

## Chapter V

A GOVERNMENT INITIATIVE COOPERATIVE  
CREDIT SOCIETY

## 5.1 INTRODUCTION

A Cooperative credit society of limited liability in which (a) the value of the share capital provided by the government is at least one hundred times the value of share owned by an individual member, (b) and the overwhelming portion of its working capital is from government sources may be defined as a government initiative cooperative credit society. Of these two features of a government initiative cooperative credit society, the second one, namely, the domination of its working capital by the government, is the most decisive characteristic of a government initiative cooperative society.

Usually the government-held portion of the working capital exceeds 80 percent in currently existing government initiative cooperative societies. On the other hand, if the government share of working capital in a cooperative credit society is less than 50 per cent, such a cooperative credit society may be termed government partnership cooperative credit society. Post independence legislation on cooperative societies provide, as we shall see in a later chapter, for some draconian powers in the hands of the government so that the latter can interfere into the administration of cooperative societies. The above mentioned distinction of the

two classes of cooperative credit societies have nothing to do with whether or not they are subject to more or less government control of the type hinted at.

The government partnership cooperative credit societies are the most recent phenomenon in the cooperative vistas of rural West Bengal. These cooperative credit societies receive deposits against payment of interest. They offer both savings bank as well as term deposit and recurring deposit facilities. The details of the nature of these mini-banks are yet to acquire a form of finality. Although the mini-bank part of these cooperative credit societies is being treated as a branch of the Central Cooperative Bank of the district, there is little doubt that a part, at least, of the deposits of the mini-banks will be given as advances to members of the relevant cooperative credit society. Since this development, as we have already indicated, is a recent occurrence and this has come to our notice at the writing stage of this study and since none of these mini-banks have yet completed one full year, we have not been able to present any case study of this type.

The definitions presented in the foregoing paragraphs are made on the basis of the actual working of these cooperative credit societies dominated or partnered by the government. On points of law, the matter is a little different. The share capital of both government initiative and government partnered agricultural cooperative credit societies will in total be limited roughly to Rs. 400,000/- only. The share values differ from society to

society as by-laws of each society is separately registered. Whereas the government can buy in terms of value the half of the authorised capital, none of the individual members can buy more than one fifth of the share capital authorised for such members. In practice, however, none of the individual members is seen to possess more than one share of the minimum permissible value. On the other hand, the government generally buys a large number of shares and the value of each of these shares is higher than the value of a share of an individual member. So in practice the value of the share capital provided by the government is at least 150 times the value of a share owned by an individual member.

The existing primary agricultural cooperative credit societies (PACS) of limited liability may thus be renamed as the Government Initiative Cooperative Credit Societies. An example of such type of society is Balaram-Bhandarigach Samabaya Krishi Unnayan Samiti Ltd of the block of Rajganj in the district of Jalpaiguri.

## 5.2 THE BASIC CONSTITUTION OF BALARAM-BHANDARIGACH SOCIETY

Primary Agricultural Credit Cooperative Societies (PACSS) are constituted in the rural areas of West Bengal for the officially avowed promotion of thrift, self-help and mutual aid among the rural people to achieve better and happier conditions of living for the weaker sections of the community.

According to the latest legislation of the state of West Bengal, the limited liability of agricultural credit cooperative societies must conform not only to the provisions of the legislation and the rules made by the Government thereunder but also get their bye-laws registered by the State's Registrar of cooperative societies. The other points of such societies may be described.

(1) The legislation prescribes that minimum number of members will be ten in which no two members will belong to a single family. The state government is given the power to limit the maximum possible number of members. (2) Individual members are 'A' class members and the state government is 'B' class member. (3) A board of directors constituted according to the bye-laws of the society, manages its affairs. (4) Total number of members in the board of directors will be from six to fifteen. But if the number of members is below twelve then the members in the board will be from three to five. (5) The state government has power to nominate not more than three members or one-third of the elected members of the board, on the board. (6) The employees of a society, whose number is ten or more than ten, can elect one member from amongst themselves on the board of directors who has no vote. (7) The salaried chief executive of the society will be a member on the board of directors without voting right. (8) The West Bengal Cooperative Societies Act of 1983 prescribes that a Gram Panchayat may nominate one of its members on the board of a cooperative agricultural credit society doing business within the jurisdiction of that Gram Panchayat. (9) For a society that does its business in the

areas covered by more than one gram panchayat, a panchayat samiti may nominate one of its members on the board of the society. The directors referred to under (6), (7), (8) and (9) do not enjoy any voting right.

### 5.3 HISTORY OF BALARAM-BHANDARIGACH SOCIETY

Historically, at the end of the 17th century when the Mughal attacked the Koch dynasty of Koch Behar, some mohammedans were found settled in the Rangpur area. At that time Vaikunthapur (Jalpaiguri) was under the jurisdiction of Rangpur. In the view of Milligan, it was a period when the Hindus were converted into Muslims. J.A. Milligan, in his book, "Final Report on the Survey and Settlement Operation in the Jalpaiguri District 1906-1916", mentioned that just after the Permanent Settlement of Bengal (1793) Mohammedans of Dinajpur district were taken by the Kings of Vaikunthapur for the sake of cultivating fallow land and increasing revenue from land. From Milligan's report it is supposed that Mohammedans of Dinajpur were skilled farmers.

From our investigation from field survey we have also found that the Mohammedans enjoy a lead over the Hindus who belong to Rajbanshi community. They are good cultivators in comparison with the Rajbanshis. Naturally the Mohammedans have been in the forefront when the Rajbanshis of the area were shy to move ahead. This is why the Mohammedans took leading position in the management of the society upto 1991. Things changed after 1991 when the Rajbanshis became politically aware. At present the Rajbanshis

are dominant on the board of directors.

The history of Jalpaiguri district like that of Cooch Behar and Darjeeling is quite different from the rest of the State. Districts other than Cooch Behar, Darjeeling and Jalpaiguri were inherited by the British from the Mughals. But these three districts came into being from the British involvements in the eastern Himalayas.

Jalpaiguri (Vaikunthapur), originally a part of Koch Behar Kingdom was separated from it at the end of the 17th century. Jalpaiguri then became a sub-division of Rungpur district. On July 1, 1867 the then Jalpaiguri sub-division along with the Western Duars was known as the new district of Jalpaiguri.

The Jalpaiguri sub-division of the Jalpaiguri district is watered by the river Teesta in its eastern sub-division at boundary. The West of the sub-division is watered by the Mahananda and some of its local tributaries. The Balaram Bhandarigach Society is situated in the Rajganj block of the western part of the Jalpaiguri sub-division.

What is now Balaram-Bhandarigach Samabaya Krishi Unnayan Samiti Limited is in fact an amalgamated society of two societies which were independently set up in 1940. The Balaram Society was more active of the two. This is why at the time of amalgamation during in 1967-68 the registration number of Balaram was retained and leaders of the Balaram Society led the combined society, namely, Balaram-Bhandarigach Samabaya Krishi Unnayan Samiti Limited.

One Mr Kiran Roy was the founder-Secretary of the original Balaram society. That society started with only seventeen members. Notable among them are Khakaru Roy, Dhandip Roy, Md Rafijaddin, Md Ashiraddin, Hatai Mohamed, Abdul Karim and Neken Mohamed.

There is little doubt that the officials of the cooperative department induced the local people to form into a cooperative society in order to promote thrift and self-help among the agriculturists of limited <sup>means.</sup> The reason advanced was that by forming into a cooperative society the farmers would be able to free themselves from the influence and grasp of money-lenders. Apart from the officials of the cooperative department, the Senior Officials of the Jalpaiguri District Central Cooperative Bank visited the people of the area and participated in persuasion.

#### 5.4 THE LOCALE

The Balaram-Bhandarigach Society is located in a very big mouza of the Rajganj block of the Jalpaiguri district. This mouza, namely, Binnaguri is the second biggest mouza of the block, next only to Gungle Mohal where a tea garden named Saraswatipur Tea Estate is situated. The mouza of Binnaguri covers more than 5892 hectares on both sides of the State of West Bengal Highway No. 12A linking Siliguri and Jalpiaguri.

Both Balaram and Bhandarigach, two of the many villages of the Binnaguri mouza, are situated to the east of the State of West Bengal Highway No. 12A. Bhandarigach is situated to the further east of Balaram. The whole of the western area of the

Rajganj block is watered by the Mahananda, its segregated streams and its many local tributaries which meet the Mahananda in the southern terrain of Bangladesh. Thus to the east <sup>of</sup> Bhandarigach flows the stream locally called Karotoa. To the west of Balaram the stream called Sahu.

So much tributaries which are purely rain-fed cannot exist without rather high rainfall. The normal rainfall in the area is 3319 mm. This normal has been calculated for a period of more than fifty years. In the year 1985 the annual rainfall has been 3868 mm. At one time some government-run small irrigation enterprises sold irrigation water to farmers in and around Binnaguri mouza. But presumably because of the possibility of bringing, by the Government, irrigation water from the canals of the Teesta project such government-run irrigation enterprises were temporarily or permanently abandoned. Irrigation canals have been dug through the West from the east. But they have not been operational. If a right form of cooperative credit society was formed, that society could have operated many enterprises of mini-deep tube-wells, persian wheel drawn well irrigation, animal drawn well irrigation either on its own or by its individual agents. Owing to large rainfall underground water is substantial. If the water is not drawn, that would normally flow out of the area to a lower region and to the sea directly or via any large river.

The flow of the tributaries of the Rajganj block show that the block is sloping from the north to the south, on the one hand, and from the north-east to the south-west on the other. But in the expanse of the Binnaguri block this slope, although decisive, is not seen through the naked eye. For the purpose of agriculture, therefore, the whole of Binnaguri mouza is almost monotonously flat. This, however, does not prevent farmers from restructuring the topography of their lands, within reasonable limits, so as to make their lands suitable simultaneously for different crops.

Most of the hectares available for cultivation are almost all sandy loam type of soil. Water and sufficient amount of organic manures would make this eminently suitable for the raising of crops the rainfall, heat and windpower permit. During the four cold months from December to March the heat varies from 4.5 to 35 degree celsius. The temperature varies from 16 to 36 degree celsius.

The crops which are suitable in consistence with the agro-climatic characteristics of the mouza are all varieties of paddy, jute, sugarcane, oilseeds especially Til and to some extent mustard, wheat, pulses, potatoes, tomatoes, all varieties of vegetables, and fruits like bananas, pappayas, HVV mangoes, pine apples. These can flourish with right policies as well as with right institution like well-conceived cooperative societies.

## 5.5 EVOLUTION OF MEMBERSHIP

According to the Population Census (Provisional), 1991, the total number of population in the Rajganj Block is 3,00,033. The following table shows rural-urban composition of population of Rajganj Block:

Table 5.1  
Total Population : Rajganj Block

Area	Population	Percentage to total population
Rural	1,53,323	51.10
Urban	1,46,710	48.90
Total	3,00,033	100.00

From the above figure it is clear that rural population in the Rajganj Block is larger (51.1%) than the urban population (48.9%).

The Balaram-Bhandarigach Samabaya Krishi Unnayan Samiti Ltd. serves, as we tell in the preceding section, Binnaguri Gram Panchayat of Rajganj Block. Total population in Binnaguri Gram Panchayat is 24,980 of which male population is 12,859 and female population is 12,121. The table shown below indicates sex-wise classification of population of Binnaguri Gram Panchayat:

Table 5.2

Sex-wise classification : Binnaguri Gram Panchayat

Sex	Population	% to total
Male	12,959	51.50
Female	12,121	48.50
Total	24,980	100.00

Caste-wise classification of population in the Gram Panchayat is as under:

Table 5.3

Caste-wise classification

Caste	No. of population	% to total
Scheduled Caste (SC)	17,330	69.37
Scheduled Tribe (ST)	239	0.95
General Caste (other than SC & ST)	7,411	29.66
Total	24,980	100.00

Caste-wise classification of population in the Gram Panchayat indicates that SC covers 69.3%, ST only 0.95% and general caste (other than SC & ST) covers 29.66% to total population.

Mohammedans are the largest in number in the general caste category. Almost no caste Hindu lives in the Binnaguri Mouza.

Total population under the operation of the Balaram-Bhandarigach SKUS Ltd is about 10,250 of which total number of members is only 641. In fact the actual number of beneficiaries is 530. The total population of the area served by the Balaram-Bhandarigach Society has been counted by the office of the Block development officer of the Rajganj Block at our request.

The table shown below indicates population, number of members, actual beneficiaries and their percentage to total population of the SKUS Ltd:

Table 5.4

Total Population under Balaram Society Ltd.  
and their total number of members

Total population		Total Number	% to total population
10,250	Members	641	6.25
	Actual Beneficiaries	530	5.17

From the above table it is observed that the proportion of members of the society to total population in the command area is, at present, only 6.25 percent and the proportion of the actual beneficiaries to the total population is only 5.17 percent. There

are various reasons for the poor performance of the cooperative society in the coverage of total population.

The table drawn below indicates a progress of membership of this cooperative credit society:

Table 5.5  
Progress of Membership

Year	Number of Members
1940-41	17
1941-73	Not Available
1973-74	56
1974-75	124
1975-76	127
1976-77	127
1977-78	145
1978-79	150
1979-80	169
1980-81	169
1981-82	187
1982-83	204
1983-84	212
1984-85	224
1985-86	249
1986-87	271
1987-88	271
1988-89	271
1989-90	597
1990-91	641
1991-92	641

The table shows that at the start the total number of members was 17 and in the year 1973-74 it rose to 56. In the year 1974-75 the total number of members increased further to 124. The major increase in the number of members indicates that the society's expansion in membership was largest in 1989-90. Since the inception there was a gradual increase in the number of members from year to year except one or two years and finally in the years 1990-91 and 1991-92 when total number of members remains fixed at 641.

The management of the society is vested in a board of directors consisting of 9 directors who are elected in an annual general meeting.

Till 1991 the Mohamedans dominated the Board of Directors. Even though the Rajbanshis made up by then the majority of the members of the society, they hardly turned up at the annual general meeting of the society. The present Secretary Mr Kiren Roy belongs to the Rajbanshi community. Although the founder-Secretary belonged to the Rajbanshi community, upto 1991 no other Rajbanshi member functioned as Secretary of the Society. Besides the majority of the members of the Board of Directors were upto 1991 mostly Mohamedans. Md Nawabuddin was the Secretary of the society for many years upto 1981. Md. Nazi-muddin was appointed in his time in 1977 the manager of this society. Although merely a matriculate Nazimuddin was a very dedicated official. The activities of the society moved with clock like precision and the working capital provided by the Government was very efficiently

collected, advanced and recovered in time from the loanees.

Nazimuddin continued to work upto 1991. Meanwhile Md Piaruddin became the Secretary of the Society in 1981 and continued in that capacity upto 1991. In 1991 Nazimuddin's good work drew the attention of the officials of the Jalpaiguri Central Cooperative Bank and he was appointed to the staff of the latter. On his joining the staff of the Jalpaiguri Central Cooperative Bank, Md Sazimuddin, a son of the Secretary Md Piaruddin was appointed manager of the Society. He is a drop-out of the secondary school and is unable to cope with the work his predecessor executed so successfully.

But even with a dedicated official like Nazimuddin this agricultural cooperative credit society could not go far on account of initiative being left wholly to government funds in respect of share capital and working capital. This grave limitation and its effect on the impact of rural development process will be discussed in the following chapter.

We, however, must not fail to list the blemishes of the management of this society. Even though the leadership of fund raising vests with the Government, the Board of Directors enjoy limited autonomy in selecting the beneficiaries of loans. It has been a constant complaint of members that friends and relations of the influential members of the Board enjoyed the lion's share of the loans.

The most serious defect of the society is that it has completely to set up infrastructural facilities, extension agencies or any markets either of important inputs or of outputs. As a result demand for loan did not rise as years rolled by. Judged by this test the history of this credit society is indeed a history of gross failure.

With the present inefficient manager and some of the members of the Board having many other preoccupations, the future of this government initiative agricultural cooperative credit society is indeed bleak. The only way out of the present impasse is to restructure it to let it grow independently rather than stay as a mere user of government funds.

#### 5.6 ANNUAL RECEIPT OF WORKING FUNDS

Agricultural credit in cooperative sector is broadly divided into three terms : (a) Short-term credit or Crop loan, (b) Medium-term credit, and (c) Long-term credit.

Short-term credit is given in the form of crop loan and should be repaid out of the sale proceeds of the crop. Naturally, short-term credit will not be for more than twelve months.

Medium-term credit is given for a period between thirty-six months and sixty months for the purposes of repayment of old debt, education, medical care, development of lands, purchases of agricultural rural industries. Long-term credit is channelised through a separate agency known as Cooperative Land Development Banks (LDB).

Generally credit sought for more than sixty months is treated as long-term credit.

Short-term credit and medium-term credit flow out of a three-tier cooperative banking structure with the primary credit societies at the base, the Central Cooperative Bank of the district at the middle and the State Cooperative Bank at the apex. The district level Central Cooperative Bank works, for the entire Rajganj Block, through its branch at the market town of Rajganj.

The Balaram-Bhandarigach SKUS Ltd is entitled to procure only the short-term loans annually from the Central Cooperative Bank, Jalpaiguri. The following table shows year-wise receipt of loans by those Samabaya Krishi Unnayan Samity (SKUS) Ltd from the Central Cooperative Bank, Jalpaiguri:

Table 5.6  
Receipt of Loanable Funds

Year	Loans taken from C. C. B (Rs)
1973-74	16,667.92
1974-75	16,840.00
1975-76	23,190.00
1976-77	Not Available
1977-78	75,108.00
1978-79	55,127.00
1979-80	55,127.00
1980-81	55,127.00
1981-82	59,367.40
1982-83	64,469.40

Contd..

Table 5.6 (Contd..)

Year	Loans taken from C. C. B. (Rs)
1983-84	75,644.40
1984-85	97,095.40
1985-86	1,18,560.31
1986-87	1,51,531.31
1987-88	75,000.00
1988-89	1,23,000.00
1989-90	2,82,545.31

The year-wise receipt of loan by the society from the Central Cooperative Bank indicates a steady increase in the amount of short-term credit. However, the data relating to the receipt of funds during 1990-91 and 1991-92 were not available. It is known that the new manager was responsible for poor recovery and, therefore, of poor receipt of funds from the district level bank.

#### 5.7 PROJECT TIED AND FREE LOANS

Although loans from the Central Cooperative Bank make up the main component of working capital of an agricultural cooperative credit society, its other sources of finance are share capital from members as well as government. A reserve fund is kept by the society as per provisions of law. The figure is never high. Members rarely keep deposits at the primary credit societies.

Government may also sanction loans to the rural societies for the construction of storage, godown, society buildings, etc. either from the fund of National Cooperative Development Corporation (NCDC) or from the State Budget.

The amount of funds that can be loaned by this agricultural cooperative credit society to its members is governed by what is known as "a scale of finance". This scale is fixed by the District Central Cooperative Bank. The Jalpaiguri Central Cooperative Bank follows the following 'scale of finance' for the whole of the Jalpaiguri district.

Table 5.7  
Scale of Finance for the Whole of  
Jalpaiguri District

Sl. No.	Crops	Kind (Rs)	Cash (Rs)	Total (Rs)
1.	Rice (Pre-Kharif & Kharif : Traditional)	700.00	1,000.00	1,700.00
2.	Rice (HYV) Pre-Kharif & Kharif	790.00	1,210.00	2,000.00
3.	Rice (HYV) Boro	1,140.00	1,560.00	2,700.00
4.	Jute	625.00	1,475.00	2,100.00
5.	Maize	776.00	824.00	1,600.00
6.	Wheat (HYV)	915.00	985.00	1,900.00
7.	Mustard	660.00	740.00	1,400.00
8.	Pulses	414.00	686.00	1,100.00
9.	Potato	6,430.00	1,670.00	8,100.00

Contd..

Table 5.7 (Contd..)

Sl. No.	Crops	Kind (Rs)	Cash (Rs)	Total (Rs)
10.	Winter Vegetables	1,500.00	1,400.00	2,900.00
11.	Til	585.00	615.00	1,200.00
12.	Tobacco	2,145.00	1,665.00	3,810.00
13.	Ground Nut	1,200.00	800.00	2,000.00
14.	Tomato (HYV)	4,140.00	1,660.00	5,800.00
15.	Cabbage (HYV)	3,050.00	1,450.00	4,500.00

Source : Compiled from the official records of Jalpaiguri Central Cooperative Bank, Rajganj Branch.

From the scale of finance it is evident that under the crop loan system, the loan amount is divided into two parts, Part I is issued in kind for adoption of improved inputs and Part II is issued in cash for meeting the cultivation expenses. Under this system, loan is issued purely for the purpose of production and not for the purpose of consumption. But it is seen during the survey that farmers also are in need of credit for the purpose of consumption because the poor farmers run out of their savings during the longer Kharif season. Since there is no provision for consumption credit for the farmers and since there is no simultaneous existence of infrastructural facilities especially when this cooperative society has failed to set up any, poorer farmers are prone to sell out the hard material inputs. This in turn causes failure to repay loans in time.

One might be disposed to consider that the 'scale of finance' adopted by the Jalpaiguri Central Cooperative Bank is not sufficient for the purpose of good and productive farming. Nobody should argue that the farmers should get whatever money they need for raising their crops as well as for their other needs. But the fact remains that the 'scale<sup>D</sup> finance' fixed by the Jalpaiguri Central Cooperative Bank does not include funds permissible for running mini-deep tube wells to sell irrigation water to farmers or for running organic manure producing units to sell organic manures to farmers. Once these sorts of input creating enterprises were financed by this cooperative society with the assistance of the Jalpaiguri Central Cooperative Bank, the demand for production credit would have increased substantially. Thus ultimately a system of hypothecation of the crops would have been acceptable to farmers themselves.

The rate of interest to be charged on members is fixed by participating banks. The interest varies with the amount borrowed as per table 5.8. As we indicate above, this society has never been able to advance high amounts of loans either for infrastructural units or for medium term or long-term development of farms. The maximum amount lent by the society to its members has never exceeded 4,500.

Table 5.8

Rate of interest to be charged  
on members

Size of Limit	Rate of Interest (% per annum)
1. Upto and inclusive of Rs. 7,500	11.50
2. Over Rs. 7,500 and upto Rs. 15,000	13.00
3. Over Rs. 15,000 and upto Rs. 25,000	13.50
4. Over Rs. 25,000 and upto Rs. 50,000	15.50
5. Over Rs. 50,000 and upto Rs. 2,00,000	20.00

Source : Jalpaiguri Central Cooperative Bank, Rajganj Branch

This society has never advanced any medium-term or long-term loan to its members. In fact, one of the aspects of its failure is this. But according to Reserve Bank of <sup>Fidia</sup> instructions, the participating banks under finance from the National Bank for Agriculture and Rural Development have a system of rate of interest that varies directly with the amount lent. It is also provided, for the convenience of management of cooperative societies, that the participating banks will charge 2.5 points less than what the ultimate borrowers pay.

## 5.8 UNRECOVERED LOANS

In the present day society outside finance is essential for production purposes of industrial as well as agricultural sectors. Now-a-days modern techniques and scientific inputs are being gradually used in the agriculture sector which are highly input-intensive. But most of the farmers of rural Bengal have no means to purchase such implements and inputs with their own savings. Naturally they are bound to seek loans from the financing agencies. But the financing agencies, viz, regional rural banks (RRBs), commercial banks and cooperative institutions have difficulties because the borrowing cooperative societies are unable to receive high proportion of their loans. Working capital is blocked up which, in turn, results in non-availability of further loans and may bring the societies to the verge of liquidation.

Because of the recent management problems the Balaram-Bhandarigach Society could not furnish us the details of the latest figures of Working Capital and unrecovered loans. In lieu of the figures of the Balaram-Bhandarigach Society we are using the data of the whole Rajganj to obtain an idea of the loss of loanable funds of the Balaram-Bhandarigach Society. We get in table 5.10 the data of total loanable funds supplied through Jalpaiguri Central Cooperative Bank and the amounts which were recovered and those which were unrecovered by the lowest level cooperative credit societies.

Table 6.10  
Loanable Funds: Recovered and Unrecovered

Year	Loanable Funds Made over to the Rural Cooperatives	Loans Recovered by the Rural Cooperatives	% of Recovery to Total Investment	Loans Unrecovered	% of Unrecovered Loans to Total Investment
	(Rs)	(Rs)		(Rs)	
1986-87	2,93,000.00	1,76,000.00	60.06	1,17,000.00	39.93
1987-88	2,24,000.00	1,72,000.00	76.78	52,000.00	23.21
1988-89	3,27,000.00	2,49,000.00	76.14	78,000.00	23.85
1989-90	5,29,000.00	2,51,000.00	47.44	2,78,000.00	52.55
1990-91	8,21,000.00	4,02,000.00	48.96	4,19,000.00	51.03
1991-92	6,91,000.00	4,02,000.00	58.17	2,89,000.00	41.82
1992-93	7,85,000.00	5,25,000.00	66.87	2,60,000.00	33.12

Source: Jalpaiguri Central Cooperative Bank, Rajganj Branch.

On the basis of our application of these data to the Society in question we find that on average the societies like Balaram-Bhandarigach Society lose every year about 41% of their working capital. The whole of Rajganj block, that is to say, all the government initiative agricultural cooperative credit societies together lose annually a sum of Rs. 2,13,285/- only of their combined working capital.

Were it the position that the unrecovered loans added to the productive assets of the members of the agricultural credit cooperative societies, we might have had some reasons for complacency. Our enquiries revealed that the unrecovered part of the working capital added to the consumption of perishable goods by the members.

Even though we did not get the figures of the latest three years from the Balaram-Bhandarigach Society, the figures of five years are tabulated in table 5.11 and 5.12.

Table 5.11

## Loans : Given and Recovered

Year	Loans given to Members	Loans Recovered	% of Recovery to total loans given
1985-86	1,18,560.00	88,920.00	75.0
1986-87	1,51,531.00	1,03,041.08	68.0
1987-88	89,000.00	75,000.00	84.2
1988-89	1,23,000.00	1,03,000.00	83.7
1989-90	2,82,345.00	1,38,349.05	49.0

Source : Balaram-Bhandarigach Samabay Krishi Unnayan Samity Ltd.

Table 5.12

## Loans: Given and Unrecovered

Year	Loans given to Members  (Rs)	Unrecovered Loans  (Rs)	% of unrecovered loans to total loan advanced to Members
1985-86	1,18,560.00	29,640.00	25.00
1986-87	1,51,531.00	48,490.00	32.0
1987-88	89,000.00	14,000.00	15.7
1988-89	1,23,000.00	20,000.00	16.2
1989-90	2,82,345.00	1,43,996.00	51.0

Source : Balaram-Bhandarigach Samabaya Krishi Unnayan Simiti Ltd.

## 5.9 PROFIT OR LOSS IN THE AUDITED ACCOUNTS

The table 5.13 shows the profit or loss as deciphered in the audited accounts of the Balaram-Bhandarigach Society for some years. The inevitable fate of a public sector cooperative credit society even in the course of such a large period as fifty years is written clearly on its face.

Table 5.13

Profit or Loss

Year	Net Loss/Net Profit	
	(-)	(+)
	(Rs)	
1977-78	(-) 1,023.00	
1978-79	(-) 5,333.00	
1979-80	(-) 4,319.00	
1980-81	(-) 8,270.00	
1981-82	(-) 14,752.00	
1982-83	(-) 2,037.00	
1983-84	(-) 871.00	
1984-85	(+) 1,887.00	
1985-86	(-) 10,323.00	
1986-87	(-) 2,037.00	
1987-88	Not Available	
1988-89	Not Available	
1989-90	(-) 17,586.00	

Source: Audited Accounts of Balaram-Bhandarigach Society Ltd.