

Chapter -V

**Co-operative Banks in the District
of Cooch- Behar
— A study in the context of purpose
and Policies.**

CHAPTER V

CO-OPERATIVE BANKS IN THE DISTRICT OF COOCH BEHAR — A STUDY IN THE CONTEXT OF PURPOSE AND POLICES.

Co-operative Banks are for the agriculturist, a friend philosopher and a guide.

A Co-operative Bank has been defined as "an agency which is in a position to deal with the small man on his own terms accepting the security he has without drawing on the protection of the rich. That agency must not be channel for pouring charity or subsidising to small man but of the public funds."¹

Devine defines a co-operative Bank as "a mutual society formed, composed and governed by working people themselves for encouraging regular savings and granting small loans on easy terms of interest and repayment"²

A Co-operative Bank, must be essentially Co-operative in character and must deal in credit which satisfies the requirement of an ideal credit.

A co-operative Bank promotes economic activity and provides banking facilities and services to the rural people. Thrift and savings is the fulcrum of the working of co-operative Banks. Co-operative lending is the means to promote thrift and savings and service, and profit is not the special feature of co-operative Banking.

The significant role of Co-operative Banks in the agriculture economy, imparts a lesson to Commercial Banks and dispels from their minds the age-old inertia and the gloom of conservatism by shifting emphasis from credit worthiness of the persons to the credit-workiness of the purpose and from tangible security to the character of the borrower. Character is the key note of thier success. The Co-operative Banks teach the agriculturists to borrow at the right time and in right amounts and for right purpose and to repay on right dates; and they along can teach him to save so that he may not have to borrow at all. Their organisatin has also led to Mahajans and sahu-kars to reduce their lending rates. The Co-operative Banks do not hesitate in accepting non-members as their customers and thus, they spread the massage of co-operative principles and extend their benefits to wider sections of the population. Since the agitation of

these Banks is democratic in character, they provide a training ground for many a layman to learn and practice democracy all walk of life.³

While Commercial Banks cater to the requirement of the highly organised industries and commercial undertakings and organisations, the Co-operative Banks in India, as else where provide banking facilities to the highly disorganised agricultural sector of the country's economy. The task assumed by the co-operative Banks is thus, the most difficult one. Notwithstanding the similarity between the functions, the two differ fundamentally from each other. Commercial credit is motivated by tangible security offered by the borrower and the degree of ease and promptitude with which it can be realised; on the other hand, Co-operative credit is guided by the principles of mutual help, and thrift and is accentuated by service rather than profit.⁴

According to Prof. Horace Belshaw, the aims of co-operative credit are:

- (i) to promote thrift so as to increase the supply of funds;
- (ii) to draw on sources outside the society;
- (iii) to promote the effective use of loans and to reduce the risk in granting loans by careful and continuous supervision;
- (iv) Consequence, to reduce risk to lenders and to credit co-operative by adequate security;
- (v) by this means and by low cost of management to keep the cost of credit as low as possible; and
- (vi) to endeavour to make societies as credit worthy that they can obtain sufficient funds to finance other co-operative undertakings.⁵

Co-operative Banking Vs. Commercial Banking

The joint stock companies aim at earning maximum possible profits, 'service' rather than 'profit' is the motto of the Co-operative Banks. The Co-operative Banks are association of persons and do not of capital. The members enjoy the security of rights and status irrespective of the value of shares held by them. The two types of Banks also differ from each other in matters of organisation and constitution. The Co-operative Banks generally

from their structure and are federal in character. There is no such federation in the Commercial Banking structure. And one of the chief features of Co-operative Banking structure is the participation of the state in financial partnership. No such participation is to be found in Commercial Banks. The affairs of the Co-operative Banks are managed democratically, based on the principle of 'one man one vote'. In Commercial Banks the day-to-day work is carried on by well paid trained professional staff where as in the Co-operative Banks the management is mostly in the hands of honorary persons. And thrift is the self generating force and is looked upon as a measure of success of a Co-operative Banks and a barometer of its members well being, which is not the concern of Commercial Banks.

In case of Co-operative Banks the relation between the depositor and borrowers are personal and human. These banks specialise in personal credit. On the other hand the Commercial Banks are not concerned with the purpose for which the loans taken are used. And, as the Co-operative Agriculture and Rural Development Banks do, the Commercial Banks do not give long-term credit.

The procedure for sanctioning loans is also different in the two types of Banks. In Commercial Banks loans below a certain amount are sanctioned by one man, the branch manager, who is paid professional employee but in Co-operative Banks the managing committee is the supreme authority for sanctioning the loans. Mutually is a special feature of a Co-operative Bank, where as, in Commercial Banks the collections are affected automatically. In the case of default the Commercial Banks may take resort to legal proceedings but Co-operative Banks may only seek help from the Co-operative department.

Audit and inspection system of Co-operative Banks also differ from those of Commercial Banks. The responsibility for the audit of the accounts is that of the Bank in the latter case, where as in the former, the responsibility is that of the Registrar. The Commercial Banks try to declare very high dividends, where as the Co-operative Banks believe in declaring only limited dividends in accordance with the provisions of the bye-laws, rules and Acts.⁶

Classification of Co-operative Banks

Co-operative Banks in India can be divided into two distinct categories, viz. primary societies and finance institutions. The primary societies deal with the individuals and do not strictly conform to the standards of a bank. But since they perform the functions of a Bank, i.e. lending money and accepting deposits, they can be regarded as banks in miniature for the villages. The financing institutions are Banks in the true sense of the terms.⁷

The primary co-operative credit societies working in the village deal with the ultimately borrowers. The Central Co-operative Banks deal with the primary societies since they are their federations. They play the role of balancing centres of co-operative finance, thereby placing the money at the disposal of the co-operative institutions in the co-operative movement itself. The evolutionary history of the Co-operative Banks in India shows that three types of Banks have been organised so far :

- (i) Banks, whose membership is exclusively of individuals;
- (ii) Banks, whose membership is confined to societies only, and
- (iii) Banks of a mixed type, whose membership comprises individuals as well as societies.

Now there is no central bank which falls under the first category. With the growth of a number of central Banks the problem of finance, supervision, guidance and development along right become more complicated. The necessity for an apex bank, for co-ordinating the controlling the working of central Banks, for forecasting and arranging for their requirements and for acting as the nerve-centre of the provincial co-operative finance and a link with the money market, was felt. Consequently, an apex co-operative Bank, also known as State Co-operative Bank was established in each state. This bank is the federation of the Central Co-operative Banks.

So far as the structure of the short and medium term co-operative credit is concerned, it is essentially a three - tier structure. In the field of long-term credit and structural organisation of the Co-operative Banks is a two-tier one. At the base, the primary Land Development Banks consisting of individual farmers at

the Taluk, Sub-division and district level and at the top level, the Central Land Development Bank (now-State Co-operative Agriculture and Rural Development Bank) consisting of primary Land Development Banks (now-Primary Co-operative Agriculture and Rural Development Bank) and the individual.⁸

Short-Term Credit Structure

(A) Primary Agricultural Co-operative Societies

Primary co-operative societies are the basic units of the co-operative organisational structure in the village. They come into direct contact with the farmers and are responsible for delivery of ultimate goods and services.⁹ To meet the requirements of agricultural and allied activities, the primary agricultural Co-operative Credit Societies provide credit to the farmers. In India right from the 19th Century, these types of Co-operative societies have been playing a pivotal role in the rural economy.¹⁰

At present the Commercial Banks, Regional Rural Banks and other financial institutions have spread in the rural areas under the garb of multi-agency approach to rural credit system. But the institution of rural credit under co-operative sector has not diminished. Rather these co-operative institutions have strengthened their existence and continuity in much better and modern way by reorganising the primary agricultural credit co-operatives and appointing trained, paid and whole time managers.¹¹

Previously the area of operation of the Primary Agriculture Co-operative Societies was one village and now due to the process of amalgamating and merging the unviable co-operatives into viable co-operatives, the area of operation has been extended to a group of villages. The individuals are only the members of the society.

The main function of primary agricultural credit society is to raise resources and lend to members for agricultural production and investment in allied activities. They generally raise resources from members in the form of share capital, deposits and include their own resources. The State Government also contributes share capital to enable the primary society to increase its borrowing capacity

from District Central Co-operative Banks (now in Cooch-Bihar from the West Bengal State Co-operative Bank Ltd.- Cooch Bihar Unit). The primary society borrow from State Co-operative Bank Cooch-Bihar Unit. The Primary Society borrows from S.C. Bank who is their apex financing institutions. During the last years with the availability of easy credit from S.C. Bankers, the primary societies have left their most important functions of 'promotion of thrift'.

The multipurpose principle has received a new emphasis and has further expanded in the idea of service co-operative which now reflects the national policy with increased reliance being placed on the co-operative as an instrument of economic development of the village level. These service societies in addition to credit provide all services to the villagers like supply of inputs marketing of agricultural products, supply of consumer goods both controlled and non-controlled commodities.

The primary Agricultural Co-operative have been classified into Large Sized Multipurpose Co-operatives (LAMPS), Farmers Service Co-operatives (FSS) and Primary Agricultural Credit Societies (PACS).

LAMPS have been organised in tribal areas giving all facilities to tribals under one roof viz, credit, pooling and marketing of minor forest produce, supply of consumer goods both controlled and non-controlled commodities.

FSS have been organised on the recommendations of National Commission on Agriculture and they also provide all services like providing credit, hiring out agricultural implements, supply of inputs, marketing of agricultural produce etc.¹²

Business Development Plan (BDP)

The Government of India has implemented Business Development Plan on the recommendation of Agricultural Credit Review Committee (1989).

The Bank officers are to be trained in order to train the managers of PACS in preparing Business Development Plans. They have to take into the potential available in the area of operation and formulate plans to increase its business to become viable. In order to become viable on the basis of loan business, the PACS should have Rs. 10 Lakhs loan business. However, in view of less income due to non recovery of loan and less margin available on crop loan, the PACS

should increase its non credit business. It is estimated that over all business turnover should be Rs. 30 lakhs to make a PACS viable.

Role of the Board of Directors of CCB/Unit of S.C.B. Preparation and implementation of BDP.

For giving effect to the recommendations of Agricultural Credit Review Committee (ACRC) the Government of India set up Pant Committee to examine into the question of involving system which would help the rural poor and the tribal groups, meaning thereby strengthening and revitalising the grass root co-operative institutions.¹³

A large number of members of Primary Agricultural Credit Societies (PACS) in the state were inactive. And also a large number of agricultural families were outside the co-operative fold. Therefore it was decided that the PACS in the country would be revitalised not only to expand their business, but also to help the rural poor people by extending all sorts of assistance to them. The Central Co-operative Banks/Units of State Co-op. Bank would play the pivotal role in bringing about the changes in the working system of the primary co-operative organisations on the basis of Action Programme. So the Board of Directors of CCB have to play an important role in setting up and implementing Action Programme regarding BDP.¹⁴

Action programme regarding BDP may be in the following manner :

1. Preparation of BDP (Aims of objects)

The Board of Directors of CCB/Unit of S.C.B. shall have to prepare Business Development Programme for each PACS in order to strengthen the Co-operative structure from the lowest tier (i.e. PACS). As BDP aims at achieving viability at the end of giving course of time and reach the benefits of Co-operative system and group activity of the rural poor people.¹⁵

2. Selection of PACS.

A list shall be prepared by the Board of Directors of CCBs / Unit of S.C.B. for introducing B.D.P. year wise. Supervisor-wise starting from 1991-92 to 1999-2000. The Directors elected from their respective areas should help the Board of select PACS for introducing B.D.P. And them it should be finalised in

a joint conference of Bank Personnel and Departmental Officers so that field officers and Inspector of Co-operative Societies of the Blocks may indicate the potentiality of the PACS.¹⁶

3. Implementation of B.D.P.

In formats given by the West Bengal State Co-operative Bank Ltd., the B.D.Ps are required to be prepared. For preparation of B.D.Ps the CCB/ Unit of SCB personnel trained for the purpose will help and guide the societies and also take follow-up actions for achieving targets set forth in the B.D.P. The trained Field officers of CCB/Unit of S.C.B. are required to help to prepare BDPs at least 10 PACS each year. Therefore, selection of PACS for BDP and preparation of formats in this regard are to be done as per direct supervision of the directors of the CCBs. The Board of Directors of CCB/SCB should monitor the entire process.¹⁷

Role of the Block Inspector of Co-operative Societies in preparation and implementation of BDP.

The Inspectors of Co-operative Societies who are posted in the Blocks will be actively associated with the preparation and implementation of Business Development Plan (BDP) for PACS. The Inspectors of Co-operative Societies should help the PACS jointly with the supervisors of Central Co-operative Banks/ Units of State Co-operative Bank in collecting data as may be sought for by the PACS and also in preparation of BDP.

In order to create awareness amongst the members about the Business Development Plans of their society the members should be associated right from the preparation of B.D.P. The Inspectors of Co-operative Societies who are posted in the Blocks may play a vital role in this respect.¹⁸

Objects of the Primary Agricultural Credit Societies

1. To help farmers to promote their economic interest by providing credit for different agricultural and allied operations.
2. To help rural artisans and agricultural labourers to promote their economic interests by providing credit for purchase for tools, instruments, equipments, raw materials etc. and carry on small business.

Membership

The condition for admitting a member to a primary society are laid down in the bye-laws of the society. The bye-laws have to be consistent with the provisions of the West Bengal Co-operative Societies Act, 1983 and the West Bengal Co-operative Societies Rules, 1987¹⁹ which lays down the following provisions regarding membership of the society.

Section 69 of the West Bengal Co-operative Societies Act, 1983 lays down the eligibility for membership of co-operative society.²⁰

(a) An individual competent to contract under section 11 of the Indian contract Act, 1872 (9 of 1872)

(b) Any other co-operative society

(c) The State Government

(d) Subject to the approval of the state Government by general or special order, any association or body of persons or any financing Bank.

Managing Committee

The managing committee is constituted by election from members amongst themselves in the annual general or special general meeting, and appointment of members not exceeding three by the Registrar.

Powers of the Managing Committee

The managing committee has the powers as under, as provided under Rules of the West Bengal Co-operative Societies, 1987.²¹

The board of Co-operative society shall have full control over the administration and the business of the society and shall exercise all or any of the following powers as may be provided in the bye-laws :

(a) to admit new members;

(b) to fine, suspend, remove or expel members;

(c) to raise funds;

- (d) to invest funds;
- (e) to allocate duties and define responsibilities of the employees;
- (f) to appoint, discharge or to dismiss or to remove employees of the society;
- (g) to allocate the duties and define the responsibilities of the officers;
- (h) to determine the securities to be furnished by the officers and the other employees;
- (i) to compound abandon or suspend the employment of any debt or demand of the society with the prior permission of the Registrar;
- (j) to institute, defend or compromise legal proceedings
- (k) to dispose of application for shares;
- (l) to dispose of applications for loans and to determine the security to be taken;
- (m) to appoint committees as may be deemed necessary from time to time and to confer powers and impose duties upon such committee, and
- (n) to issue, subject to directions given by the general or meeting from time to time, shares against rebate as declared by the Board.

Duties of the Board

The managing committee is responsible to perform the functions as under

- (a) to receive and disburse money,
- (b) to maintain true accounts of money received and expended, and accounts of the assets and liabilities,
- (c) to prepare for submission to the annual general meeting -
 - (i) an annual report on the working of the society
 - (ii) an annual statement of accounts including a balance sheet,
 - (iii) a statement of loans and default and appointments as required under clause (f) of sub-section (1) of section - 25

- (d) to prepare the statements of accounts required at audit and to place those along with relevant voucher and other connected papers before auditors.
- (e) to prepare and to submit all statements and returns in prescribed forms in such other forms as may be required by the Registrar.
- (f) to enter accounts of the society regularly in proper books.
- (g) to maintain register of members up-to-date
- (h) to facilitate the inspection of books by those entitled to inspect them,
- (i) to watch that the loans and advances are utilised for the purposes for which those are meant and that those are duly repaid.
- (j) to take prompt action for realisation of loans and advances; and
- (k) to perform such other duties as may be entrusted by the general meeting.

Duties and Obligations of Co-operative Societies

According to Rule - 67 of the West Bengal Co-operative Societies Rules -1987

- (1) Every co-operative society shall maintain in the bye-laws its address indicating the place of business, post office, police station and district which shall be taken to be registered address of the society.
- (2) A change of such address may be made by a resolution on the board and such change shall be reported in form XI to :
 - (i) the Registrar;
 - (ii) the society to which the society is affiliated;
 - (iii) financing bank, if any and
 - (iv) the Reserve Bank of India, by a society having banking business.²³

As per Rule - 68 of the West Bengal Co-operative Societies Rules - 1987

the Books and documents which to be kept open for inspection by members -

(1) Under section 40, every co-operative society shall keep open for inspection by its members the following books and documents, namely —

- (i) A copy of the Act;
- (ii) A copy of the Rules;
- (iii) A copy of the bye-laws;
- (iv) Register of members and their nominees;
- (v) Register of affiliated societies, if any;
- (vi) Register of directors;
- (vii) Share ledger;
- (viii) Ledger of deposits and other borrowings, if any;
- (ix) Cash book;
- (x) Loan ledger, if any;
- (xi) Register containing property and debt statements of member, if any;
- (xii) General ledger, if any;
- (xiii) Registers showing sales and purchases of goods, if any
- (xiv) Minute books in respect of general meeting and board meetings;
- (xv) Latest audited balance sheet.

(2) Certified copies of the books and documents mentioned in sub-Rule (1) shall be supplied to members on payment of fee at the rate of two rupees for each foolscap page typed in double spaces.²⁴

Details of Primary Societies in Cooch Behar District

1.	PACS	Working - 161 Non-working - 43
2.	L/S Credit	W - 2 N.W. - 1
3.	L/s Marketing	W - 7 N.W. - 2
4.	Student Consumers	W - 6 N.W. - 16
5.	Housing	W. - 3 N.W - 8
6.	Milk	W - X N.W. - 8
7.	Industrial	W - 6 N.W. - 13
8.	Labour	W. - 45 N.W. - 2
9.	Engineers	W. - 40 N.W. - x
10.	E.C.S.	W. - 178 N.W. - 6

11. F.C.S.	—	[W - 35 N.W. - 10
12. Transport	—	[W. - 3 N.W. - 1
13. T.SS (Weavers)	—	[W. - 21 N.W. - 28
14. Cold storage	—	[W. - 2 N.W. - X
15. W/S-Consumers	—	[W - 1 N.W. - X
16. Mahila Co-op.	—	[W - 1 N.W. - X
17. Irrigation	—	[W. - 1 N.W. - 3
18. Timber	—	[W - 1 N.W. - X
19. ARDB	—	[W - 1 N.W. - X
20. CFCS	—	[W. - 1 N.W. - X
21. Co-operative Union	—	[W - 1 N.W. - X

22. Rice Mill	—	W. - X N.W. - 1
23. Co-op Medieal Store		W. - X N.W. - 1
24. Jatra Co-op.	—	W. - X N.W. - 1
25. MPCS	—	W. - X N.W. - 1
26. FSCS	—	W. - X N.W. - 1
27. CADP	—	N.W. - X W. - 1
28. Gramin Bank	—	W - X N.W. - 1
29. S.S. Credit soceity	—	W. - X N.W. - 1
30. S.S. Marketing	—	W. - X N.W. - 2

Total working societies - 516

Total Non-working Societies - 150

Source : Office of the Assitant Registrar of Co-operative Societies, Cooch Behar.

Central Co-operative Bank

(Now West Bengal State Co-operative Bank- Cooch Behar Unit)

After passing of the Co-operative Societies Act-11 of 1912, Central Co-operative Banks come into existence in true sense and Central Co-operative Banks were organised in all districts and are functioning in the country.

The District Central Co-operative Bank was working in the district as central financial agency. The area of operation of the Bank was restricted to Cooch Behar range only. All Co-operatives should become member of the D.C.C. Bank.²⁵

The major objective of D.C.C. Bank were

- (i) To help the primary agricultural Co-operatives to give credit to agriculturists by raising its own resources and borrow from Central refinance bank i.e. National Bank For Agriculture And Rural Development through the West Bengal State Co-operative Bank.
- (ii) To do banking business by mobilising deposits from individuals through its branches and from co-operatives, public bodies etc.
- (iii) To control affiliated societies by careful and regular inspections, monitoring the progress of the affiliated Societies etc.

The working capital of C.C. B. Consists of :

1. Share Capital
2. Reserve Fund
3. Deposits from members and public
4. Loan from State Co-operative Bank
5. Loan from Government, other financial institutions.²⁵

The Central Co-operative Banks are to carry out its functions according to the directives of NABARD and Registrar of Co-operative Societies (West Bengal) issued from time to time.

The administration of Central Co-operative Banks are carried out by the board of management periodically. The State Government nominees are also placed in the Board. The Central Co-operative Banks have been given some concession in maintaining statutory liquidity Ratio (SLR) and Cash Reserve Ratio (CRR) of 25% and 3% respectively. Further the NABARD insist on financing to Agriculture by 60%. The NABARD gives refinance facilities on the condition that the Banks recovery should be 60% to be eligible for refinance. However with the increased competition will Commercial Banks and RRBS, and increased overdues the Central Co-operative Banks have become weak and incurred loss.²⁶

Loan Operation

The Central Co-operative Bank advances to primary co-operatives for issuing loan to their members for short term agricultural production loan and medium term loan for investment in allied activities. The Central Co-operative Banks generally do not finance individuals except against their fixed deposits or against Jewels. Out of their lendable resources the Banks are to finance 60% to agriculture and remaining 40% to non-agriculture to all types of co-operatives by sanctioning cases credit accommodation with in the rules and regulations prescribed by NABARD.²⁷

The Cooch Behar Central Co-operative Bank Ltd.

(Now - The West Bengal State Co-operative Bank Ltd. - Cooch Behar Unit)

In Cooch-Bihar the rural agricultural economy had experienced in emergenc of a new economic class who were known as money lenders.

These money lenders played a vital role as economic institution of the rural agricultural society. The money lender's motive was to earn maximum profit. The role of money lenders in agricultural economy was significant in absence of strong state economic support base. So during the period of Maharaja Nripendra Narayan the money lenders as economic institutions took as active part in building the rural agricultural economy. It may be mentioned that in spite of the feeling of Maharaja Nripendra Narayan in order to make a strong economic base by the expansion of the financial support of the state to

the peasants. During his rule period it was not possible to materialise his motive in this respect. At last in the year 1930, it was finally implemented. For the financial assistance to the farmers or agriculturists 'The Co-operative financing society' was established in that year.²⁸

Usually the money lenders lend money to the distressed agriculturists. In the Cooch-Bihar, there were three types of money lending system.

Firstly, *General loan*, the rate of interest was very high, about 37.50% provided to the agriculturists against the guarantee of land, to be mortgaged to the money lender.

Secondly, *Muli of value loans* provided to the agriculturists, could be repaid by crops within stipulated time, falling which debtors would have to pay high rate of cultivated goods at per market price.

Thirdly, *Bhutali loans*, by which the debtor would have to work without any wage in the lands of the money lender, the debtor have to pay high rate of interest.²⁹

So the money lending system caused very hardship. The then Cooch-Bihar state Government under the direct patronage of Maharaja Nripendra Narayan took a firm step by enacting laws to protect the interest of the agriculturist. From them, as per provision given, the money lender could not derive an amount more than the limit as laid down by the law. And also the court could not entertain any case of money-lending where interest exceeds the actual amount of loaned.³⁰

In the year 1953, some eminent people of Cooch-Bihar district formed Cooch-Bihar Central Co-operative Banking Union to facilitate the agricultural finance to the agriculturists of Cooch-Bihar district.

Then in the year 1959, by an amendment of bye-law the said institution has been converted into Cooch-Bihar Central Co-operative Bank. Then the said District Central Co-operative Bank functioning as an agricultural Co-operative Bank to finance the agricultural need of the farmer of the Cooch-Bihar district.

After that, in the year 1973 by the decision of the district committee (Managing Committee) and the decision of the State Co-operative Bank, the Cooch-Bihar Central Co-operative Bank had been converted into the West-Bengal State Co-operative bank and from then it is functioning as a unit of the West Bengal State Co-operative Bank till today.

The West Bengal State Co-operative Bank is a federation of the Central Co-operative Banks in the state. The State Co-operative Bank now occupies an important position in the entire structure of Co-operative short term credit. It is the Banker's Bank for co-operatives. The fundamental objective of the Bank is to act as a balancing center and a financial agency of the Co-operative institutions in the state.

Details of Working of the West Bengal State Co-operative Bank Ltd. - Cooch Behar Unit.

TABEL 5:1

(Year 1996-97)

1.	Total membership	208
2.	Membership of co-operatives	208
3.	Total Deposits	1084.44 lakhs
4.	Total Borrowings	948.75 "
5.	Borrowing from NABARD (H.O)	437.35 "
6.	Total working capital	3306.85 "
7.	Total Loan Advance	2097.33 "
8.	Short - Term Loan Advance	1200.63 "
9.	Medium - Term Advance	654.22 "
10.	Others	242.48 "
11.	Borrower Special deposit	58.68"
12.	Percentage of over dues to demand	70% (about)
13.	Profit or loss	- 85.96

Source : The West Bengal State Co-operative Bank Ltd. Cooch-Bihar Unit.

Statement Showing Demands, Collection Etc. As on 30.06.97

TABLE 5:2

Name of the Block	Demad 96-97	Collection 96-97	Demand of 97-98		Collection upto 30.6.97	Inve- stment upto 30.6.97	Collec- tion % 30.6.97	Collec- tion % 30.6.96
			Total	of which O.D.				
1. Cooch-Behar - I	99.08	10.13%	100.42	89.03	.05	3.74	—	1.65%
2. Cooch-Behar -II	126.89	19.48%	127.49	102.16	107.72	1.40	1.34%	3.66%
3. Tufanganj-I	58.29	32.76%	60.67	40.23	.82	1.46	1.35%	2.50%
4. Tufanganj-II	35.36	66.34%	29.71	10.45	1.21	4.79	4.07%	6.98%
5. Dinhata-I	97.92	14.47%	98.61	83.74	7.72	8.83	7.82%	4.66%
6. Dinhata -II	2.62	12.82%	2.12	1.76	—	—	—	—
7. Sitai	48.26	9.02%	48.23	43.90	6.21	4.53	14.36%	7.30%
8. Mathabhanga-I	146.92	22.76%	146.28	112.97	15.47	23.07	10.57%	5.72%
9. Mathabhanga-II	80.13	13.61%	84.97	69.31	2.01	2.57	2.36%	2.24%
10. Sitalkuchi	163.40	16.23%	162.75	136.88	39.95	33.70	24.58%	4.53%
11. Mekliganj	106.86	15.68%	108.96	89.81	4.77	6.77	4.37%	3.47%

Source : The West Bengal State Co-operative Bank Ltd. - Cooch Behar Unit.

Long -Term Structure

For investment in agriculture and allied areas for increasing productivity of land, the land Mortgage Banks were organised in the country to give term loans.

The need for a separate co-operative credit structure was first anticipated and recommended by the committee head by Maclagan in 1915. The committee observed the primary agricultural societies were not expected to provide term loans exceeding 4-5 years and it therefore recommended setting up of a separate institution for long term credit disbursements. Floatation of debentures were found to be an excellent method of mobilising resources.

The first Co-operative Land Development Bank was organised at Jhang in Punjab in 1920. Two Banks were set up in Madras in 1925. By 1927, ten

such Banks were established. The first Central Co-operative Land Mortgage Bank was established in 1929 in Madras. However, the progress of Land Mortgage Banking system was not up to the exception, To review of Co-operative Movement in India (1939-1946) by Reserve Bank of India revealed, "The Land Mortgage Banking movement has failed in the place of the its birth, namely in Punjab. It has either failed or remained in a moribund condition in other provinces. The only province in India which has made a mark in Land Mortgage Banking in Madras."

The Rural Credit Survey Committee (1954) while reviewing the performance of Land Mortgage Banks was critical of their working particularly in regard to the raising of resources delay in sanction of loan, limited purpose for which loans were sanctioned, method followed therefore, and the absence of co-ordination among the various agencies concerned with the disbursement of long term credit. In pursuance of the recommendation of this, it has sifted from Land Mortgage Banking to Land Development Banking. The focus of the direction of lending also changed after the establishment of ARDC in 1963 and NABARD in 1982.

The loan operation of the State Land Development Banks now called State Agricultural and Rural Development Banks have been diversified and include Land reclamation, irrigation schemes like minor-irrigation, drip etc and agricultural implements like tractor, power tiller, bio-gas, social forestry, non-farm activities and rural housing etc.

The State Agriculture and Rural Development Banks get refinance from NABARD on its schematic lending operations and non-farm financing. The National Housing Bank gives refinance facilities to them for rural housing activities.

Cooch Behar Co-operative Agriculture and Rural Development Bank Ltd.

In the year 1959, some eminent people of Cooch-Bihar district formed and registered the Cooch-Bihar Co-operative Land Mortgage Bank Ltd. to save the agriculturists from the money lenders.

After that, the name has been changed, it was renamed as Cooch-Bihar Co-operative Land Development Bank Ltd. The jurisdiction of this bank was

Cooch-Bihar District. The purposes of loans were also diversified.

In the year 1993 the Bank was again renamed as Cooch-Bihar Co-operative Agriculture and Rural Development Bank Ltd. In an annual general meeting on 5th May 1993 according to the memorandum of Co-operation Department bearing no - 423 (24) dt 24-1-93 the Bank was renamed. The Bank is lending the long-term credit to its members.

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