

**ESTIMATES COMMITTEE
1962-63**

**TWENTY-THIRD REPORT
(THIRD LOK SABHA)**

**MINISTRY OF COMMUNITY DEVELOPMENT,
PANCHAYATI RAJ AND CO-OPERATION**

**Action taken by Government on the Recommendations
contained in the Hundred and Thirty-Third Report
(Second Lok Sabha) of the Estimates Committee
on the erstwhile Ministry of Community Deve-
lopment and Co-operation—Department
of Co-operation**

**National Cooperative Development and
Warehousing Board**



**LOK SABHA SECRETARIAT
NEW DELHI**

February, 1963 / Magha, 1884 (Saka)

Price: Rs. 0.75 nP.

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INTRODUCTION

I, the Chairman, Estimates Committee, having been authorised by the Committee present this Twenty-third Report on action taken by Government on the recommendations contained in the Hundred and Thirty-third Report (Second Lok Sabha) of the Estimates Committee on the erstwhile Ministry of Community Development and Cooperation—(Department of Cooperation)—National Cooperative Development and Warehousing Board.

2. The Hundred and Thirty-third Report of the Estimates Committee was presented to Lok Sabha on the 6th April, 1961. Government furnished their replies indicating action taken or proposed on the recommendations contained in the Report on the 29th November, 1961. Government were requested to furnish further information in respect of six recommendations on the 12th January, 1962. Further replies on these recommendations were received on the 28th February, 1962. Replies to all recommendations and further replies to six recommendations were considered by the Study Group 'D' on the 22nd November, 1962. The draft Report on action taken on the recommendations contained in the Hundred and Thirty-third Report was considered by the Study Group 'D' on the 11th December, 1962, and was adopted by the Committee on the 30th January, 1963.

3. The Report has been divided into the following four Chapters:

I. Report.

II. Recommendations that have been accepted by the Government.

III. Replies of Government that have been accepted by the Committee.

IV. Reply of Government that has not been accepted by the Committee.

4. An analysis of the action taken on the recommendations contained in the Hundred and Thirty-third Report is given in Appendix III. It would be observed therefrom that out of 22 recommendations made in the Report 15 recommendations i.e. 68·2 per cent have been accepted fully by Government. Of the rest replies of Government in respect of 6 recommendations i.e. 27·3 per cent have been accepted by the Committee, while reply in respect of 1 recommendation i.e. 4·5 per cent has not been accepted by the Committee.

NEW DELHI-1.
4th February, 1963/Magha 15, 1884 (Saka).

H. C. DASAPPA,
Chairman,
Estimates Committee.

CHAPTER I

REPORT

The Estimates Committee are glad to state that the points brought out in their 133rd Report (Second Lok Sabha) on the erstwhile Ministry of Community Development and Co-operation (Department of Co-operation)—National Co-operative Development and Warehousing Board have been replied to by the Government generally to their satisfaction. There is, however, one recommendation reply to which has not been accepted by the Committee and this has been commented upon in Chapter IV of this Report.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Sl. No. (as in App. V of the 133rd Report.

Ref. to para No. of the Report.

Summary of Recommendation/
Conclusion

Reply of the Government

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It was stated that the anticipation of expenditure for the last quarter given by the States to the Board was much higher than what they could spend thus necessitating re-funds to the Board. The Committee recommend that the Board may take up with the States the question of framing more realistic estimates in future so that the drawal of excess amounts is reduced to the minimum.

Accepted. As a result of the procedure being adopted since 1959-60 of making quarterly payments the percentage of excess drawals has come down to 5.5 per cent. The Board will, however, bring this to the notice of State Governments, so as to frame more realistic estimates in future.

[Ministry of Community Development and Co-operation O.M. No. F. 2-ii/60-Plan dated 29-11-1961].

The Committee recommend that a procedure may be devised in consultation with the State Governments for a speedy return of unutilised funds. As an alternative, it might be examined if it would be feasible to set off this amount against the first quarterly instalment of payment made by the Board during June of the subsequent year.

At present the Board is settling off such excess amounts against quarterly instalments of payments made during September or December of the subsequent year. The State Governments have been asked to furnish statements of actual expenditure by 31st May, but it has not been possible to get such statements in all the cases, by the time release for June instalment is made. In such cases adjustment may be made from the September instalment.

[Ministry of Community Development and Co-operation O.M. No. F. 2-11/60-Plan dated 29-11-1961].

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The Committee recommend that the Board may commend to the States the adoption of a rational procedure for payments to cooperative societies which while providing for adequate safeguards would at the same time ensure that there is no undue delay in remittance. If need be, certain model rules may be framed by the Board to form the basis for adoption by the States.

Most of the State Governments have framed suitable rules regarding release of financial assistance to cooperative societies. The Board will obtain copies of these rules to examine the possibility of framing model rules.

[Ministry of Community Development and Co-operation O.M. No. F. 2-11/Plan dated 29-11-1961.]

(Further information called for by the Committee).

The result of the study of the rules framed by the States since obtained and of the possibility of framing model rules may please be stated.

(L.S.S. O.M. No. 31(1) EC. II/61, dated 12-1-1962).

All the State Governments and Union Territories have been requested to send copies of the rules framed by them for regulating the release of funds to co-operative institutions for various schemes of co-operative development. Reports have been received only from a few States and as soon as the remaining replies are received, steps would be taken to frame model rules for circulation to State Governments.

[Ministry of Community Development and Co-operation O.M. No. F. 2-11] 60-Plan dated 28-2-1962].

The Committee hope that the implication of the term "utilisation of funds" in respect of construction of godowns would also be cleared before long so that there would be no ambiguity whatsoever in the matter. It would obviously be helpful if some model plans for various types and sizes of godowns, time schedule

Regarding the implication of the term "utilisation of funds" and time schedule for completing the construction of godowns, instructions were since issued in March, 1961, by the Board. The Board is taking action in consultation with this Ministry to obtain model plans prescribed by the States and to evolve a model plan

for completion of construction and the cost per sq. ft. of covered area etc. were laid down in consultation with the State Governments so that the release of funds could be related to the actual progress made.

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The Committee hope that continuous attention would be paid by the Board to make sure that the funds sanctioned are utilised for the objectives in view.

for each type of godown for each State.

[Ministry of Community Development and Co-operation O.M. No. F. 2-11/60-Plan dated 29-11-1961].

The work of the two sub-committees of the Board has been completed and the Board has now taken steps to examine the utilisation of sanctioned funds. The State Governments have been asked to furnish certain basic data. The officers of the Board have also undertaken tours of Maharashtra, Rajasthan, Andhra Pradesh and Madhya Pradesh for the purpose and tours to other States will follow.

[Ministry of Community Development and Co-operation O.M. No. F. 2-11/60-Plan dated 29-11-1961].

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The Committee recognise that during the early stages of cooperative development Government assistance to co-operative societies may prove of value. It is imperative that a co-operative institution should draw its sustenance from within its re-

Necessary instructions were issued by the Ministry to State Governments, that potential viability of a service co-operative should be assessed, among others, to the extent it fulfils essential conditions like linking of credit with marketing and

sources in the interests of its own healthy growth and it should be the endeavour of Government to bring about this consummation as early as possible. The Committee would, therefore, stress the need for the co-operatives to attract deposits from the members and inspire confidence amongst them so as to draw greater contribution to its shares. They would also stress the need for intimate coordination between the co-operative credit societies and the marketing societies for it would be the latter which can act as a channel for recovery of credit extended by the service societies.

attracting local savings to the maximum possible extent as share capital and as deposits. Specific targets for increase of members' share capital, deposits etc. have also been laid down at all levels of credit institutions in the third five year plan. Continuous attention is also being given to the problems of enlarging the scope of cooperative marketing

[Ministry of Community Development and Co-operation O.M. No. F. 2-11-60-Plan dated 29-11-1961].

The Committee recommend that the position about co-operative development in each State may be assessed carefully and the general reasons for lack of progress of the co-operative movement as also the reasons why a large number of

A large programme of revitalisation of primary credit societies was implemented during the last two years of second plan. This is being continued during third plan also. Officers of this Ministry and the Board are visiting the States and studying the progress in regard to consolidation. The Ministry and the Reserve Bank of India have also

societies were dormant or inactive may be ascertained. The Committee hope that in the Third Five Year Plan the work of consolidation would receive no less attention than expansion.

10 32

The Committee feel that it will be useful if the defects noticed in each State by the Team of Officers of the Ministry of Community Development and Co-operation and the remedial action suggested by them are included suitably in the Annual Reports so that other States may benefit by their experiences and avoid similar defects in their own States.

12 36

The Committee were disappointed to note that only about 15 per cent of the total number of societies could be said to be working satisfactorily.

given a great deal of attention to this work. A meeting of Eastern States was recently convened to examine the question of consolidation of credit institutions in that area. Thus the work of consolidation, is receiving adequate attention.

[Ministry of Community Development and Co-operation O.M. No. F. 2-11/60-Plan dated 29-11-1961.]

Accepted This will be implemented by the Board in future.

[Ministry of Community Development and Co-operation O.M. No. F. 2-11/60-Plan dated 29-11-1961.]

The Committee has apparently arrived at this conclusion on the basis of audit classification of societies made for the year 1957-58. Since 1959-60, a large programme of revitalisation has been implemented. This programme is being continued during third plan. By the end of third plan, nearly 1 lakh of societies will

be revitalised. Detailed instructions regarding the procedure for revitalisation have also been communicated to the State Governments. All these measures would help to increase the number of societies working satisfactorily and their audit classification should improve.

[Ministry of Community Development and Co-operation O.M. No. F. 2-11/60-Plan dated 29-11-1961.]

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The Committee feel that it is necessary to evolve a common set of principles for classification of societies as 'A', 'B', 'C', 'D' and 'E', as otherwise what may be considered as "fair" in one State might be thought of as "bad" in another. It is obviously desirable if standards of classifying a society were broadly laid down. Besides, if there is a common standard, the Board will also be enabled to make an equitable distribution of funds for revitalisation.

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The Reserve Bank of India has since constituted working group consisting of Registrars of Co-operative Societies Madras, Uttar Pradesh, Punjab and Maharashtra and a representative of this Ministry for evolving standards for audit classification.

[Ministry of Community Development and Co-operation O.M. No. F. 2-11/60-Plan dated 29-11-1961.]

The Committee hope that the States will be persuaded to adopt a uniform procedure in regard to revitalisation of societies which would also incidentally enable proper utilisation of the assistance given by the Board for this purpose.

Detailed instructions were issued to State Governments, (vide letter No. 4-1160-UTB, dated the 17th Feb, 1961 reproduced in Appendix D).

[Ministry of Community Development and Co-operation O.M. No. F. 2-11] 60-Plan dated 29-11-1961.]

The Committee recommend that the State Governments may be requested to keep a close watch on the working of the revitalised societies so as to make sure that they would be able to continue to function even after Government assistance is withdrawn. The Board may also make a random selection of societies out of those to whom they have rendered financial assistance and keep a watch to see how far they have improved their working and are in a position to stand on their own.

The State Governments have already been instructed to keep close watch over the revitalised societies, vide para 18 of this Ministry's letter No. 4-1160UT dated, 17-2-1961. The Officers of the Board are also undertaking evaluation.

[Ministry of Community Development and Co-operation O.M. No. F. 2-11] 60-Plan dated 29-11-1961.]

It is obvious that unless there are adequate trained departmental staff in the States, there is the risk of co-operatives not coming up or progressing on the right lines.

This is fully recognized. A sum of Rs. 6.50 crores was spent during second plan for employment of additional departmental staff. A provision of about 5 crores has been included in the Third Plan.

A comprehensive programme for the training of departmental staff is already in operation. The Study Team on co-operative training which went into the question of training and education in co-operation has made recommendations for intensifying the training of co-operative departmental personnel. Necessary action on the recommendations of the Study Team on training is being taken.

[Ministry of Community Development and Co-operation O.M. No. F. 2-11| 60-Plan dated 29-11-1961.]

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In certain States, the revised provisions proposed in the new co-operative laws were stated to be more stringent than that in the existing laws and gave wider powers to the Registrars. This it was stated was contrary to the policy laid down by the National Development Council. The Committee suggest that the policy already accepted in this regard may again be brought to the

Accepted. This is being brought to the notice of the State Governments. A paper pointing out some of the restrictive features was placed before the Conference of State Ministers of Co-operation held on 29th and 30th October, 1961.

[Ministry of Community Development and Co-operation O.M. No. 2-11|60-Plan dated 29-11-1961].

notice of the State Governments concerned. The Committee would like the provisions of all co-operative legislation to be more protective than restrictive.

22 51

The Committee understand that in certain States, the procedure-for registration of a newly formed co-operative society is complicated and elaborate with the result that lot of difficulty is experienced by the members and organisers of the Societies. It was also mentioned that some societies exercised discrimination in the matter of admitting new members to the societies. The Committee would urge that in framing the new legislation all such difficulties may be duly taken into account and rectified.

There is generally no delay in registration of simple type of societies. In the case of certain types of societies, however, Registrar has to make full enquiries and also satisfy himself about their possibility of being a sound and successful business proposition. Ministry has advised the State Governments in its letter dated the 28th October 1960 to consider incorporating a time limit within which registration proposals should be disposed of. This has already been incorporated in some laws and rules. All the States which have enacted new laws or have proposed draft bills have included a provision for appeal against non-admission of individuals as members.

[Ministry of Community Development and Co-operation O.M. No. F. 2-11/60-Pl-n dated 29-11-1961.]

CHAPTER III
REPLIES OF GOVERNMENT THAT HAVE BEEN ACCEPTED BY THE COMMITTEE

Sl. No. (as in App. V of the 133rd Report)	2	3	4
	1	11	
		<p>The Committee are not sure if the separation of the functions of the warehousing from the National Cooperative Development and Warehousing Board would achieve that degree of integrated approach and planning as is necessary for the successful implementation of the objectives and if the same measure of coordination as exists at present will obtain between the Cooperative Development Board and the Central Warehousing Corporation merely by giving representation, as proposed, to each body on the other.</p> <p>If, however, the functions relating to warehousing are to be taken away from the Board it may be a moot point whether there should be a separate Cooperative Development Board and whether the same work could not be done by the Ministry of Community Development and Cooperation itself. The Com-</p>	<p>A DETAILED NOTE IS ATTACHED (See Appendix II) [Ministry of Community Development and Co-operation O.M. No. F. 2-11/60-Plan, dated, 29th November, 1961.]</p>
	2	12	
		<p>A DETAILED NOTE IS ATTACHED. (See Appendix II). [Ministry of Community Development and Co-operation O.M. No. F. 2-11/60-Plan, dated, 29th November, 1961.]</p>	

mittee feel that even if for the sake of some administrative advantage the integrated set up is to be disturbed there may not be sufficient justification for the continued existence of a separate Board merely for disbursing funds to the State Governments since it is done on the basis of programmes and policies already approved by Government and for which financial ceilings are fixed by the Planning Commission. In their view, the extent of coordination with the Central Warehousing Corporation that will be achieved in the changed set-up by representing each of the bodies on the other, can be obtained in the absence of the Board equally at the official level or by means of an advisory Committee composed of officials and non-officials representing banking and other persons interested and other persons experienced in the cooperative field.

The Committee hope that early action will be taken by the Board in implementation of their Resolution of the 26th August, 1960 that the evaluation of the progress on schemes of cooperative development in the Second Five Year Plan should be

Officers of the Board are already undertaking visits to States for evaluating the results in the fields of cooperative marketing, processing and storage on the basis of sample study. In so far as the evaluation in the working of credit institu-

undertaken by the officers of the Board.

(Further information called for by the Committee).

It may please be stated if the Resolution dated 26th August, 1960, of the Board has been brought to the notice of the Reserve Bank of India for necessary action.

(L.S.S. O.M. No. 31(1) EC. II/61, dated, 12th January, 1962).

tions is concerned, the Board will bring this to the notice of the Reserve Bank for necessary action as decided earlier.

[Ministry of Community Development and Co-operation O.M. No. F. 2-11/60-Plan, dated, 29th November, 1961.]

Yes. The Resolution dated the 26th August, 1960 of the Board was duly brought to the notice of the Reserve Bank of India. In reply, the Reserve Bank of India has pointed out that it keeps a constant watch on the primary credit societies and large sized credit societies in different parts of the country to see how they are working. The Inspecting Officers of the Bank visit societies frequently and bring the defects in their working to the notice of the Registrars of Co-operative Societies. The Bank has further drawn attention to the policy letter dated 4th October 1960, communicating the steps to be taken for reorganisation of the credit movement issued by Government

following the recommendations of the Committee on cooperative credit. The Bank's view is that the proposed evaluation could appropriately be undertaken after this new policy enunciated by the Government of India is implemented and it becomes practicable to assess the results of the working of cooperative societies at the primary level. It may, however, be pointed out that the Reserve Bank of India has already been taking up follow-up surveys and the second report of the Rural Credit Follow-up Survey for the year 1957-58 was received and was duly considered by the Board, particularly that relating to summaries of the data of small-sized societies and large sized societies and various statistical statements contained in the follow-up survey (Statistical Report). The general review report of the follow-up survey for the year 1958-59 has also since been published by the Reserve Bank. The Reserve Bank of India has again been requested, vide Board's letter dated the 9th December, 1961, to consider the need of specifically undertaking an evaluation of the working of large-

sized, multi-purpose and village societies whenever it was possible to do so in the light of the observations made by the Estimates Committee of the Parliament.

[Ministry of Community Development and Co-operation O.M. No. F. 2-11/60-Plan dated, 26th February, 1962].

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The Committee regret to note that the progress on construction of godowns in almost all the States has been slow and halting. It was stated that in some cases where cooperatives have been able to construct their godowns, these have not been put to much use. If proper assessment is made of the potential storage demand before undertaking the construction of godowns, there should be no reason for the godowns remaining vacant. The State Government may be persuaded to exercise every care in the matter of selection of sites by cooperatives for the construction of godowns.

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It is true that the societies have not been able to complete the godowns in the same year in which assistance was made available. The Board considered this question and felt that normally a time lag of about 9 months could be deemed to be a reasonable period for acquisition of site, assembling the materials and completing construction. The Board has asked for latest data upto the end of March, 1961. However, on the basis of material available with the Ministry, the progress is not unsatisfactory. For instance, as against 2,260 godowns for which assistance was given to large-sized societies during first 3 years of second plan, 1,758 godowns were actually completed. As regards la-

adequate use of the godowns constructed, the observation was made on the basis of the reports made by Financial Adviser in respect of certain isolated cases in West Bengal etc. Even these cases are several years old. The general picture seems to be that not only the godowns are fully utilised, but marketing cooperatives are obliged to take larger number of godowns on hire. As on June, 1959, the number of godowns hired is as follows:—

- (a) State Marketing Socys.—70
- (b) Central Mktg. Socys.—1021
- (c) Primary Mktg. Socys.—1497
- (d) Agrl. Credit societies—1735

During annual plan discussions also, the State Govts. are being advised to look into all these aspects.

[Ministry of Community Development and Co-operation O.M. No. F. 2-11/60-Plan, dated, 29th November, 1961.]

(Further information called for by the Committee).

Please furnish revised comments, if any, on the basis of latest data re-

Latest figures regarding the progress of construction of godowns have

garding completion of construction upto March, 1961, if since received. (L.S.S. O.M. No. 31(1) EC. II/61, dated 12th January, 1962).

been received. The position as on March, 1961, is as under:

Godown under construction	Construction completed
Marketing Societies sized and Rural Godowns	Large Marketing Societies sized and Rural Godowns
1,022	3,405
	773
	2,049

In regard to utilisation of godowns, it may be pointed out that by and large godowns are fully utilised by all types of cooperative institutions. All types of societies are yet obtaining a large number of godowns on hire.

[Ministry of Community Development and Co-operation O.M. No. F. 2-11/60-Plan dated, 28th February, 1962.]

It is necessary to ensure that the Registrar and his senior officers are men with vision, receive adequate

This was pointed out in our policy letter No. 1-12/59-Coop. I, dated the 11th May, 1959. This will con-

training in cooperative work and remain in the Department for a sufficiently long period of time. It was stated that it had always been agreed by Ministers that the best men should be appointed, that they should be trained and kept for a minimum period of three years. But these agreed decisions had not been implemented in all cases. The Committee are constrained to learn of this lack of action in the face of agreed decisions. This calls for attention at the highest level so as to ensure that the cooperative development does not suffer from this handicap at least in the Third Plan.

(Further information called for by the Committee).

The further action taken based on the recommendation of the Committee may please be stated.

(L.S.S. No. O.M. No. 31(1) EC. II/61, dated 12th January 1962).

How effectively to build non-official leadership is a task to which the Governments at the Centre and the

to be stressed wherever necessary.

[Ministry of Community Development and Co-operation O.M. No. F. 2-11/60-Plan, dated, 29th November, 1961.]

The position has generally improved and Registrars are staying for a fairly long period.

[Ministry of Community Development and Co-operation O.M. No. F. 2-11/60-Plan dated, 28th February 1962.]

This question has always been accorded highest priority. Removal of officials and more intensive

States should address themselves alike. In the Committee's view, the Community Development and National Extension Schemes could make a significant contribution in this respect by interesting non-official in cooperatives. Such non-officials as are forthcoming may be given adequate training on how the work is to be done. They may be encouraged not only to build up and foster cooperative societies but also to spread the message of cooperation among the masses and create enthusiasm for the movement.

(Further information called for by the Committee).

The result of examination of the various measures for improving the training facilities suggested by the team on Cooperative Training may please be stated.

(L.S.S. No. O.M. No. 31(1) EC. II/61, dated 12th January, 1962).

and extensive training are two specific steps. The Study Team on Cooperative Training has suggested various measures for improving the training facilities. These are being examined.

[Ministry of Community Development and Co-operation O.M. No. F. 2-11/60-Plan, dated, 29th November, 1961.]

The recommendations of the Study Team on Cooperative Training were examined in the Ministry in consultation with the Planning Commission and the Ministry of Finance and the following decisions have been taken:

- (1) The administration of all the junior cooperative training centres:

should be transferred to the state cooperative unions who should run them through special committees appointed with the approval of the State Governments and their accounts should be kept separate from the accounts of other activities of the unions.

(ii) The administration of all the intermediate cooperative training centres should also be transferred to the State Cooperative Unions. In States, where it is considered by the State Government that the State Cooperative Union will not be in a position to take over the intermediate training centres, such centres may for the present be run by the organisation to be set up at the Centre. The centres transferred to the state unions should be run through special committees appointed with the approval of the state governments and their accounts should be kept separate from accounts of other activities of the unions.

(iii) The organisation at the Centre should have the following activities:

1. To run a Central Institute for training of senior personnel of depart-

ments and cooperative institutions on all India basis.

2. To arrange for specialised courses in various subject at intermediate training centres on an inter-state basis.
3. To arrange for research at the central institutions and at intermediate and other cooperative institutions, universities, etc., and coordinate the programme of research.
4. To run intermediate training centres in states where they are not handed over to state cooperative unions as proposed in (ii) above.
5. To be in charge of overall coordination of the entire programme of cooperative training and education including membership education which is at present being carried out through the national cooperative union and state cooperative unions; and in particular to prescribe the syllabus, methods of examination, conduct of examinations and to ensure that the stan-

ards of training and education are maintained.

(iv) The work at the Centre should be entrusted to the National Co-operative Union of India which will appoint a special committee for the purpose with the approval of the Government of India. This Committee should have full autonomy as far as its functioning is concerned. The National Co-operative Union should appoint separate staff for this work. The accounts etc. of this activity should be maintained separate from the accounts of other activities of the national co-operative union. The necessary funds required by the special committee of the national co-operative union should be provided by the Government of India on an agreed basis.

II. The position in regard to the above arrangements should be reviewed from time to time.

III. The following decisions have also been taken:

(i) Teaching of cooperation may be introduced in the primary and se-

condary schools through simple lessons and by introducing descriptions of important cooperatives in the subject of social studies. Co-operation should also be an optional subject in the B.A. (Economics) and B.Com. courses and it should also find a place in the curriculum of agricultural degrees—A Master's degree in cooperation and allied subject may also be introduced. Co-operative stores, canteens, rupee banks etc. may be organised in the schools, colleges and universities to give practical emphasis to the subject.

(ii) A statutory provision may be made in the Cooperative Societies Acts requiring the societies making a profit to make certain contributions to the education fund of the state cooperative unions.

(iii) The pattern of financial assistance to the cooperative training and education programme should be as follows:

(a) 100 percent grant-in-aid for member education programme. The

Central Government should, as at present, bear the entire expenditure on salary and allowances of the instructors and literature and other audio-visual aids.

- (b) 100 percent grant-in-aid to the State cooperative unions for running the junior cooperative centres. The Central Government should bear 50 percent of the expenditure on staff, stipend, T.A. to candidates, library and rent of the buildings as at present, the remaining 50 percent being borne by the State Governments.
 - (c) 100 percent grant-in-aid for field studies undertaken by the cooperative unions and other organisations to be equally shared by the Government of India and the State Governments.
 - (d) 75 percent grant-in-aid for approved non-recurring items such as audio-visual equipment etc. the Government of India paying 50 percent and the State Government 25 percent.
 - (e) 75 percent of the capital cost of setting up a printing press by way of loan to be given by the Government of India.
-

(1) 75 percent grant-in-aid for recurring expenditure on various other activities of the cooperative unions—50 percent being found by the Government of India and 25 percent by the State Governments.

IV. The recommendations of the Study Team in respect of the pattern, contents and the nature of the various training programmes have been accepted.

(Ministry of Community Development and Co-operation O.M. No. F. 2-11/60-Plan, dated 28th February, 1962).

CHAPTER IV

REPLY OF GOVERNMENT THAT HAS NOT BEEN FINALLY ACCEPTED BY THE COMMITTEE

S. No. (as in Appendix V of the Report)	Reference to para No. of the Report	Summary of Recommendations/Conclusions	Reply of the Government	Comments of the Committee
1	2	3	4	5
17	49	<p>It was stated that the interest charged to the cooperatives by some State Governments was higher than that what the Board charged the State Government. Since the Board are already giving subsidies for additional State Government staff for cooperatives, the State Government should not levy a higher charge from the cooperative societies.</p>	<p>The Board had issued necessary instructions to the State Governments (letter No. NCDWB/Sch/1(1)9238/61, dated 8th August, 1960). However, some of the State Governments are still charging higher rates of interest. This will again be taken up by the Board.</p>	<p>The feasibility of laying down as a condition precedent to the grant of loans to the State Governments that the interest charged by them on the loans granted to the Co-operatives should not exceed the rate of interest charged by the Board to the State may be examined.</p>
		<p>Further information called for.—The latest position in the matter and the names of the States which charge higher rates of interest may please be intimated.</p> <p>(L.S.S. O.M. No. 31(1) EC. 11/61, dated 12th January, 1962.)</p>	<p>(Ministry of Community Development and Co-operation—Deptt. of Co-operation O.M. No. F. 2-11/60-Plan, dated 29th November, 1961.)</p> <p>The State Governments have again been informed that they should not charge higher rate of interest than that charged by the Board. Andhra Pradesh, Madras, Maharashtra and Gujarat are the States which were charging higher rate of interest. In</p>	

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case of Madras, however, the pattern of assistance to cooperatives is more liberal than those in vogue in other States, both as regards term of the loan and the subsidy content of the assistance.

(Ministry of Community Development and Co-operation—Deptt. of Co-operation O.M. No. F. 2-11/60-Plan, dated 28th February, 1962).

NEW DELHI;

4th February, 1963/Magha 15, 1984 (Saka).

H. C. DASAPPA,
Chairman,
Estimates Committee.

APPENDIX I

[Vide reply to Recommendation 14 in Chapter III]

No. F.4-1/60-U.T.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT & COOPERATION
(DEPARTMENT OF COOPERATION)

KRISHI BHAVAN,

New Delhi, the 17th February, 1961.

28th Magha, 1882.

From

Shri G. D. Goswami,
Joint Secy. to the Govt. of India.

To

The Secretary in charge of Cooperation,
All State Governments/Union Territories.

SUBJECT:—Procedure regarding revitalisation of primary agricultural credit societies.

Sir,

A programme of revitalisation of primary agricultural credit societies was taken up during the Second Five Year Plan for enabling them to function effectively as service cooperatives. This programme is to be carried forward and completed during the Third Plan. Societies taken up for revitalisation under this programme are to receive a subsidy of Rs. 900 over a period of 3 to 5 years.

2. The success of the programme will depend not so much on financial assistance by Government but on the care bestowed on the various steps required for systematic rectification and consolidation. The Committee on Cooperative Credit had made certain recommendations in this regard in Chapter 6 of their Report. Some of the State Governments have also framed detailed procedures in this connection. Based on the material available, this Ministry has examined the question in consultation with the Reserve Bank of India. As a result, a note indicating in general terms the procedures

to be followed in taking up the work of revitalisation has been prepared. A copy of this note is enclosed for your information. The note is not exhaustive and may have to be modified to suit local conditions. However, it is hoped that the broad principles suggested in the note will be found useful and will be followed to the extent possible. Grant of financial assistance to societies may have to be contingent on certain essential steps being taken in this direction.

3. It would be an advantage if the note is published in the local languages and supplied to central cooperative banks and the societies and others concerned so that it may serve as a hand-book for their use.

Yours faithfully,
Sd/- G. D. GOSWAMI,
Jt. Secy. to the Govt. of India.
Tel. No. 36926

Copy with a copy of the enclosure to:—

1. All Registrars of Cooperative Societies.
2. The Reserve Bank of India.
3. The All India Cooperative Union for publication in the Cooperative Review. | |
4. Secretary, National Cooperative Dev. & Warehousing Board.
5. All officers (Deptt. of Cooperation).
6. Editor, Kurukshetra.
7. D.I.P.R.
8. All Sections (Deptt. of Cooperation).

REVITALISATION OF PRIMARY AGRICULTURAL CREDIT SOCIETIES

The amount of credit made available by primary agricultural credit societies in the country has increased considerably during the past four or five years and the third five year plan contemplates considerable further expansion. In order to ensure that expansion does not effect the quality of the movement, the work of rectification of defects assumes great importance. The primary agricultural societies constitute the foundation of the credit movement and it is, therefore, essential to see that their defects are speedily rectified.

2. Though the standards of audit classification of societies are not uniform throughout the country, such classification remains the main method for ascertaining the quality of primary agricultural credit

societies. The audit classification of primary agricultural credit societies for the year 1957-58 was as follows:—

Audit class	Number	Percent
A	4,371	3.2
B	19,886	14.8
C	89,147	66.6
D	17,882	13.4
E	2,657	2.0
	1,33,943	100.00

3. In addition, 7,957 were audited but not classified and more than 23,000 societies were not audited at all.

4. Societies in the A & B class are functioning satisfactorily and some of them can serve as models for other societies. The societies in C class are mediocre and a good proportion of them are functioning in an unsatisfactory manner or have languished after drawing one or two loans from the cooperative financing banks. 'D' class societies are in a bad way and will have to be liquidated if they do not come up to 'C' class within two years. 'E' class societies are past all hope and have to be liquidated.

5. It is clear from the figures quoted above that a great deal of systematic work of rectification will be necessary to clear the dead-wood. It has been roughly estimated that about 10,000 societies may have to be liquidated and about one lakh societies may have to be revitalised. During the years 1959-60 and 1960-61, it is expected that about 42,000 societies would have been taken up for revitalisation leaving the balance of about 60,000 societies for the third plan.

6. According to the latest policy decision taken on the size of primary societies, the aim should be to ensure viability with the inclusion of the smallest number of villages necessary so that the cooperative society achieves both viability and the essential characteristics of cooperation namely voluntary basis, close contact, social cohesion and mutual obligation. The extension of area should, however, be subject to the maximum limit of a population of 3,000 within a radius of 3 or 4 miles. Some of the societies now existing will have to be reorganised by amalgamation thus reducing the number requiring aid. The third plan actually makes a financial provision for revitalisation and/or reorganisation of 52,180 such societies.

7. A very clear appreciation of what revitalisation involves and the drawing up of a comprehensive programme for revitalisation of societies are clearly of great importance, particularly in those states where the number of weak societies is large. Most of the states have by now laid down some minimum tests to be fulfilled by societies taken up for revitalisation but a few have not yet done so. In many cases, revitalisation of agricultural credit societies has been taken to mean the appointment of a clerk in each society with the help of the subsidy provided by government. Revitalisation of a moribund society is a long and arduous process and it is necessary that the full implications of the process are made clear to everyone concerned in this task.

8. A comprehensive programme of action will have to be drawn up. In Chapter VI of the Report of the Committee on Cooperative Credit, certain details of the procedure to be followed have been indicated. The first important step is to prepare on the basis of information available in the audit notes and bank registers a list of societies that need be taken up for liquidation. All 'E' class societies will come under this category. In case of 'D' class societies a decision will have to be taken after inspecting the accounts of each society. The programme of liquidation should be given high priority so that no bad society might be borne on the registers after 1963-64 at the latest. Where the number of societies under liquidation and those to be brought under liquidation in the circle of an Assistant Registrar are sufficiently large, one or more special Liquidation Inspectors will have to be provided. A definite programme of work should be given to each Liquidation Inspector and the whole work should be completed by him within the time schedule.

9. Side by side with the elimination of the hopelessly bad societies, the task of revitalisation has to be taken in hand. Some of the dormant societies cover too small an area and may have to be reorganised before any steps for rectification can be taken. A society covering part of a village or a very small population cannot be termed as viable and, as such, should first be reorganised before the work of rectification is taken up.

10. The primary societies requiring revitalisation may be broadly divided into 3 classes. The first class will consist of societies which are not indebted to central banks or outside creditors. The second class consist of societies whose debts could be discharged by setting off the share capital and the reserve fund invested by them in central banks. In the case of the societies falling in these two classes, debts which have been ascertained to be bad and irrecoverable should be written off and arrangements for the collection of other

debts should be made. The third class will include societies whose liabilities to central banks exceed their investments in central banks by way of share capital and reserve funds. In these societies, a careful examination of individual loans will have to be made and adequate security of transferable assets, wherever they are available, will have to be obtained. In deserving cases, extension of time for the repayment of loans may have to be given.

11. The important part of the work is actual inspection of the societies. This may be possible by demarcating the whole area into divisions, each containing a stated number of societies and allotting each division to a director of the cooperative central bank or an official of the department. Each inspecting director or official may be provided by the department/bank with copies of the information relating to outstandings, overdues, membership, share capital, etc. already collected regarding the societies in his division or circle. If the managing committee of the central cooperative bank so decides it can empower these directors or officials to take necessary action on the spot without reference to the bank. This course has the advantage of promptness and of keeping the members of societies fully informed of what is being done.

12. Each director or official so appointed must inspect the societies allotted to him with the greatest care and thoroughness and draw up an exhaustive report dealing with the constitution, working and financial condition of the society and suggesting detailed action for rectification/reorganisation.

13. At the time of inspection, all relevant data has to be collected and examined in detail; the examination should include assets due to the society, history of each loan, adequacy of security for it, the loans which could be realised and the amount which may prove bad, additional securities, if any, which can be got by coercive or persuasive measures, liability to the central cooperative bank, amount overdue and date of default, etc. The examination of the assets should bring out what portion is realisable and what portion is doubtful of recovery under each item. A comparison of the realisable assets with the total liabilities should be made indicating the estimated losses to the central bank and the estimated losses to the society.

14. In dealing with the question of revitalisation, the procedure to be followed in writing off bad and irrecoverable debts presents serious difficulty and needs careful examination and prompt action. Delay is likely to prove harmful for both the parties—debtors as well as creditors. Any proposals for conciliation of debts may be got

approved by the general body of the societies concerned. Broadly, the following procedure may be adopted:—

- (i) Debts that can be realised in full should be recovered in full without any relief granted to debtors. All the debts have to be classified as 'safe', 'doubtful' and 'bad'. This classification should be made on a detailed examination of each debtor's assets and liabilities.
- (ii) All debts that can be realised through pressure and persuasion should be classified as 'safe'.
- (iii) For a debt to be classified as 'bad', the following criteria may be followed:—
 - (a) Principal debtors and his sureties are declared as insolvents;
 - (b) Principal debtor and sureties have died leaving no property;
 - (c) Principal debtor has died without leaving any property and the surety though alive, has no property or income;
 - (d) Both the principal debtor and the surety are paupers having no means of income or property;
 - (e) The principal debtor has no property and is permanently incapacitated from earning his livelihood and also that the debt cannot be realised from the surety;
 - (f) That the debtor has left the area of operations of the society, has no property therein and his whereabouts are not known for about 10 years and further that his surety has no property or income to pay off his liability.
- (iv) All debts which are neither 'bad' nor 'safe' should be regarded as doubtful. These should particularly include:
 - (a) All time barred loans in respect of which efforts for getting fresh bonds have failed; and
 - (b) Debts of absentees whose whereabouts are untraceable for less than 10 years.
- (v) The quantum of relief can be estimated on the assumption that 'safe' debt can be realised in full, a doubtful debt can be recovered to half of its amount while a bad debt will have to be written off in its entirety.

- (vi) Proposals for estimation of individual debts, the writing off a part or whole of the individual member's debt to the society, the writing off central bank's dues from the society should then be forwarded to the Deputy/Assistant Registrars and the cooperative central banks concerned for necessary action.

15. In a majority of societies the realisable assets may be enough to discharge the liabilities but the assets are frozen and cannot be collected easily. In these cases, strenuous efforts will have to be made to collect the overdue loans by means of arbitration and execution.

Another variety of loan cases may relate to time barred loans. In these cases fresh bonds will have to be obtained from the borrowers by moral persuasion to revive the loans.

16. If the liabilities of a society exceed its realisable assets, one of the ways by which it can be revived is by admission of new members. When more share capital is collected and more loans are given to the members, the transactions of the society may increase in the next few years bringing in additional profits with which the deficit can be made good. However, effort has to be made to bring as many rural families as possible into the cooperative societies and get the required finances from the central banks to ensure a proper supply of fertilizers, seeds, manures, etc. According to the latest policy decision, the village cooperative has to undertake supply functions in addition to providing short-term and medium-term credit. In addition, the cooperative will help, formulate and implement the plans of agricultural production for the village and undertake such educative, advisory and welfare work as the members may be willing to take up. If a primary society is to be viable, it will have to undertake service and supply functions other than credit as indicated above. The aim should be that every society revitalised or reorganised should take up service and supply functions that are essential for the economic well-being of the cultivators in the village.

17. It will be observed that the process of rectification may take time. In the meanwhile, the society may remain overdue to the cooperative financing bank and fresh loans cannot be obtained from the debtor. In such cases, the societies can seek extension of time to repay their dues. These extensions may be for one year in some cases and in some cases may go beyond that period upto 3 years. In some central banks, stabilization funds have been constituted with the help of which extensions of time to repay can be given. In

others, the extensions can be given with the help of the bank's ordinary medium-term resources. Where genuine attempts at rectification are being made, the central cooperative banks should also agree to advance loans without insisting on 100 per cent. recovery of overdues. It may be possible for example to advance some loans when 80 per cent. of the overdues have been cleared. It is not, however, proposed to suggest a precise percentage and a decision should be taken on the merits of each case.

18. When a society is set on its feet by the efforts outlined above, it becomes necessary to ensure continued good management so that there is no sliding back into the old state. The main causes leading to dormancy appear to be misappropriation and embezzlement, defects in the methods of fixing credit limits and procedures for disbursement of loans, improper timing and inadequacy of loans, undue delay and hesitancy in taking action against defaulters, failure to give loans in kind and in instalments, domination of managing committee by vested interests, and lack of efficient secretaries. It is necessary to avoid these pitfalls if the arduous work of rectification is not to become infructuous by repetition of old mistakes.

APPENDIX II

[Vide reply to Recommendations 1 and 2 in Chapter III]

Detailed Note on the summary of recommendations/conclusions at serial Nos. 1 and 2 (Para Nos. 11 and 12) of the 133rd Report of the Estimates Committee (1960-61)

The Estimates Committee (1960-61) have examined the working of the National Co-operative Development and Warehousing Board and have expressed a doubt if the proposed separation of the functions of warehousing from the National Cooperative Development and Warehousing Board would achieve that degree of integrated approach and planning as is necessary for the successful implementation of the objectives. They are also not sure if the same measure of co-ordination as exists at present will obtain between the Co-operative Development Board and the Central Warehousing Corporation merely by giving representation, as proposed, to each body on the other. The committee further observe that if the functions relating to warehousing are to be taken away from the Board, it was a moot point whether there should be a separate Co-operative Development Board and whether the same work could not be done by the Ministry itself. In its opinion there may not be sufficient justification for the continued existence of a separate board merely for disbursing funds to State governments since this is done on the basis of programmes and policies already approved by government and for which financial ceilings are fixed by the Planning Commission. It considers that the necessary co-ordination with the Central Warehousing Corporation can be obtained in the absence of the Board equally at the official level or by means of an advisory committee composed of officials and non-officials representing various interests concerned.

2. The views of the committee have been examined very carefully. The arguments in favour of the proposal made by the committee may be summarized as follows:—

(i) The Rural Credit Survey Committee recommended—

- (a) a Co-operative Development and Warehousing Board at the Centre to promote co-operative development particularly co-operative credit, processing, marketing, storage and warehousing of agricultural produce.

- (b) a Central Warehousing Corporation for acquiring and building godowns and warehouses at places of all India importance, run licensed warehouses, manage regulated market, etc. The Central Warehousing Corporation was to work under the general directions of the Board;
- (c) State Warehousing Corporations in the States with functions similar to those of the Central Warehousing Corporation.

These three organisations were to be closely linked with each other in their share capital and management. The proposal now made will put the Central Warehousing Corporation directly under the Ministry of Food and Agriculture and the Cooperative Development Board will not be in a position to give general directions. The necessary co-ordination between these two bodies will thus disappear.

- (ii) It is not necessary to have a board merely for the purpose of disbursing funds to State governments on the basis of programmes and policies already approved by government.
- (iii) Co-ordination with the Central Warehousing Corporation could be achieved at the official level or through an advisory committee. It was not necessary to have a board for this purpose.

3. The argument in favour of the proposal to have two independent corporate bodies, namely, the Co-operative Development Board and the Central Warehousing Corporation may be summarised as follows:—

- (i) The proposals of the Rural Credit Survey Committee were examined and it was decided that the Central Warehousing Corporation should not be linked with the Co-operative Development Board and there should be two independent autonomous bodies. The Central and State governments, it was felt, should be in a position to give assistance to State warehousing corporations directly and without routing such assistance through the Co-operative Development Board. This proposal was originally approved by the Cabinet but was subsequently modified in view of the fact that the Ministry of Food and Agriculture was in charge of both warehousing and cooperative development and, therefore, it was not necessary to have two independent bodies. The proposal now made

is, therefore, merely going back to the original decision of the Government of India to have two separate bodies. Historically, there is nothing against the proposal.

- (ii) When in December, 1958, the subject of cooperation was transferred from the Ministry of Food and Agriculture to the new Department of Cooperation in the Ministry of Community Development and Cooperation, certain division of functions was agreed to. The Ministry of Community Development and Cooperation was to be in charge of cooperative development as a whole, the Ministry of Food & Agriculture was to be in charge of warehousing and storage. It may be pointed out that neither the Central Warehousing Corporation nor the State Warehousing Corporation are cooperative organisations. In the case of the Central Warehousing Corporation, a large majority of the share capital is held by the Government of India, the State Bank of India and a number of joint stock companies. Cooperative banks and cooperative organisations hold a very small portion of the share capital. In the case of State Warehousing Corporations, half the share capital is held by the State Governments and the other half held by the Central Warehousing Corporation. Separation of the Warehousing Corporations from the Co-operative Development Board, therefore, is not likely to do any damage to the cooperative development.
- (iii) The proposed composition of the Board of Directors of these two organisations will ensure adequate representation of one, on the other. The two ministries would also adequately be represented on them. Cooperative organisations will also be suitably represented on them. The proposal, therefore, ensures full coordination between the two organisations.
- (iv) Warehousing will certainly be of considerable help, in course of time, to cooperative marketing organisations. At present cooperative marketing organisations are, however, doing very little outright purchases and therefore, have very little produce which they can store in warehouses. Their own godowns are, more or less, adequate for their own requirements. The warehouses of the Central Warehousing Corporation as well as of the State Warehousing Corporations are at present not being used on any substantial scale by cooperative organisations and it is unlikely that they will do so for quite

some time to come. Subject to this there is a close connection between storage and cooperative marketing. It is, however, not necessary for the warehousing corporations to continue any longer under the tutelage of the Cooperative Development Board. The initial stage of planning and development of warehousing is more or less over. A general pattern of warehousing has been established and the main task is to expand warehouses on a large scale. Warehousing corporations should be able to do this on their own and under the guidance of the Ministry of Food and Agriculture and state governments and without having to work under the general control of the Cooperative Development Board.

- (v) The activities of the Cooperative Development Board cover a large variety of subjects of which warehousing is only one and even that is dealt with indirectly through the Central Warehousing Corporation and State Warehousing Corporations. The Cooperative Development Board is mainly concerned with organisation of service and credit societies, marketing societies, processing societies and higher credit organisations like apex banks, mortgage banks, etc. Proposals for additions to departmental staff for inspection, supervision and audit are also within its purview. It also deals with a very large variety of other activities, like consumer cooperatives, labour cooperatives and so on. The need for a separate organisation of a statutory character will, therefore, continue even though warehousing may be outside its purview.
- (vi) When the Cooperative Development Board was constituted in 1956, it got from the Government of India in the form of grants all the funds it needed. A part of this money was given to State governments as grants and a part as loans. The loans when repaid by the State governments would remain with the Board and form the corpus of a permanent fund. In 1957-58 and 1958-59 the Board, however, got only grants from the Government of India to the extent required for giving grants to State governments. The loans to State governments were given directly by the Government of India and on repayment will go into the general revenues. This was a change in the practice followed in the first year and on a representation made to the Government of India the original practice was restored with effect from the year

1959-60. The Board has a corpus of a fund to which additions will be made as State governments repay the loans taken from the Board.

It has been decided that the practice followed in the years 1956-57 and again in 1959-60 and 1960-61 of giving the entire amount as grants should be modified and the Government of India will provide funds in the form of loans and grants. The grants will be passed on to State governments as grants and the money obtained as loans from the Government of India will be given as loans to State governments. On recoveries of these loans from State governments, the Government of India will be repaid the loans given by it. The interest will, however, augment the corpus of the fund with the Cooperative Development Board as the Government of India have agreed to reimburse the Cooperative Development Board the interest which it will have to pay on the loans it obtains from the Government of India. In this manner the Cooperative Development Board will build up a substantial fund of its own and it is hoped that in course of time this fund will be large enough to enable the Cooperative Development Board to finance cooperative activities without having to draw on the resources of the Government of India to any large extent. If the Board is abolished the entire corpus of the Board will merge in the revenues of the Government of India. As a result cooperative development will depend on the extent to which the Government of India can provide funds from year to year, a matter of considerable uncertainty these days.

- (vii) The Cooperative Development Board will have a large number of non-official cooperators of reputation and standing in the country and it is necessary that its independent autonomous character should be maintained. In the absence of this, prominent non-official cooperators may hesitate to come in. They are more likely to serve on a body with funds of its own and with statutory authority than on a purely advisory body.
- (viii) The Cooperative Development Board has laid down certain rules of procedure which have been followed very strictly and which have ensured prompt repayment of loans by State governments. It has also been possible for the Board to ensure that grants given to State governments if not utilised are promptly recovered.

If the Board were to be abolished and all loans to State governments were to be made by the Government of India direct, this happy situation regarding recovery and refunds may not continue. The Government of India in actual practice may not find it possible to be as strict in this respect as an autonomous statutory Board.

- (ix) The decentralisation of power and authority particularly in the field of cooperation are declared policies of Government and it is, therefore, necessary that the Government of India should function to as large an extent as possible through a statutory body on which the Government of India, the State governments and non-official cooperative opinion is adequately represented. This cannot obviously be the case if there is only a purely advisory body and the main administrative and executive functions are to be the responsibility of the Ministry.

4. The National Cooperative Board, as at present, contemplated, will have an advisory capacity only in so far as matters of policy are concerned. Its main function however will be to execute policies formulated by the government. It is also expected that the Board will set up separate functional committees for dealing with important branches of its activities like cooperative credit, cooperative marketing and processing, consumers cooperatives and such other fields of cooperation as may call for special promotional efforts. These functional sub-committees will have adequate supporting staff to carry out systematic inspections so as to ensure proper utilisation of the funds given. The Board will also continue to be serviced by the officers of the Ministry as at present. It will be ensured that the total complement of staff of the Ministry and the Board will be such as will be necessary for carrying out the functions of the Ministry with regard to framing of policy etc. and the functions of the Board with regard to their implementation. Duplication of staff between the Ministry and the Board will be carefully avoided.

5. It is in the light of these considerations and after very careful examination of the proposals made by the Estimates Committee of Parliament that this Ministry has not found it possible to accept the recommendation of the Estimates Committee in this respect. The Government of India, therefore, propose to go ahead with the proposal to constitute two separate statutory organisations, namely, the Cooperative Development Board and the Central Warehousing Corporation by amending the Agricultural Produce (Development and Warehousing) Corporations Act, 1956.

APPENDIX III

Analysis of the action taken by Government on the recommendations contained in the 133rd Report of the Estimates Committee (Second Lok Sabha) on the erstwhile Ministry of Community Development and Cooperation—Department of Cooperation.

I. Total number of recommendations made	22
II. Recommendations accepted fully by Government (<i>Vide</i> recommendations included in Chapter II):—	
Number	15
Percentage to total	68.2%
III. Recommendations not accepted by Government but replies to which have been accepted by the Committee (<i>Vide</i> recommendations included in Chapter III):—	
Number	6
Percentage to total	27.3%
IV. Recommendation reply to which have not been accepted by the Committee (<i>Vide</i> recommendation included in Chapter IV):—	
Number	1
Percentage to total	4.5%

