in 1976-77. The Bihpuria G.P.S.S. also incurred net losses for the same period but establishment cost increased from Rs. 8,091.00 in 1975-76 to Rs. 10,375'30 in 1979-80.

Some of the G.P.S.S. had records of misappropriation and defalcation by the office bearers one such case was found in the Boko G.P.S.S. where Vice Chairman was involved in misappropriation in 1975-76 amounting to Rs. 1,251.57. The Jagirod G.P.S.S. had recorded a case against an Ex Chairman who entered into a credit purchase of Rs. 1,659.90 but the stock was not adjusted. A Manager also could not show stocks worth Rs. 2 Rs. 369.10. The Balance Sheet of Jagi Bhakatgaon G.P.S.S. (1978-79) by showed misappropriation of Rs. 1,835.45 by the Secretary of the Society. Besides there were four cases of blockades of fund. The balance-Sheet of 1979-80 of Maridhal G.P.S.S. showed that a staggering amount of Rs. 55,894.00 remained to be recovered from various office bearers. Thus out of 40 G.P.S.S. only 9 G.P.S.S. had a clean state during the five years beginning from 1975-76.

AGRICULTURAL FINANCING.

As regards requirement of finance (approx) for an average agricultural family the figure varied from society to society. In Goreswar area the financial need amounted to

Rs. 3,000.00 which included Rs. 1500.00 as charges for a part time agricultural labourer. The average figure on this score was Rs. 2000.00.

It is observed that the members of a co-operative society procured finance from other sources like village Mahajans both tribals and non tribals. Generally loans were repaid in kind. In Boko area for a cash loan of Rs. 25.00 the borrower had to repay 40 Kg. of paddy at the time of harvest. It may be noted that the prevailing market price of paddy at that time was Rs. 55.00 for 40 Kg. of paddy. In Goreswar G.P.S.S. area the Kabuli Money lenders were flourishing. Their rate of interest was 15% P.M. In Salkocha Society area the Mahajans advanced loan to the needy villagers against crop to be repaid at the time of harvest. The rate of interest varied from 35% to 40% P.M. The modes operandi of the Mahajans of Baginadi G.P.S.S. area was different. They insisted upon temporary handing over of the ownership of certain land to them in lieu of the loan advanced. The Loaners had to repay the amount in single instalment within a certain period of time otherwise the Mahajans would grab the land. In Maridhal and Kulajan G.P.S.S. area both Kabulis and Marowari Traders were functioning for providing easy loans to the cultivators. The rate of interest for the Kabulis was 30% per month while the Marowari mahajans took 100% interest per harvest in season i.e., if a villager took one quintol of paddy in the lean month he had to repay 2 quintols just after the harvest. Only nine G.P.S.S. reported nil in case of other source of finance. It was reported that the villagers, by and large, were afraid of loans whether from Government or from private sources and they preferred to live in adject poverty rather than living with the burden of loans. Loans were taken only in exceptional cases like marriage ceremony, death rites and in some cases due to insufficiency of agricultural lands.

Out of 40(forty) G.P.S.S. as many as twenty four G.P.S.S. did not avail themselves of the loans under D.R.I. System. At the initial stage the tribals were not coming forward to accept any Govt. loan irrespective of the quantum of interest, because of the apprehension that failure of repaying the amount would result in forfeiture of land.

But as reported by the Secretaries, this picture had changed considerably. Tribals were coming forward to accept the loans and motivation by Co-operative and bank officials in this regard was helping to remove the misunderstanding.

FINANCE BY LEAD BANKS.

In regard to the question whether the G.P.S.S. was facing any difficulty in procuring finance from the lead banks, various societies expressed mixed reaction. Societies like Lohitmukh reported that in order to get the loans from banks the bank authorities insisted on periodic pattas of the lands which most of the villagers did not possess. Even if they possessed at all, they hesitated to hand over the land records for the loan. The Uttar Sadiya G.P.S.S. reported that timely sanction was not accorded by the local bank. The Kachugaon & G.P.S.S. experienced a peculiar situation. The society was facing acute difficulty in reaching loan from the banks as the cultivators of his area did not possess clear title over their lands. The lands belonged to the Forest Department. They, however paid nominal land revenue but did not possess heritable and transperable right over their lands. The Boko G.P.S.S. and Goreswar G.P.S.S. faced no difficulty in this regard. The Jagi Bhakatgaon G.P.S.S. on the other hand, complained that the society faced difficulty due to the cumbersome formalities of the bank.

In regard to the question whether timely utilisation of loan was supervised by the office bearers, employees or bank authorities, 32 G.P.S.S. replied in positive. Out of these 32 societies 2 societies each had exclusive staff for loan realisation. The Jagi Bhakatgaon G.P.S.S. replied that supervision by the bank official was partial. Seven societies had negative reply.

The role of the Banks in financing the members of G.P.S.S. was increasing rapidly. It was found that on an average each Bank Supervising Officer had jurisdiction of 3 societies. As many as 10 G.P.S.S. reported that bank officials were not readily available to the people for consultation and guidance. This happened due mainly to location of the H.Q.s of the bank supervising officials. For example the supervising officers for Jagiroad G.P.S.S. used to stay at Nagaon. The H.Q.s of the supervising officer of Dudhnoi G.P.S.S. was at Gauhati.

Contd. 31/-

PUBLIC DISTRIBUTION SYSTEM

The controlled commodities like sugar, rice, & atta, maida, salt, kerosene, dhuti, sari, marking cloths, etc., are distributed to the people in the rural areas not only through the individual fair price shops privately owned but through the G.P.S.S. also. Although not uniform, the G.P.S.S. had to face some practical difficulties in lifting the controlled commodities from the urban areas. Most of other societies complained about transportation problem and non-availability of ready stock in the whole sale agencies. The wholesale agencies are situated at the District or Sub-Divisional head quarters.

Almost all the societies complained about insufficiency of controlled commodities. Besides, all the varieties of controlled commodities like Sari, Dhuti, Kerosin Oil, Rice, Atta, Salt, etc., are not available and naturally the societies had to bear additional transport cost. The Chandrapur G.P.S.S. had difficulty in lifting quota of essential commodities from the F.C.I. The Dudhnoi G.P.S.S. revealed that as soon as allotment was received Bank Draft was obtained in favour of supplies but very often the supplier failed to supply the allotted quota. In this way money was blocked sometimes for months together. Oftentimes hired trucks were returned without the allotted articles.

Shortage in weight was another common complaint from almost all the G.P.S.S.

Of course, five societies had not faced difficulties in lifting quota allotted. These are Dargari G.P.S.S., Bhakatpara G.P.S.S., Kachugaon G.P.S.S., Panigaon G.P.S.S. and Naharbari G.P.S.S.

All the societies under study used to lift articles to the distribution centre i.e., G.P.S.S. office godown by hiring trucks. Societies like Uttar Sadiya G.P.S.S., Lohitmukh G.P.S.S. and Kamalabari G.P.S.S. had to use other means of transport over and above the trucks.

Contd. 32/-



These societies had to use boat, thela or bullockcart and truck for carrying goods, The cost of articles in these G.P.S.S. therefore, was, a little higher than other G.P.S.S.

The nominal cost of carrying articles from wholesale agencies to the G.P.S.S. varies from society to society. The topography largely differentiates the cost. Besides, due to non availability of trucks in or around the G.P.S.S. some societies had to bear additional charges. Thus Boko G.P.S.S. had to pay Rs. 1300/- to 1800/- per 100 quintols of rice per trip from Kokrajhar to Boko. Similarly Chandrapur G.P.S.S. had to pay 1600/- per 100 quintols of rice from Kokrajhar to Chandrapur. The Kalabari G.P.S.S. paid Rs. 850/- to 900/- per trip from Tezpur to Kalabari. Some societies like Khowang, Mankata are in a better position in respect of carrying charges. In Khowang a truck owner charged Rs. 3'00 per quintol per trip from Dibrugarh to Khowang.

FINANCING OF COTTAGE INDUSTRIES AND MARKETING OF PRODUCTS THEREOF.

Most of the G.P.S.S. areas are rich in cottage industries such as cane and bamboo works, rearing of endi silk worms rope making, etc. But it was observed that the G.P.S.S. did not make any sincere effort to help the cottage industries. The societies could help these industries. By providing financial assistance raw materials at subsidised rate and arranging marketing of the products.

The G.P.S.S. could play major role in boosting up the rural economy in various directions. But they miserably failed in establishing small scale industries. There were much scope for Oil Chani, Paddy Husking, Khandsari, Chakki Unit, Brick Field, Bamboo and cane furniture industries, pineapple preservation unit, soap factory, 'Miri Jim' etc.

EXPANSION OF BUSINESS

In reply to the question whether the G.P.S.S. had any scheme for the expansion in the other field of trades, majority of the societies replied in negative. The reason was paucity of fund. Some G.P.S.S. namely Dudhnoi, Bihpuria, Maridhal, Bhakatpara, Paneri and Serfanguri had certain schemes but these had not materialised yet. The Dudhnoi G.P.S.S. had a scheme for wholesale business in non controlled goods. The Serfanguri G.P.S.S. planned to start one 'Supari' (dry betel nut) Processing Unit. Likewise Maridhal G.P.S.S. had a scheme of purchasing 4 Nos of power tillers. But most of these ambitious schemes turned out to be paper works only.

RECOVERY OF LOANS.

As regards procedure followed by the societies for timely recovery of loan almost all the societies followed similar procedures. Notices were served to the loanees before the due date of recovery indicating the principal and interest payable by them. If it did not work the officials of the G.P.S.S. viz. Secretary, Office Assistants etc. made physical verification for realisation of the outstanding dues. If that did not work necessary resolution was adopted in the Managing Committee Meeting and defaulters were served with Bakijai notices.

The societies used to file Bakijai cases against wilful defaulters. For example 43 such cases were instituted in Boko G.P.S.S. In Goreswar only two such cases were instituted involving an amount of Rs. 429'62. The Jagi Bhakatgaon G.P.S.S. had served Bakijai notices to 36 loanees. The Kalabari G.P.S.S. had as many as 48 cases against wilful defaulters. The Pub Konwarpur G.P.S.S. had instituted highest number of Bakijai cases, i.e. 138 cases for M.T. and 52 cases for S.T. loans followed by Panigaon G.P.S.S. with 130 cases.

The main reasons for overdue loans were that in ~~may~~ many cases loanees were not readily available. Poverty and natural calamity were two other causes for overdue loans. Besides, loans in many cases were not disbursed in time. The Secretary of 23 G.P.S.S. had reported that the loanees were wilfully defaulting and they treated the Cooperative loans as subsidies or grants.

Necessary pursuation was not done to realise the overdue. Besides the villagers were agreeable to repay the loan on the weekly market days when they earned some money but the staff of the G.P.S.S. were not available on those days. Proper publicity would have greatly helped in realisation of overdues. Like the Mahjans and Kabuli money lenders, the staff of the Co-operatives should meet the loanees on the weekly 'Hat' days for recovery of overdue loans.

DEPOSIT MOBILIZATION SCHEME

The Co-operative Department had started a new scheme in 1975-76 known as Deposit Mobilization Scheme. Under this scheme the savings of the members of a society were sought to be mobilized. Deposit collected was kept in the Savings Bank Account with the Post Offices and it could be used by the society for expansion of business as and when considered necessary. Out of 40 G.P.S.S., 21 G.P.S.S. had started Savings Bank under the Deposit Mobilisation Scheme in 1975-76. But the scheme was found to be in operation only in 11 G.P.S.S. at the time of our study. The scheme was functioning very well in Paneri G.P.S.S. with a balance of Rs. 28,602.98 as on 30-6-81.

The scheme was abandoned midway by 10 G.P.S.S. as the members showed preference in keeping their savings in post offices directly.

CATTLE AND CROP INSURANCE.

For cattle loan, insurance is a must. Out of the 40 societies under study, 18 Nos. had initiated livestock insurance while only one society had introduced crop insurance. Twenty one societies had neither introduced livestock nor crop insurance.

Contd 35/-

The reasons for non starting of insurance were that some of the societies were not informed about the schemes and some societies did not simply accord sanction.

MANAGING COMMITTEE DELIBERATIONS.

It was reported that except the members of three G.P.S.S. all the members of the Managing Committees of the rest of the G.P.S.S. took part in the deliberations. They also took interest in the affairs of the society. But in this respect also all societies cannot be placed on equal footing. In one or two societies not only the chairman but majority of the members were found to be half hearted.

By and large non tribals did not dominate the deliberations of the Managing Committee Meetings nor they appropriated the large benefits. Only 3 G.P.S.S. namely Harinagar, Buridihiing and Salkocha had some reservations in this regard. According to the Secretaries of these three G.P.S.S., non-tribals dominated the deliberations of the Managing Committee Meeting.

Contd. ... 36/-

VERIFICATION OF STOCK.

All the G.P.S.S. except Dudhnoi and Uttar Sadiya and Jagiroad G.P.S.S. reported that Managing Committees of the G.P.S.S. verified the stock position periodically and irregularities pointed out by the Internal Auditors were sorted out promptly. The Managing Committee members of some societies like Boko G.P.S.S. and Chandrapur G.P.S.S., Paneri G.P.S.S. Sonapur G.P.S.S. used to verify stock position monthly which was necessary. The Dotoma G.P.S.S. got their stock position verified at the end of a year which seemed to be irregular.

In order to boost up co-operative spirit among the villagers, the Managing Committees were found to have taken various measures such as increasing the volume of business, both controlled and uncontrolled commodities and essential consumers goods. Due emphasis was laid on opening up of more retail outlets. Some societies were of the opinion that the establishment cost was increasing rapidly which needed a check.

To increase profit margin strict supervision over the officials of the society was considered by the Chairman as well as the members of the Managing Committees to be an essential factor.

As to the question whether the villages preferred other shops to the Co-operative societies, the reply was found to be affirmative. The main reason for this was that all the required articles were not available in the Co-operative stores. Further the co-operative societies did not maintain a regular flow of both controlled and non-controlled commodities. The stipulated hours of opening and closing the business in Co-operative stores were disliked by the villagers. The villagers got their things on credit in private shop in times of need but co-operative could not offer such benefit. The shops owned by the Mahajans were offering loans to the villagers continuously for decades and the villagers had to purchase their commodities from their shops even if those commodities were available in the Co-operative stores at slightly cheaper rates.

Contd. 37/-

If the co-operatives really mean business, there should be regular flow of both controlled and noncontrolled commodities. In disbursing loans simplified methods should be adopted so that the villagers could depend upon the societies. It was observed that the villagers could not lift the entire weekly or monthly requirement of articles at a time, rather they wanted them in instalments. The societies should have taken some pragmatic attitude in this regard.

MISCELLANEOUS.

Out of the 40 societies, 39 societies had cordial relationship between the Chairman and the Secretary. In fact a society could not run without co-operation of these two important office bearers. Only Rangamati G.P.S.S. had fair relationship between the Chairman and the Secretary.

Thirty eight societies reported that the managing committees did not find any difficulty in exercising control over the trained secretary provided by the Assam Cadre Management Co-operative Society. Only Kamalabari G.P.S.S. and Lohitmukh G.P.S.S. had some difficulties in this regard. It was reported that the Secretaries of these societies sometimes acted against the decisions of the Managing Committees.

As the G.P.S.S. under study reported that the annual budgets of the societies were approved by the annual general meetings. The Managing Committees exercised necessary budgetary control.

As regards inspection by the Inspecting staff it was observed that inspection, which was a sine qua non for the success of any co-operative venture was irregular. The following table indicates the inspection position of the 40 G.P.S.S.

Contd. 38/-

TABLE - XI.

Showing Inspection position of the G.P.S.S. by the Inspecting staff.

Irregular	Monthly	Fortnightly	Weekly	Quarterly	Half yearly	Annually	Periodical
7	11	7	2	1	4	1	3

Bi-Monthly
4

Total = 40

As a rule inspection should be done once in every month and it is seen from the above table that out of the 40 G.P.S.S. only 11 i.e. 27.5% of the G.P.S.S. came under that category.

Out of 40 G.P.S.S., 21 societies had no adverse records in the Inspection Books. In one society there was a case of non realisation of outstanding dues. Defalcation of society's fund by the ex-chairman was recorded from one society, while the Inspection Reports of two societies should misappropriation of society's funds. Similarly shortage of stock was recorded in case of two societies. Blockade of society's fund by the Secretary was recorded in one society. Misappropriation, shortage, blockade of fund and such other irregularities occurred in five societies where irregularities were recorded but nature of irregularity was not mentioned. The Inspecting staff were full of appreciation in case of two societies.

It was reported that Bakijai cases were filed in case of certain misappropriation cases while in other minor offences the Managing Committees took punitive measures.

There was provision of internal audit for all the societies. Thirty one society had provision for internal audit annually. Five societies had their accounts audited half yearly while only one society had provision for quarterly internal audit. Three societies had no provision for internal audit. The audit note of one society recorded as many as 25 irregularities. Two societies had reported that the internal audit of those societies remained incomplete till the time of survey. Irregularities in respect of 24 societies were found to be nil. One society, where the internal audit was done half yearly, had gone one step ahead by instituting special audit when public hue and cry arose. This was really exemplary.

Contd. 39/-

Most of the societies considered frequency of audit, which was annual, adequate. However 5 societies wanted that the audit should be half yearly.

Almost all the societies were in a position to draw up scheme like opening of more retail counter, hauler machine, piggery units, fisheries, etc, But not much was done in this regard.

All, the societies agreed that the existing jurisdiction was not big from the point of view of management.

As regards bifurcation of the existing society into two i.e. credit and non credit societies, almost all the societies disagreed for total bifurcation. However a few societies opined that separate credit cell with adequate staff (one Additional Secretary) might be created for smooth functioning of both credit and non credit activities.

Contd. 40/-

LAMP SOCIETIES
(HILL AREAS OF ASSAM)

The whole Co-operative structure in the hill areas of Assam was reorganised in 1976-77 as per recommendation of the Bawa Committee which had brought about a revolutionary change in the co-operative set up by converting the erstwhile Sub-Area Marketing Co-operative Societies into the Large Area Multipurpose Co-operative Societies. The Sub-Area Marketing Co-operative Society concept was evolved under the Tarlek Sing Study Team scheme. Under this scheme, the Primary Marketing Co-operative Marketing Societies and finally under the Bawa Committee scheme, these were converted to LAMP Societies.

The objectives of the LAMP Societies are as follows:-

1. To arrange for the sale of agricultural produce of the members to their best advantage;
2. To advance loans to members of the Society against their produce, raw or processed;
3. To rent or own godowns and processing yards to facilitate storage, processing and sale of goods;
4. To process raw materials belonging to the members or purchased by the society;
5. To arrange for packing and grading of the agricultural produce of the members;
6. To supply to members through their service co-operative societies or otherwise, manures, seeds and implements, etc. required for their farm business and essential domestic requirement.

There were 22 LAMP Societies in the two Hill Districts at the time of our investigation. Of the 22 societies, 14 LAMP societies were operating in Karbi Anglong district and 8 in the N.C.Hills district. For the purpose of our study we had taken up only 4 (four) societies - two from each district which had been considered sufficient to give a fair picture of the working of the LAMP societies in the hill areas of the State.

Contd 41/-

TABLE - I.

Sl. No.	Name of the Societies.	District	Date of conversion to LAMPS	Name of village covered	No. of families covered	No. of population of the village	Name of original societies prior to conversion.
1	2	3	4	5	6	7	8
1.	Rongkhong.	K. Anglong.	6.10.77	81	4292	25,000	-Rongkhong S/A Marketing Society.
2.	Langhin Tanali	"	23. 9.77	75	1200	15,000	-Langhin Dokmoka P.M. S/A Marketing Co-op. Society Registered on 3.7.72
3.	Harangajao	N.C.Hills	16. 8.76	61	1956	14,216	- Sub Area
4.	Maibong.	"	24. 4.77	103	1610	22,500	- Marketing Co-op. Society.

Till the coming up of the LAMP Societies it may be recalled that the public distribution system was functioning in a very unorganised way and the private traders had resorted to all sorts of malpractices to squeeze out the hill tribes in the matter of supplying essential commodities. The LAMP societies, it may be said without any fear of contradiction, have shown considerable success in containing the prices of essential commodities even in the far-flung hilly areas where topographical barriers always come up as a challenge. In the field of providing agricultural credit and consumption loans to the needy members, these societies have not been able to show a very encouraging picture because of various constraints. As for example, the Rongkhong LAMP society had not issued a single rupee on account of crop loan. The Maibong LAMP society had given some short term crop loan from out of its own resources during the years 1977-78 to 1979-80. Similarly the Harangajao society had issued some short term crop loan from out of its own resources during the years 1976-77 to 1979-80. No.M.T. loan was ever issued by any of the societies.

Contd.....42/-

It is apparent therefore that the activities of the LAMP societies are confined primarily to the trading account. But it is basically essential that these societies should be used as the intermediaries in extending credit support to the agricultural sector, particularly at such places where banking activities are shy or unable to concentrate due to various technical reasons. The societies are also expected to take active part in marketing the produce of the farmers with a view to eliminating the middlemen in the process and thereby ensuring economic price support to the farmey.

MEMBERSHIP.

The membership position of a co-operative society indicates the feelings of the general public towards the growth of co-operative enterprises in a particular area. The following figures of membership of each of the LAMP society will bear testimony to what extent the communities have understood the principles of co-operative enterprises.

Sl. No.	Name of the LAMP Society	Membership			Total membership as on 30.6.80	Percentage of tribal members to tribal memberships.
		ST.	SC.	Other		
1.	Rongkhong.	170	Nil	Nil	170	100%
2.	Harangajao.	530	110	366	1006	52'68%
3.	Langhin	N.A.	N.A.	N.A.	1327	N.A.
4.	Maibong.	671	129	302	1102	60'88

It is evident from the Table above that the average individual membership of the four societies is 901 as against 373 of the 22 LAMP societies in the two Hill Districts (as on 30.6.80). Again the average S.T. members in the three societies (in absence of the break-up of S.T. members of Langhin society) is 457 as against 309 of the entire 22 societies of the two Hill districts. Thus it is seen that the average tribal membership is higher than the average non-tribal membership in the societies under reference.

Contd.

: - 43 - :

It is heartening to note that the tribal preponderance in the individual membership of the LAMP societies is a happy augury towards still greater participation of the tribal communities in the working to the LAMP societies in the Hill areas.

PAID-UP SHARE CAPITAL.

The amount of paid-up share capital by individuals is a good indicator of the interest shown by the local inhabitants towards the formation of a co-operative enterprise. In this regard the tribal communities of the hill areas deserve commendations. The following table gives a clear idea on this aspect.

Name of the LAMP Societies.		1975-76		1976-77		1977-78		1978-79		1979-80		Remarks.
		(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	
Rongkhong.	(a)	12710'00		12710'00		12710'00		12710'00		12710'00		a. Individual
	(b)	53000'00		53000'00		360700'00		560700'00		560700'00		b. Govt.
Harangajao	(a)	14595'00		20245'00		20725'00		20635'00		20615'00		
	(b)	20000'00		30000'00		30000'00		75000'00		245000'00		
Langhin	(a)	49600'00		N.A.		116060'00		N.A.		131710'00		
	(b)	50000'00		N.A.		71160'00		N.A.		373770'00		
Maibong	(a)	710'00		7994'00		9323'00		9857'00		10421'00		
	(b)	45000'00		133000'00		155500'00		250500'00		365500'00		

It is seen from the above that Govt. share capital in the later years have increased by leaps and bounds rather than the initial years and the uniformity in disbursement to different societies has not been maintained.

Contd. 44/-

PROFIT AND LOSS

A perusal of the balance sheets of the 4 LAMP societies will show the trend of managerial efficiency as well as business turnover of different societies in the hill areas :-

TABLE - II.

(+ indicates profit and
- indicates loss.)

Name of the Societies.	Years	Gross profit/loss	Net profit /Loss
Maibong.	1975-76	(+) 85,579.56	(+) 23,139.43
	1976-77	(+) 93,372.61	(-) 2,856.57
	1977-78	(+) 61,203.79	(-) 27,475.95
	1978-79	(+) 44,690.55	(-) 43,991.75
	1979-80	(+) 29,818.73	(-) 48,512.58
Harancajao.	1975-76	(+) 34,238.02	(+) 15,247.87
	1976-77	(+) 89,430.77	(+) 21,966.16
	1977-78	(+) 80,659.78	(+) 7,415.86
	1978-79	(+) 55,821.99	(+) 1,282.22
	1979-80	(+) 35,542.24	(-) 17,259.84
Lanphim.	1975-76	(+) 43,194.27	(+) 2,229.08
	1976-77	(+) 76,981.01	(+) 14,419.73
	1977-78	(+) 57,431.79	(+) 3,122.15
	1978-79	(+) 78,153.98	(+) 27,395.00
	1979-80	N.A.	N.A.
Rongkhong.	1975-76	(+) 44,112.07	N.A.
	1976-77	(+) 12,121.56	N.A.
	1977-78	(+) 4,159.39	(+) 11,139.00
	1978-79	(+) 29,664.27	(+) 16,284.00
	1979-80	N.A.	(+) 642.00

The figures as given above undoubtedly give a very promising picture of the LAMP societies so far the gross profit side of the Balance sheet is concerned. It is however a curious thing to observe how the societies sustain such net losses inspite of there being huge gross profits in every preceeding or succeeding years.

Contd..... 45/-

So far Maibong society is concerned, it is seen that it had sustained net losses consecutively ~~for~~ for four years although there were gross profits in all these years - The Audit Note for ~~the period 1979-80~~ 1979-80 had explained the reasons for such net losses during the year 1979-80 in the following terms :-

1. Limited business volume.
2. Selling of controlled commodities.
3. Existence of branches with fixed managerial expenses in absence of regular heavy sale.
4. Heavy expenses on Trucks and loss income thereof.
5. Uncertain expenses on contingencies, etc.
6. Damages.

The 'damages' spoken of under item No. 6 are caused perhaps by shortages in transportation and in storage. The existence of branches at about 52 and ⁴⁰ Km. from the headquarters and supplying essential commodities to them even by hiring smaller trucks during rainy seasons @ Rs. 30/- per quintol to Hajadisa and Rs. 20/- per quintol to Kepre branches caused sufficient loss to the society. The audit observation that selling of controlled commodities is a potential ~~xxx~~ source of incurring losses to the LAMPS thus requires special attention.

The net loss sustained during the year 1979-80 by Harancajao LAMP society Ltd. has been attributed to the higher transportation cost from the lifting centres and also due to fixation of uniform selling prices of controlled items by the civil authority throughout the whole subdivision without allowing the transportation charges. This society particularly lifts controlled commodities from Haflong a distance of 42 Km. Usually the hiring charges of a truck from Haflong is reported to be Rs. 500/- excluding labour charges. Besides this, non-controlled commodities are lifted from Silchar by train by parcel booking system. No wagon is stated to be available from Silchar or Haflong. Thus the transportation cost and branch expansion are the two causes of inducing losses to the societies.

CREDIT.

The performance of the LAMP Societies in the Hill areas of Assam so far as the credit aspect is concerned appears to be somewhat discouraging. It is found that loans were not issued for years together and even if loans were received, the quantum of loan is too

Contd. 46/-

measure for the performance in major agricultural activities. Secondly only short term crop loans were issued by the societies under the purview of our study. The issue of consumption loan was also very insignificant.

The Maibong LAMP society did not issue any loan for the years 1975-76 and 1976-77. During the year 1977-78 only an amount of Rs. 4,350.00 was issued to 42 beneficiaries, all of whom were tribals. During 1978-79 a sum of Rs. 10,000.00 was issued as short term crop loans to 50 beneficiaries, all of whom were tribals. The in 1979-80 the amount of loan came down to Rs. 3,700.00 only and the number of beneficiaries were 34. All the beneficiaries were tribals. Now it is seen that the quantum of loan is near about Rs. 100.00 only per beneficiary on an average. It is very doubtful whether a cultivator can utilise such a small amount for the improvement of his agricultural operations. Similarly the Harangajao LAMP society did not issue any loan during 1975-76. During 1976-77 a sum of Rs. 4,400.00 were issued to 26 No. of beneficiaries, all of whom were tribals. During 1977-78 a sum of Rs. 6,004.00 was issued as short term loan to 31 Nos. of beneficiaries out of which 28 were tribals. During 1978-79 the amount of loan came down to Rs. 3,525/- only for 27 number of beneficiaries all of whom were tribals. During 1979-80 the society did not issue any loan.

From the point of view of issuing of short term crop loans the Langhin LAMP society was found to be quite good. Although the society did not issue any loan during the 3 years period from 1975-76 to 1977-78, nevertheless during 1978-79 the society issued short term crop loans amounting to Rs. 33,330.00 to 969 beneficiaries out of which 919 were tribals. During 1979-80 the society increased its loan to almost 3 times that of 1978-79. During the year 1979-80 a sum of Rs. 1,62,805.00 were issued to 1,327 Nos. of beneficiaries out of which 1,065 were tribals. The average amount of loan issued was slightly more than Rs. 1,000.00. A needy cultivator is surely in a position to improve his agricultural operation with an amount of Rs. 1,000.00. Another interesting aspect of this society is the issue of consumption loan. It was found that during the year 1979-80 the society issued consumption loan to 34 tribal beneficiaries totalling an amount of Rs. 3,850.00 the average amount of loans is more than Rs. 100.00 per beneficiary. But the amount of consumption loan being so small, the beneficiaries got little relief.

Contd. 47/-

The 4th society namely the Rongkhong LAMP under the purview of our survey did not issue any loans during the 5 year's period from 1975-76 to 1979-80.

Like the Gaon Panchayat Samabai Samities in the T.S.P. areas, the LAMP'S in the Hill Areas of Assam are also found to be suffering from the malady of loan outstanding. In spite of the best efforts on the part of the officials of the LAMP'S, the realisation of outstanding loan was found to be practically nil. The loanee generally pleaded non surplus of agricultural out-put for the repayment of loans. Similarly the percentage of over-due is found to be cent per cent in case of Maibong and Harangajao LAMP'S. In this respect the Langhin LAMP society was found to be in a better position, the percentage of overdue being only 25.

Another factor that has come to our notice in respect of issuing loans is the fact that whatever loans were issued the beneficiaries were found to be small and marginal farmers. No landless tribal cultivators were helped by the LAMP societies by offering loans. Of course, in the hill areas of Assam there may not be any landless cultivator in the true sense of the term. Even if a tribal family does not possess any low lying land suitable for wet paddy cultivation, it might have some patches of jhum land in the hill slopes. That might be the reason for not issuing any loans to landless cultivators.

LOANS RECEIVED BY THE LAMP'S.

All the LAMP societies under the purview of our survey had received go-down loans in addition to other loans. Loans were received from the Assam Hills Small Industries Development Corporation and from North Cachar Hills District Council by the Maibong LAMP society. Similarly Harangajao LAMP society had also received loans for marketing and for opening-up Saw Mill from the Assam Hills Small Industries Development Corporation.

CREDIT LIMIT STATEMENT.

It was found that all the societies under the purview of our survey had prepared Credit Limit Statements for those who had applied for loans. Although prior to 1980-81 loan applications were received by the Secretary directly from the prospective farmers, from 1980-81 loan applications were received by society through the District Rural Development Agencies of Haflong and Diphu.

Contd. 48/-

We have also found that at the time of disbursement of loans, officials from the Assam Co-operative Apex Bank and Co-operative department are used to remain present. The Langhin LAMP society has gone a bit further. The officials of the society including its Chairman and Managing Committee members used to organise symposiums and meetings in the interior areas to educate the members regarding the operation of the society. So far as the distribution of cash and kind components of loan are concerned, the LAMP societies in the hill areas of Assam do not follow any uniform pattern. While the Maibong LAMP society was found to issue loans in cash only, the Langhin LAMP society was found to have issued loans in cash as well as in kind according to the requirements of the particular beneficiary. Another notable factor in this respect is that the time gap between the receipt of applications and disbursement of loans never exceeded one month. The societies sometimes issued loan out of its own fund if it was found that the loans from the banks were either not forthcoming or not sufficient to meet the requirements of all the members applying for loans.

MANAGING COMMITTEE.

Each of the four LAMP societies under the purview of our studies have 13 members in the Managing Committee. 8 members are elected, 4 members are nominated by the Government and the Secretary of the society is the Ex-Officio Secretary of the Managing Committee. All the elected members except one of the Langhin LAMP were found to be tribals.

The Maibong LAMP society did not give any loan to Managing Committee Members during the period of our study - that is to say from 1975-76 to 1979-80. The Harangajao LAMP society issued loan to 34 members of the Managing Committee during the year 1978-79. While the 2 members returned the loan, one was found to be defaulter. So far as the Langhin LAMP is concerned, it is found that out of 8 elected members 5 received loans from the society and at the time of our investigation 1 (one) member was found to be defaulter.

In regard to the holding of Managing Committee meetings, the societies under the purview of our study have not followed any uniform pattern. In case of the Maibong LAMP society, it is observed that annually 4 sittings of the Managing Committee were held.

Contd. 49/-

Only one meeting was postponed due to lack of quorum. The Harangajao LAMP society did not have any record of postponing any Managing Committee meeting during the period from 1975-76 to 1979-80. But the number of sittings of the Managing Committee was found to differ from year to year. While during the year 1975-76 only 4 sittings were held, during 1976-77 six sittings, during 1977-78 eight sittings, during 1978-79 nine sittings and during 1979-80 seven sittings were held. The Langhin LAMP society was found to have broken the records. Besides holding 1 (one) sitting of the Managing Committee every month, it is also observed that additional sittings were also held as and when required during 5 years period from 1975-76 to 1979-80. In case of the Rongkhong LAMP society also Managing Committee meetings were found to be held, but not regularly. Annual General Meetings were also held once every year by each of the four LAMP societies under the purview of our study.

MARKETING.

Marketing by a Co-operative society when it is a multi-purpose one always presupposes two important aspects, namely, selling of commodities under public distribution systems, other essential commodities and other goods required by the people and purchasing of marketable surplus of the people. The main purposes underlying the concept of marketing are the elimination of the middlemen so far as the sale and purchasing aspects are concerned, to allow the people goods of standard quality and to offer reasonable prices to the members for the marketable surplus.

Now let us take up the sale of goods to the consumers:-

The position of Maibong LAMP during the five years period from 1975-76 to 1979-80 was follows :-

MAIBONG LAMP.

Value of sale of commodities under public distribution system and other goods.

<u>Year.</u>	<u>Value of commodities under P.D.S. Public Distribution System.</u>	<u>Value of other goods.</u>
1975-76	Rs. 12,59,020.49	Rs. 3,00,70.35
1976-77	Rs. 11,91,078.33	Rs. 73,456.02
1977-78	Rs. 9,71,131.00	Rs. 2,89,710.65
1978-79	Rs. 4,79,553.41	Rs. 2,93,465.68
1979-80	Rs. 5,96,811.82	Rs. 1,16,093.50

* Public Distribution System.

Contd. 50/-

From the above, it is seen that the value of commodities under public distribution system had been going down from Rs. 12.50 (approximate) in 1975-76 to Rs. 6.00 lakh (approximate) in 1979-80. Thus during the five years period, the value had gone down to almost half. This declining trend, against the rising of prices constantly year after year, indicates that the society has been dealing with lesser quantities of goods under public distribution system. In fact, the societies had to lift lesser quantities of goods as the quota of goods under the public distribution system per head was reduced by the Government. In respect of other goods also the value of commodities came down from Rs. 3,05,870.36 in 1975-76 to Rs. 1,11,095.50 in 1979-80. This means that the business activities of the society was reduced to a considerable extent.

The position of Harangajao LAMP society in respect of sale of goods under public distribution system is as follows:-

<u>Year.</u>	<u>Value of goods under Public Distribution system.</u>	<u>Value of other goods</u>
1975-76.	Rs. 1,34,063.00	Rs. 7,90,000.00
1976-77.	Rs. 2,85,708.00	Rs. 10,98,942.23
1977-78	Rs. 3,71,799.00	Rs. 9,67,890.25
1978-79.	Rs. 4,05,133.08	Rs. 6,92,653.26
1979-80.	Rs. 2,34,811.47	Rs. 7,85,209.34

Like Maibong LAMP society, this society had also shown an upward trend in respect of sale of commodities under public distribution system. From Rs. 1,34,063.00 in 1975-76, the sale proceeds rose up to Rs. 4,05,133.08. But during the next year, that is, 1979-80 came down to Rs. 2,34,811.47, almost half of the value of sale proceeds for the year 1978-79. So far as the sale of other goods are concerned this Society was found to have done a roaring business worth of about 7'00 lakhs ~~xxx~~ every year. The value of sale of other goods was found to be more or less constant during the five years period from 1975-76 to 1979-80.

Contd. 51/-

So far as the Langhin LAMP Society is concerned, it is noticed that this society has been dealing with the articles under public distribution system only. The position of sale of the society on this score during the year from 1975-to 1979-80 is given below in a tabular form.

<u>Year.</u>	<u>Value of sale proceeds.</u>
1975-76.	Rs. 10,095.20
1976-77	Rs. 60,655.00
1977-78	Rs. 446,643.24
1978-79	Rs. 429,026.69
1979-80	Rs. 832,112.63

From the above it is seen that from a meagre amount of Rs. 10,095.20 during the year 1975-76, the sale proceeds under public distribution system went up to Rs. 8,32,112.63 - a remarkable achievement indeed. This has become possible because of opening up of more retail branches of the society.

The LAMP societies under the purview of our survey were found to have dealt with agricultural inputs also. This has been done since the conversion of the societies to LAMPS. The inputs are supplied to the needy farmers according to their requirements. Formerly the progressive farmers had to go to district or subdivisional head quarters to procure the agricultural inputs from the agricultural offices. It was rather a time consuming as well as a money spending affair. Now the farmers can get their requirements from their nearest LAMPS societies.

Some of LAMP societies in the hill areas of ~~xx~~ Assam have been doing good business in respect of purchasing the marketable surplus of the people. These societies specially those of North Cachar Hills not only procure paddy but also purchase other hill products like cotton, sesame, mustard and dry chillies.

The position of the Maibong LAMP society on this score during the five years period from 1975-76 to 1979-80 is as follows :-

<u>Year.</u>	<u>Value of goods procured.</u>
1975-76	Rs. 2,63,303.89
1976-77	Rs. 80,202.89
1977-78	Rs. 3,15,089.69
1978-79	Rs. 1,01,099.06
1979-80	Nil.

Contd. 52/-

The procured goods are sold generally at a margin of 7% profit. But the net profit becomes too little or nil because of godown rent, labour charges for carrying to goods from the godowns to the trucks, shrinkage damages, etc. We have also observed that sometimes the society receives less than the procurement value of the products.

The Harangajao LAMP society, on the other hand, does not procure any marketable surplus from the farmers, the society are being unproductive from the point of view of food staff and cash crops. Although this area produces large number of horticultural products, the society does not indulge in their procurement because of the perishable nature of the commodities.

The Langhin LAMP society in the Karbi Anglong district procures paddy only, It does not procure other marketable products from the people. The position in regard to the procurement of paddy by the society during the five years period from 1975-76 to 1979-80 is as follows :-

1975-76.	1,27,357.50 Quintols.
1976-77.	89,322.00 "
1977-78.	3,957.25 "
1978-79	9,538.50 "
1979-80	9,592.10 "

It is seen from the above that the society which procured 1,27,357.50 quintols of paddy during 1975-76, could procure only 9,592.10 quintols of paddy during 1979-80. The procurement policy of the government itself was responsible for such a downward trend. The society under price support system just checked the price so that undersale and distress sale could not take place and to a certain extent the society was successful in its mission.

So far as the procurement aspect of LAMP society is concerned, the achievement in this field during the period of study can be said to be practically nil.

Contd. 53/-

GODOWNS AND OFFICE BUILDINGS.

It is very heartening to note that the Rongkhong, Langhin and Maibong LAMP societies have 2 Nos. of godowns each. These godowns are used by the societies for storing goods under public distribution system and goods purchased from the local people till their disposal. But the Harangajao LAMP had just started the construction of a 300 M.T. capacity godown at the time of undertaking the study.

All the four societies under the purview of study have their own office buildings with sales counters. So far as the G.P.S.S. are concerned we have already seen that out of 40 societies, only 16 have their own office buildings and godowns. As the LAMPs have their own buildings as well as godowns except one societies have been saved from paying rent for hiring private buildings.

ESTABLISHMENT STRENGTH AND COST THEREOF

As the LAMP societies have to cover larger areas than the G.P.S.S.s the establishment strength of a LAMP is found to be on a very high side. In fact its establishment strength is almost than that of a LAMP. But even among the LAMP SOCIETIES ALSO THE STRENGTH IS NOT OF Uniform character. Of course, in every society the establishment is headed by a Secretary from the Assam Cadre Management Co-operative Society. Besides him every society has a Manager and Accountant. The strength of the remaining personnel like the Account Assistant, Salesman, Store-keeper, Office Assistant, Peon, salesmanager, truck driver, tractor driver, handiman, choudidar, etc, varies from society to society.

The establishment strength of the four LAMP societies under the purview of our study is as follows :-

Maibong LAMP	- 20 Nos.
Harangajao "	- 9 "
Langhin "	- 22 "
Rongkhong. "	- 24 "

Contd. 54/-

The establishment cost which includes the salaries, T.A., wages and contingencies, of the four societies under the purview of the survey from 1975-76 to 1979-80 is given below:-

Name of the LAMP	Establishment Cost.
1. Maibong.	1975-76 - Rs. 66,634.00
2.	1976-77 - Rs. 68,512.00
	1977-78 - Rs. 73,068.00
	1978-79 - Rs. 71,168.00
	1979-80 - Rs. 84,659.00
Total for 5 years.	Rs. 3,64,041.00
2. Rongkhong.	1975-76 - Rs. 17,768.00
	1976-77 - Rs. 15,800.00
	1977-78 - Rs. 19,830.00
	1978-79 - Rs. 42,314.00
	1979-80 - Rs. 48,241.00
Total for 5 years.	Rs. 1,43,953.00
3. Langhin.	1975-76 - Rs. 40,126.00
	1976-77 - Rs. 40,275.00
	1977-78 - Rs. 46,546.00
	1978-79 - Rs. 74,214.00
	1979-80 - Rs. 1,12,460.00
Total for 5 years.	Rs. 3,13,621.00
4. Harangajao.	1975-76 - Rs. 16,799.00
	1976-77 - Rs. 64,343.00
	1977-78 - Rs. 79,790.00
	1978-79 - Rs. 73,266.00
	1979-80 - Rs. 66,863.00
Total for 5 years.	Rs. 3,01,061.00

From the above it is seen that the establishment cost of the LAMP societies of Maibong, Harangajao and Langhin during the five years period from 1975-76 to 1979-80 came to be slightly more than Rs. 3'00 lakhs per society while that of Rongkhong society came to 1'43 lakhs. In case of Maibong LAMP society the annual increase appeared to be gradual.

Contd. 55/-

But so far as the other three societies are concerned the fluctuations of jumping nature. For example the establishment cost of Rongkhong LAMP society had increased to Rs. 41,314.00 during 1978-79 from Rs. 19,830.00 during 1977-78 - increase being more than double. Similarly the establishment cost of Langhin LAMP suddenly jumped to Rs. 1,12 lakh during 1978-79 from Rs. 74,214.00 in 1979-80. The sudden spurt was ascribed to employing more hands to cope with the increasing business activities of the LAMP and purchasing of Tractors and Trucks and their maintenance.

Besides the salaries of the employees the establishment cost includes home rent, if there be any contingency, travel expenses, printing and stationery, insurance premium, portage, entertainment, bank charges, donations sitting allowances of the Managing Committee Members, hot and cold, etc.

MISAPPROPRIATION AND MALPRACTICES.

With the passing of days, it is observed in case of LAMP societies that an increasing tendency of malpractices has development amongst the employees of the societies and stocks worth thousand of rupees have been misappropriated. Where there are no misappropriation, there is shortage of stocks arising out of various reasons. Society-wise position stands as follows:-

Name of the Societies.	Amount of recovery standing against the employees due to shortage of Stocks.	Misappropriation.	Rs per balance sheet of the year.	Remarks.
Harangajao.	a) Manager. 3808.23 b) Sales girl 2829.47 c) Accountant. 500.00 d) Sales Assistant. 1058.20 e) Br. Manager. 1139.43 f) Br. Manager (Jatin ga). 40.71 9376.04	Nil	1979-80	Recovery has been done from pay on monthly basis @ Rs.50/-
Langhin			3076.30	N.A. Misappropriated by sales Manag. of Branches.

Contd.

Name of the Societies.	Amount of recovery standing against the employees due to shortage of stocks.	Misappropriation sheet of the year.	Remarks.
Rongkhong.	Nil	Nil	Nil during the last 5 years.
Maibong. a) Junior Sales Asstt. (Br. i/c, Katachand Br).	8082.40	Position as on 30.6.80	Monthly recovery has been done @ Rs. 100/- w.e.f. 1979 but those who left services arbitration cases have been filed against them. Four such cases have been instituted till now, by this society.
b) Br. incharge (Kalachand & Wadrendisa).	14216.77		
c) Br. incharge (Wadrendisa).	3298.15		
d) Salesman (Kalachand Br.).	3790.59		
e) Scalemen (Hajadisa).	436.32		
f) Scaleman (Hajadisa).	547.32		
g) Br. incharge Hajadisa & Kalachand	34204.49		
h) Br. Incharge (Hajadisa).	3228.36		

It is seen from the above that with branch expansion, pilferage of stock by this or that way has been growing. Malpractices whether consisting of misappropriation or shortage in stocks are not healthy signs for the growth of Co-operative ventures and if these unfortunate state of affairs are allowed to go on, the very survival of the Societies will be in jeopardy. Constant supervision by the officials of the co-operative Department may go a long way in checking malpractices amongst the delinquent staff. In this sphere the responsibilities entrusted to the Managing Committee Members are also no less important. The system of internal audit and constant physical stock verification will have to be intensified with surprise checks from District Administration.

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ROLE OF LEAD BANKS AND OTHER COMMERCIAL BANKS.

The Maibong and the Harangajao LAMP societies are covered by the Haflong Branch of the Assam Co-operative Apex Bank as the lead bank. The officials of the two societies have stated that they have been getting very good response from the Apex Bank. The Maibong Branch of the State Bank of India provides credit to the scheduled tribes people. D.R.D.A. loans are also provided by this Bank. The United Bank of India at Harangajao provides loans to the tribal people under D.R.I. scheme.

The Langhin LAMP society is provided with loans and finances for paddy procurement by the Diphu Branch of the Assam Co-operative Apex Bank and we were given to understand that the society had not faced any difficulty in procuring finance from the Apex Bank. The Rongkhong LAMP society has also been financed by the Diphu Branch of the Assam Co-operative Apex Bank. Recently a branch of the State Bank of India is also opened at Donkamokan and this will surely facilitate the people to get loans from the Bank through the society.

The Bank officials supervise the utilization of the loans from time to time and this has a favourable effect on the loanees. They now by their best to utilize the loan for which it is meant for.

From the above we may infer that in the Hill areas of Assam the LAMP societies have not faced much difficulty in procuring finance from the lead banks and other commercial Banks.

The members of the Co-operative societies procure finance from the other sources like the well-to-do tribal and petty traders. The loans are to be repaid at the time of harvest in kind with 50% interest. The number of non-tribal Mahajans operating in the jurisdiction of the societies under the purview of our study are very few. Absence of Kabuliwallas is an important fact so far as tribal indebtedness in the hill areas is concerned.

Contd. ----- 58/-

ROLE OF LAMPs IN DEVELOPMENT
OF COTTAGE AND SMALL SCALE
INDUSTRIES.

Sericulture, Weaving and manufacturing of bamboo and cane products are the important cottage industries. The LAMPs can surely help the artisans not only by extending financial assistance but by purchasing the finished products and the Endi cocoons. Coffee plantation which is coming up in the E North Cachar Hills at a faster rate needs processing units also. The LAMPs in the N.C.Hills may either set up such processing units itself or provide financial assistance through banks to individual growers. Small rice mills and oil ghanis can also be set up. The Maibong LAMP has taken up the installation of a saw mill and a rice mill. The Rongkhong LAMP had taken up the installation of one rice mill and an oil mill. The latter is installed at a cost of Rs.13'72 lakhs. But this Mill has already proved to be a white elephant. It appears that a big sized mill has been installed without the availability of raw material, that is mustard seeds, locally. As the supply of mustard seeds is very much limited, the full capacity of the mill could not be used resulting in losses. The Mill now remains closed. Investment of such a huge amount without properly assessing the situations in a project report is nothing but a sheer wastage of money.

The Langhin LAMP society has installed one oil mill and one rice mill and both the mills have been functioning very nicely since their installation.

Thus it is seen that the LAMP societies in the hill areas of Assam have taken some initiative for the development of small scale industries. But so far as the development of cottage industries is concerned their role is practically a negative one.

Contd. ----- 59/-

RECOVERY OF LOANS.

In respect of recovery of loans, ~~no~~ no uniform policy appears to have been followed by the LAMPs. ~~As~~ As a first step, however, notices are served to the defaulters. The Langhin LAMP society is found to have entrusted the Managing Committee members to help the society authority to recover loans in their respective areas and the members are found to have taken keen interest. However we have been given to understand that members of the Managing Committee of Maibong LAMP society do not take much interest in respect of recovery of loans in their respective areas. During harvesting period the loans are procured in kind (paddy) in lieu of cash payments. Arbitration cases have not been instituted against any wilful defaulters in the four societies under the purview of our study.

LIVESTOCK INSURANCE.

Livestock insurance scheme has not been implemented by any of the four societies under the purview of our survey since livestock loans have been given to the tribal people by the societies.

STEPS FOR BETTER FUNCTIONING.

To increase profit, to arrest loss and to increase the efficiency of the LAMP societies so that the members may get the required quantum of benefit, some concrete steps are found to have taken by the Managing Committees as well as the Co-operative Department.

1. The stocks are varified twice in a year and responsibility is fixed for any loss or shortage and the value is realized from the officials found responsible from their salaries.
2. Managing Committee's meeting is called immediately whenever any emergency arises.
3. Annual General Meeting is convened regularly to apprise the members of the functioning of the society.
5. The President of the Managing Committee makes himself available whenever his help is needed by the Secretary.

Contd. ----- 60/-

5. Deputy Commissioners of the Karbi Anglong and the N.C. Hills districts, the Joint Registrar of Co-operative societies, hills, Secretaries, District Councils of Diphu and Haflong Assistant Registrar of Co-operative Societies are found to have inspected the societies within their jurisdiction ~~from~~ from time to time (sometimes 4 times in a year) and this has a very good impact on the functioning of the societies.

Besides the above high officials the Inspectors and Auditors of the Co-operative department are also found to have inspected and audited the accounts twice in a year.

The Harangajao, Langhin and Rongkhong LAMP societies have appointed 2 internal auditors for each societies. The internal auditors examine the accounts from time to time and they bring to the notice of the Managing Committees if any irregularities are discovered for necessary action.

6. Last but not the least, is the expansion of business activities of the societies by opening up new branches.

PRACTICAL DIFFICULTIES.

The practical difficulties faced by the LAMP societies are manifold. Apart from transportation difficulties, the societies are to face numerous other situations which have been summarised below. For lifting of rice from the F.C.I., the societies of Diphu area are to draw Bank Draft at Diphu and to obtain release order from Nowgong office and then lift the rice quota from Diphu Godown of the F.C.I. which proves to be expensive and time consuming. Some essential commodities like salt, sugar, controlled cloth, etc. are allotted both by the wholesale consumer cooperative and the STATED from time to time. But their allotment dates are not uniform. As a result the items are required to be lifted twice as per their allotted fixed dates thus rendering the transport cost to go up. This has an adverse effect upon the pursuit cost of every item. Further in the interior branches, people prefer to buy only controlled items and seldom feel the necessity of buying any other essential items although they are needed most.

Contd. ----- 61/-

Their purchasing power perhaps allows not to go for any other item other than the bare essentials. The resultant effect is lesser volume of turnover in the branches in proportion to the establishment cost incurred in them. In this context it may be mentioned that the Majibong LAMP society has got four branches at (Kalachand, Hajadisa, Khepre and Wadrangdisa); Harangajao LAMP society has two branches at (Dittokcheria and Jatinga) Langhin LAMP society has got eleven branches and Rongkhong LAMP society has nine branches - For supplying of controlled commodities to these branches, sometimes bullock carts, whenever possible, are used and where not possible head load system of transportation is done in the inaccessible hilly regions. Scarcity of Diesel oil at Haflong keep the Diesel vehicles immobile for most of the time. This is another difficulty confronted by those societies. The situation would have improved had there been constant supply of diesel oil to the LAMP societies having diesel vehicles and also to the oil depot at Haflong.

Another problem which has a crippling effect on the LAMP societies is that these societies have been subjected to pay three types of taxes - Central Sales Tax, Assam Sales Tax and District Council Tax (which is better known as Entry Tax). Since the co-operative societies are statutorily required to maintain proper accounting unlike the private traders, there is no chance of evading any taxes on the voluminous business transactions both in consumers goods and indigenous hill products consequently the three aforesaid taxes are acting against the interest of the societies rendering them unfit to compete with the private traders.

CONCLUDING OBSERVATIONS.

(1) The Gaon Panchayat level Cooperative Societies or Gaon Panchayat Samabai Samities in the plains areas of Assam and LAMPs in the hill areas of Assam are basically the same institutions with separate nomenclature. Of course, a LAMP society in the hill areas covers a larger area than a G.P.S.S. in the plains area. (2) Credit, marketing and supply of essential commodities are the main functions of the G.P.S.S. and LAMPs.

(3) The societies have to offer short-term, medium-term and long-term loans for the development of agriculture and for this purpose each society is supposed to keep a loan pass book for each member regarding the credit eligibility of the member. In this book besides the credit eligibility of the member whatever loan and other agricultural services he has received are to be recorded.

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(4) These societies are supposed to keep tractors, pumps for irrigation, pest control implements, etc. for giving them to the cultivators on hire as and when required. More-over they are supposed to maintain an Agro Service centre for repairing of agricultural implements.

(5) To supply fertilizers and insecticides and other agricultural inputs to the members is also responsibility of these societies.

(6) So far as the marketing aspect is concerned, the societies are not only to procure paddy as the agents of the ~~XXXX~~ STATED and the Apex Marketing Society but also to purchase whatever surplus agricultural products, the members might be having and also to purchase other commodities like Endi Cocoon, handicrafts, textiles woven in family looms, etc.

(7) The societies are supposed to supply essential and other commodities to their members so that the members get the essential commodities at a fair price and according to their needs.

(8) Another duty that has been assigned to these societies is to produce food stuff by installing Chaki Mill for Atta, a grinding mill for spices, Hauler mill for rice, oil ghani.

C R E D I T .

Our study of the G.P.S.S. in the Tribal Sub-Plan areas and the LAMPS in the hill areas show that the societies have not been able to render benefits to the local tribal people. The farmers have five types of credit needs and they are short-term medium term, long-term, consumption and social purpose loans. Our studies revealed that the societies have been extending short-term credit facilities only and these societies could hardly cater to the needs of the people. Consumption loan and social purpose loan which are actually needed by the people most are not given due importance. So far as the long-term loans are concerned it may be argued that the tribal people may not be qualified for such type of loans as they have hardly any moveable or immoveable properties to alienate and very often the lands under their possession do not have proper records of right.

Contd. ----- 63/-

But according to the recommendation of Bawa Committee in such cases the State Government itself should stand a general guarantee. The G.P.S.S. and LAMPS are not maintaining Member's Land Register and the Loan Pass Book.

The system of receiving loan applications, preparing credit limit statement, examination of this credit limit statement by the concerned bank, disposal of credit limit statement and finally sanctioning of loan is very very lengthy and time consuming process. Such a system instead of helping the needy farmers, rather discourages him because firstly he is not sure whether he would get the loan and secondly even if a loan is sanctioned to him he is not sure whether he will get it in time.

The LAMPS in the hill areas are maintaining some tractors, irrigation pumps and other agricultural implements and the members can hire them whenever they require. But so far as the G.P.S.S. are concerned this aspect is almost negative. The Agro Service Centres which are supposed to be attached to these societies are also conspicuous by their absence.

We may therefore, conclude that the flow of credit from the societies to the needy farmers is rather inadequate and the position of loan over-due and the recovery of loan is far from satisfactory as has been revealed in analysis of our data.

M A R K E T I N G .

The original idea of establishing of these societies is to link-up credit with marketing. But unfortunately credit and marketing are now in two water-tight compartments so far as these societies are concerned. In other-words, credit has no relation with the marketing. A member may receive credit from the society but he is not bound to sell his products, if there be any surplus, to the society. And even if he is willing to sell his products to the society, the society may not be willing to buy. Except procurement of paddy these societies are not purchasing other surplus marketable agricultural products or finished products of handicrafts, Endi cocoons, ^{cash} crops, fruits, etc. Whenever a member wants a loan he will approach the society for it but whenever he wants to sell something he will have to either go to the village Mahajan or to the nearest weekly market.

Contd. ----- 64/-

So far as the establishment of Chaki Mill, Hauler Mill, Oil Ghani, Grinding Mill for spices is concerned we have seen that the LAMPs are doing good. But so far as the G.P.S.S. are concerned we have not observed any move from any of the societies in this regard.

Our another observation is that most of the societies do not keep other goods except the controlled food stuff and clothes in the sales counter of the societies. Wherever the secretaries are found to have some business acumen and the presidents of the Managing Committees are also interested to increase the business activities of the societies, the societies are doing very good business. The Secretary may be honest but if he does not have the proper salesmanship and business acumen his efforts to increase the business activities of the societies do not bear any fruit.

SUPPLY OF ESSENTIAL COMMODITIES.

This is perhaps an area where the societies have been able to serve the greater number of people. The societies are supplying the controlled and other essential commodities to the people and this has saved the poor rural tribal people from the clutches of the village Mahajans. But it is an admitted fact that the supply of controlled and other essential commodities is not regular because of constraints like absence of transportation in time, non-availability of the articles from the lifting points, etc. More-over the controlled commodities are found to be inadequate considering the demand.

During the course of our investigation many important tribal learners, Members and Presidents of the Managing Committees were interviewed by our field staff and from this one thing is clear that the tribal people have ungrudging support to the Co-operative Institutions. They desire that the Co-operative should be located in a central place so that the members can get things with ease. Some attempts by some of the presidents of the G.P.S.S. to locate the institutions near their residences was resented by the people. Irregularities, misappropriation and blockade of funds are found in respect of many societies. Sometimes the office bearers themselves are found to be responsible. Audits and inspections so far as the G.P.S.S. are concerned are not done regularly.

It is a well known fact that the tribal people in Assam whether they are hill dwellers or plains dwellers always work in a spirit of Co-operation. This spirit of co-operation in them and the spirit of Co-operation that is found in the Co-operative Institutions are not similar because of the fact that co-operative functions in a roundabout way and, therefore, the spirit of co-operation is not immediately found.

Compared with the workings with the G.P.S.S. in the Tribal Sub-Plan areas of Assam, the LAMPs in the hill areas are found to be working more efficiently and they are better managed. Whatever lapses the G.P.S.S. and LAMPs have at present are mainly due to the deficiency in the management which will include the government machinery also. The only institution which can save the poor tribal people from the clutches of the village Mahajans is the Co-operative Institution. With sincere efforts from all corners the Co-operative Institutions in the tribal areas are sure to thrive. For better functioning and proper management of the G.P.S.Ss. in the plains areas and LAMPs in the hill areas we may offer the following suggestions for consideration by the Competent Authority.

1. The present study reveals that in the Tribal Sub-plan area the percentage of Scheduled Tribes members to the total members of the G.P.S.Ss. is 34.25 although the T.S.P. area in Assam covers 80% of the plains tribes population. Hence special drive should be initiated to enrol more Scheduled Tribes members.

2. The study also has revealed that the strength of the scheduled Tribes members in the Managing Committees varies from 6.06 to 91.66 per cent. In a society which is represented only by 6.06% Scheduled tribes members in the Managing Committee, the interest of the tribal people is likely to be jeopardized.

It is, therefore, suggested that in the Managing Committee of G.P.S.S. in T.S.P. area the representation of the tribals should under no circumstances be less than 50%. Necessary rules to this effect may immediately be framed.

3. An independent machinery should be entrusted with the task of finding out the reasons for incurring losses year after year by some societies. The remedial measures suggested should be implemented immediately to arrest losses.
4. The present system of loan sanctioning procedures ~~x~~ should thoroughly be overhauled. The ~~xxx~~ preparation of credit limit statement should be done away with. Instead a sizeable fund by the lead bank should be placed at the disposal of each society after 30th June every year. The loan applications should be scrutinized by the Managing Committee in each fortnight and loans out of the above fund should be sanctioned and disbursed immediately so that a member may get the loan when he actually requires.
5. Each society should maintain a land register of the members. Moreover a Loan Pass Book with a photograph of the member should be issued recording the credit eligibility of the person, loans and other benefits received, etc. This will help in scrutinizing the loans applications quickly.
6. Immediate provision should be made for issuing medium term, long term, consumption and social purpose loans if we actually want to save the tribal people from the hold of the unscrupulous Mahajans. The present quantum of consumption and social purpose loans to each society should be increased.
7. Tractors, water-pumps and other agricultural implements should be provided adequately to each society so that the needy farmers can hire them according to their requirement. An agro-service centre should be installed in every society.
8. The present study has revealed that 65% of the societies ~~xxx~~ donot deal in agricultural inputs. Dealing in agricultural inputs should be made compulsory.
9. Credit should be linked with marketing. All articles and goods meant for sale by members should be purchased by the society and cash certificates may be issued to the sellers. The cash certificates will enable them to get essential and other commodities from the sales counter of the society and secondly selling of goods to the society will be a credit eligibility criterion. Unless this aspect is looked into, the farmers will never get a reasonable price for their products. The societies, therefore, should come forward

- to purchase not only paddy but other saleable goods and articles also.
10. It has been observed that the societies, specially the G.P.S.Ss. have been facing great difficulties in obtaining loans from the lead banks, The Banking Management and the high-ups in the Co-operative Department should come together to thrash out his problem so that the uninterrupted flow of fund to the societies can be ensured.
 11. Savings Bank Deposit mobilization scheme should be revitalized.
 12. Arrangement should be made to supply essential commodities regularly and adequately. Transportation cost can be minimized if the goods are to be lifted from one centre only. Flying squads should be constituted to detect irregular sale of essential and controlled commodities. Inspectors of Food and Civil Supplies should also be allowed to inspect the societies.
 13. Only the efficiency of the management will reduce establishment cost. In order to increase the efficiency of the functionaries, they should be allowed to have time scales of pay and profit sharing or bonus, if there be any net profit. At present most of the employees are not getting any time scale of pay and this leads to great resentment. The Secretary's pay is at present borne by the Cadre Management and as such the ~~xxx~~ society does not have full control over him. It is, therefore, suggested that he should be paid from the societies fund so that the Managing Committee might have full control over him.
 14. The Secretaries and the Managers should be given orientation training specially that of salesmanship and business acumen. Prior to appointment here should be aptitude test.
 15. Frequency of inspection and audit should be increased. And this will stand in the way of mal-practices, defaultation, blockade of fund etc.
 16. It has been observed that the selling counters of the Co-operative societies are kept open from 10 A.M. to 1-30 P.M. Besides some Co-operative societies, all the sales counters are found to be closed for lunch recess. The villagers leisure hours for shopping should be kept in mind as Co-operative societies are basically business concerns.

The basic idea of the establishment of G.P.S.Ss. and LAMPs is to get credit facilities, marketing facilities and essential commodities from under the same roof. Co-operation from tribal leaders, Agriculture, Veterinary, Irrigation, Industries, Food and Civil Supply Departments, Agro Industries and Banks is highly essential to make the Co-operative movement a success. The Co-operative Department shall have to co-ordinate properly and efficiently.

A state level Co-ordination Committee representing the aforesaid departments organisations and tribal leader may be set up to sort out the interdepartmental differences, to review the plans and programmes and to suggest ways and means for better workings of the societies in its half-yearly sitting.

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A. Bhuyan. (L.D.A.)