

**PROJECT REPORT  
ON  
RELEVANCE OF LAMPCS IN TRIBAL AREA  
DEVELOPMENT**

A STUDY OF  
MATHILI LAMPCS AND KALIMELA LAMPCS, DIST: MALKANGIRI, ODISHA

*A Project Report Submitted*  
*In fulfillment of the requirement of the*  
56th Post Graduate Diploma in Cooperative Business Management  
(17<sup>th</sup> August, 2022 to 17<sup>th</sup> February, 2023)



*SUBMITTED BY:*

**SRI PRIYABRATA PANDA**  
**ROLL NO. – 5619**

*Under the Guidance of*  
**Dr. D. Mahal, Faculty Member**  
**Vaikunth Mehta National Institute of Co-operative Management, Pune**

Submitted to  
The Programme Director,  
CENTRE FOR COOPERATIVE MANAGEMENT,  
**Vaikunth Mehta National Institute of  
Co-operative Management (VAMNICOM),  
PUNE – 411007, Maharashtra**

# DECLARATION

I hereby declare that the Project Report entitled “**The Relevance of LAMPCS For Tribal Area Development- A Study of MATHILI LAMPCS AND KALIMELA LAMPCS , Dist: Malkangiri, Odisha**” is carried out by me under the guidance of Dr. D. Mahal, Faculty Member, VAMNICOM, Pune, Maharashtra in partial fulfillment of the award of the 56th Post Graduate Diploma in Cooperative Business Management (PGDCBM) Course by Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM), Pune.

I also declare that this project is an independent work on my part and no part of this project has been submitted for the award of any other Degree or Diploma.

Place: VAMNICOM, PUNE  
Date: 14-02-2023

(Priyabrata Panda)  
Roll No: 5619  
56<sup>th</sup> PGDCBM Batch

# DECLARATION

I hereby declare that the Project Report entitled “**The Relevance of LAMPCS For Tribal Area Development- A Study of MATHILI LAMPCS AND KALIMELA LAMPCS , Dist: Malkangiri, Odisha**” has been carried out by Sri Priyabrata Panda, Roll No. 5619, 56<sup>th</sup> PGDCBM Batch under my able guidance in partial fulfillment of the award of the 56th Post Graduate Diploma in Cooperative Business Management (PGDCBM) Course by Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM), Pune.

I also declare that this project is an independent work on my part and no part of this project has been submitted for the award of any other Degree or Diploma.

Place: Bhubaneswar  
Date: 14.02.2023

(Dr. D. Mahal)  
Faculty Member  
Vaikunth Mehta National Institute Of  
Co-operative Management, Pune,  
Maharashtra

## **ACKNOWLEDGEMENT**

At the outset, I render my deepest appreciation with Gratitude to God for guiding me in the preparation and presentation of this project work. I also express my deep and sincere thanks to the Vaikunth Mehta National Institute of Cooperative Management, Pune, for providing me this opportunity to undertake the project study entitled “**The Relevance of LAMPCS For Tribal Area Development- A Study of MATHILI LAMPCS AND KALIMELA LAMPCS , Dist: Malkangiri, Odisha**” as a partial fulfillment of the requirements in the 56th Post Graduate Diploma in Cooperative Business Management(PGDCBM).

My gratitude also goes to Co-operation Department, Government of Odisha and office of the Registrar, Cooperative Societies, Odisha for giving me the opportunity to participate in this programme.

I also render my sincere gratitude to my guide Dr. D. Mahal, Faculty Member, VAMNICOM, Pune, Maharashtra for her valuable guidance, help and suggestion for systematic preparation and successful completion of the project report.

I render my noble respect to Dr. Hema Yadav, Director, Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM) Pune, for her encouragement and valuable advice and being the source of inspiration in course of the training programme. I also render my thanks to Shri S.Y. Deshpande, Associate Professor and Programme Director as well as other Faculty Members of Vaikunth Mehta National Institute of Cooperative Management (VAMNICOM), Pune, for their encouragement, guidance, valuable advice and inspiration in course of the training programme.

I also thank the President and Managing Director as well as all the employees of the Mathili LAMPCS and Kalimela LAMPCS, Malkangiri for their co-operation and contribution of facts and figures of the Society and for their valuable information and assistance as required by me for conducting the study.

My heartfelt gratitude also goes out to my colleagues for the support and co-operation, in some way or the other. My gratitude also extends to all my family members for their generous help rendered to me directly or indirectly during the course of this study and training programme.

Place : Pune  
Date :14 February, 2023

Priyabrata Panda  
Roll No. 5619, 56th PGDCBM

# **CONTENTS**

Sl. No.	Chapter	Topics	Page No.
1.1	I	<b>Background</b>	1
1.2		<b>Tribes in India</b>	1-2
1.3		<b>Tribes in Odisha</b>	2-3
1.4		<b>Cooperative Movement in Odisha</b>	3-4
1.5		<b>Cooperative Credit structure</b>	4-5
1.6		<b>Short Term Credit Structure</b>	5-6
1.7		<b>LAMPCS and Tribal Area Development</b>	6-8
2.1	II	<b>Review Of Literature</b>	9-11
3.1	III	<b>Objectives</b>	12
3.2		<b>Methodology</b>	12
4.1	IV	<b>Study of two LAMPCS of Malkangiri District, Odisha</b>	
4.1.1		<b>MATHILI LAMPCS</b>	13-14
4.1.1.1		<b>Sector wise Achievement of the MATHILI LAMPCS in Last 5 Years</b>	14-24
4.1.2		<b>KALIMELA LAMPCS</b>	25-26
4.1.2.1		<b>Sector wise Achievement of the KALIMELA LAMPCS in Last 5 Years</b>	26-37
5.1	V	<b>Analysis of Financial performance of the TWO LAMPCS</b>	38-43
6.1	VI	<b>Major Findings</b>	44
6.2		<b>Suggestions</b>	45
6.3		<b>Conclusion</b>	45
		<b>Photos</b>	46-47

# THE RELEVANCE OF LAMPCS FOR TRIBAL AREA DEVELOPMENT

A STUDY OF  
MATHILI LAMPCS AND KALIMELA  
LAMPCS Dist: MALKANGIRI, ODISHA

## CHAPTER-I

### 1.1 Background

Formal co-operatives for meeting the credit requirements of the rural households with the poor are at the present are existence for more than a century in India. The worsening debt conditions of the farmers had compulsory the colonial rulers to explore creation of the credit cooperatives through enactment of legislation in 1904. While these cooperatives have traversed a long distance since then, but their aim of reaching the poor has remained largely indefinable till now. The challenge of meeting the credit requirements of the poor and other weaker sections by the cooperatives has been a main debating problem since their appearance. In the context of tribal development, it is not merely the improvement of tribal areas but also the development of quality of life of the rural sufficient into self-reliant and self- sustaining communities. Therefore, tribal development implies the development of tribal areas in such a way that every component of tribal life altered in a desired direction. Besides, tribal improvement also encompasses structural changes in the Socio-economic situation in the countryside tribal dominated regions by which human welfare is protected. Thus, tribal development should contain all objectives of enhancement and betterment of quality of rural masses through appropriate development of resources, infrastructure and livelihood. **In 1973, K.S. Bawa Committee suggested the organization of Large Sized Multipurpose Societies in tribal areas.** Accordingly, large sized multipurpose societies came into existence in different states in India.

### 1.2 Tribes in India

India is a diversified country in terms of language, religion, region, caste, tribe, race etc. Tribal Communities is one of the significant segments of this nation. According to 2011 census of India, the tribal population is about 104.28 million, constituting about 8.614 % of India's population. Tribal population in India is second in the world, after that to Africa. There are 577 Adivasi communities all over the country acknowledged by the government as Scheduled Tribes; some of them are sub-tribes of larger tribes. The different tribal communities represent various regions with different cultures. There are also wide similarities in between these different tribes. Though huge numbers of tribal communities are spread all over the country, the majority of them are concentrated a lot

in forest areas. The wealth of most of the tribes is subsistence agriculture or hunting and food gathering. The majority of the tribes are economically, politically backward and they belong to weaker sections of the Indian society. The tribals are economically weak and socially exploited by the middleman, money lenders and petty traders because of insufficient arrangement or providing credit and marketing of agricultural and forest produce in the tribal areas. Therefore, the planners and policy makers have taken efforts to organize and grow the Co-operative in the tribal regions to accelerate the process of tribal development.

### 1.3 Tribes in Odisha

Odisha occupies a unique position in the Tribal map of India for having the largest variety of Scheduled Tribe Communities. This State is the homeland of 62 different tribal communities numbering 95,907,56 as per 2011 Census. Only next to Madhya Pradesh and Maharashtra, this State consists of the largest tribal population in the country.

#### Scheduled Tribes Population in Odisha district-wise (2011 census)

Sl. No	Name of the District	Detail of the tracts declared as Scheduled Areas	Area of the tract under Scheduled Areas (in sq.km)	Blocks	Population (Total & ST) as per 2011 Census		Major Tribes concentration
					Total	ST	
1	2	3	4	5	6	7	8
1	Mayurbhanja	Whole District	10416.60	All Blocks & All Urban Areas	2519738	1479576	Santal, Munda, Ho, Kolha, Bhumij
2	Sundergarh	Whole District	9921.40	All Blocks & All Urban Areas	2093437	1062349	Oraon, Kisan, Munda, Gond, Bhuyan
3	Koraput	Whole District	8534.00	All Blocks & All Urban Areas	1379647	697583	Kondh, Paroja, Gond, Gadaba
4	Rayagada	Whole District	7584.70	All Blocks & All Urban Areas	967911	541905	Saora, Kondh, Kandha Gauda, Bagata
5	Nowrangpur	Whole District	5135.30	All Blocks & All Urban Areas	1220946	681173	Gond, Bhattada, Omatya, Dharua
6	Malkangiri	Whole District	6115.30	All Blocks & All Urban Areas	613192	354614	Koya, Paroja, Bhumia, Dharua
7	Kandhamal	Whole District	7645.70	All Blocks & All Urban Areas	733110	392820	Kondh, Gond, Kandha Gauda
8	Gajapati	(i) R. Udayagiri Tahsil of Parlakhemundi Subdivision (ii) Guma Block of Parlakhemundi Tahasil of Parlakhemundi subdivision (iii) Rayagada block of Parlakhemundi Tahasil of Parlakhemundi subdivision	2498.80	R. Udaygiri, Guma, Rayagada, Mohana, Nuagada	402803	282612	Saora, Kulis, Mahali, Shabar, Lodha
9	Sambalpur	Kuchinda Tahsil of Kuchinda subdivision	2367.30	Kuchinda, Bamara (Govindpur), Jamankira	261115	149969	Oraon, Kisan, Mirdha, Gond, Kondh



10	Keonjhar	2 Tahsils of Keonjhar subdivision namely (i) Keonjhar Tahsil (ii) Telkoi Tahsil 2 Tahsils of Champua subdivision namely (i) Champua Tahsil (ii) Barbil Tahsil	6935.60	Joda, Champua, Jhumpura, Patna, Ghatgaon, Keonjhar, Saharapada, Harichandanpur, Telkoi, Banspal	1165535	657881	Santal, Bathudi, Sounti, Shabar, Lodha, Munda Kol Loharas
11	Kalahandi	2 Blocks namely: (i) Th. Rampur and (ii) Lanjigarh of Bhawanipatna subdivision	1323.50	Th. Rampur, Lanjigarh	171019	87990	Gond, kOndh, Baiga
12	Balasore	Nilagiri block of Nilagiri subdivision	223.60	Nilgiri	129360	74701	Santal, Munda, Kolha, Bathudi, Bhumija
13	Ganjam	Suruda Tahsil excluding Gazalbadi and Gochha Gram Panchayat in Ghumsur subdivision (Bhanjanagar)	912.00	Suruda Block excluding Gazalbadi and Gochha Gram Panchayat	134241	13896	Shabar, Lodha, Kondh, Matya, Kandha Gauda
<b>Total Scheduled Areas</b>			<b>69613.80</b>		<b>11792054</b>	<b>6477069</b>	
<b>State Total Areas</b>			<b>155707.00</b>		<b>41974218</b>	<b>9590756</b>	
<b>Percentage of Scheduled Areas to that of the State</b>			<b>44.71</b>		<b>28.09</b>	<b>67.53</b>	

## 1.4 Cooperative Movement in Odisha

Rural credit cooperatives in India were originally envisaged as a mechanism for pooling the resources of people with small means and providing them with access to different financial services. Democratic in features, the movement was also an effective instrument for development of degraded waste lands, increasing productivity, providing food security, generating employment opportunities in rural areas and ensuring social and economic justice to the poor and vulnerable.

The history of the cooperative credit movement in India can be divided in four phases. In the First Phase (1900-30), the Cooperative Societies Act was passed (1904) and “cooperation” became a provincial subject by 1919. The major development during the Second Phase (1930-50) was the pioneering role played by RBI in guiding and supporting the cooperatives. However, even during this phase, signs of sickness in the Indian rural cooperative movement were becoming evident. The 1945 Cooperative Planning Committee had discerned these signs in the movement, finding that a large number of cooperatives were “saddled with the problem of frozen assets because of heavy overdues in repayment.” Even so, also in the Third Phase (1950-90), the way forward was seen to lie in cooperative credit societies. The All India Rural Credit Survey was set up which not only recommended state partnership in terms of equity but also partnership in terms of governance and management. NABARD was also created during this phase. The Fourth Phase from 1990s onwards saw an increasing realization of the disruptive effects of

intrusive state patronage and politicisation of the cooperatives, especially financial cooperatives, which resulted in poor governance and management and the consequent impairment of their financial health. A number of Committees were therefore set up to suggest reforms in the sector.

The cooperative system in India has got an involved structure. The co-operative banking structure in India comprises of two main components, viz., urban co-operative banks and rural co-operative credit institutions. While urban co-operative banks have a single tier structure, rural cooperatives have a complex structure. It has different segments to cater to the short term and long-term credit needs. The short-term cooperative credit structure (STCCS) is organized in a three-tier structure. Within the STCCS, primary agricultural credit societies (PACS/SCS) at the village level form the base level, the district central cooperative banks (DCCBs) are placed at the intermediate level and the State co-operative banks (SCBs) function at the apex. The STCCS mostly provide crop and other working capital loans primarily for a short period to farmers and rural artisans. Further, the structure of rural co-operative banks is not uniform across the States and varies significantly from one State to another. Some States have a unitary structure with the State level banks operating through their own branches, while others have a mixed structure incorporating both unitary and federal systems. Diagram-1 spells out the broad structure of the short-term cooperative credit in Odisha.

## **1.5 COOPERATIVE CREDIT STRUCTURE:**

### **The Cooperative Credit Structure in Odisha comprises of the following:**

(A) **Short Term and Medium Term Credit Structure** consisting of Odisha State Cooperative Bank at the state level, Central Cooperative Banks at the district level and Primary Agricultural Cooperative Banks at the village level.

(B) **Long Term Rural Credit Structure** consisting of Odisha Cooperative State Agriculture and Rural Development Bank at the state level and Primary Cooperative Agriculture and Rural Development Banks at block level.

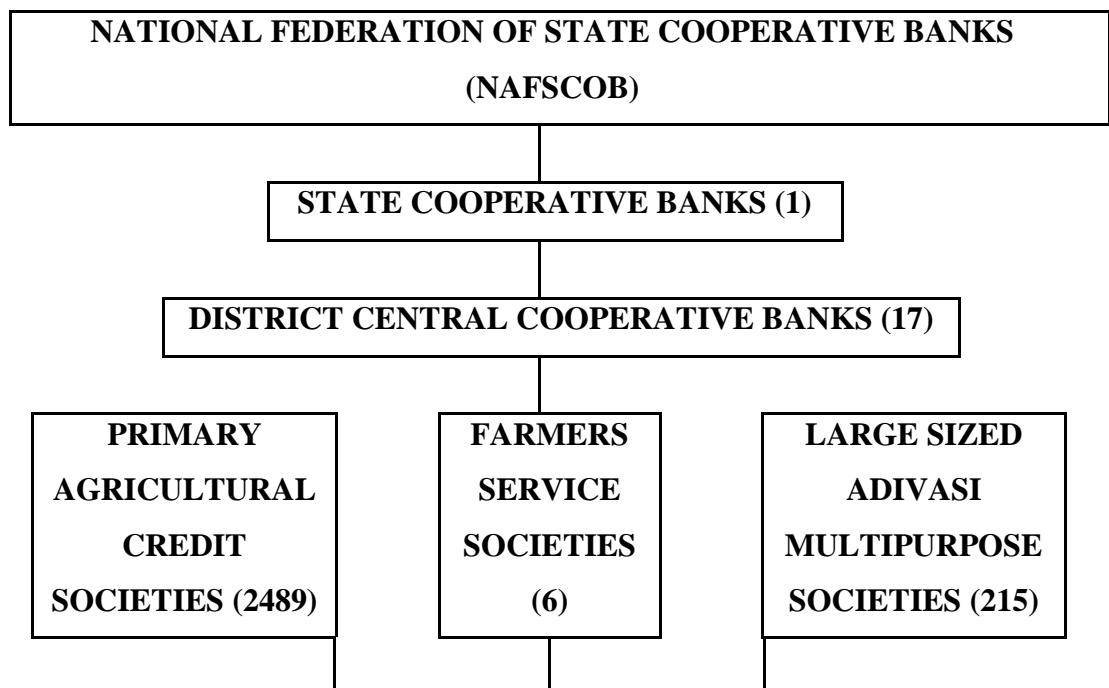
(C) **Urban credit structure** comprising of Cooperative Urban Banks located in the urban and semi urban areas and catering to the credit needs of their members and the public.

As the Short Term Cooperative Credit is having direct linkage with farmers in particular and that of Agriculture sector in general, in this paper, we have tried to highlight the performance of Short Term Cooperative Credit in Odisha.

### **1.6 SHORT TERM CREDIT STRUCTURE:**

The Short Term Cooperative Credit Structure (STCCS) in Orissa comprises of 2710 PACS/SCS (including 215 LAMPS and 6 FSS) at the grassroots level, 17 District Central Cooperative Banks (with 318 Branches) at the middle tier and Orissa State Cooperative Bank (with 14 Branches) at the apex level. From out of about 55.01 lakh agricultural families, 55.01 lakh families have been enrolled as members of the PACS/LAMPCS taking the coverage to 100 %.

#### **SHORT TERM COOPERATIVE CREDIT STRUCTURE**



In principle, PACS/LAMPCS was expected to mobilise deposits from its members, and use the same for providing crop loans to the needy members who need it. However, as deposits in PACS/LAMPCS may not be enough to meet the loan requirements of all its farmer borrowing members, PACS/LAMPCS draw support from the federal structure, viz., the CCB/SCB. The CCB was therefore constituted as a small bank working in small towns to mobilise deposits from public and provide the same for supporting the credit needs of PACS/LAMPCS and its members. As part of the federal structure, the CCB was expected to also provide guidance and handholding support to PACS/LAMPCS. SCB was set up in each state not only to mobilise deposits and thereby provide the required liquidity support to CCBs and PACS/LAMPCS, but to also provide the required technical assistance, guidance and support to CCBs and PACS/LAMPCS in fulfilling their obligations towards their farmer members. Wherever required, the SCB was also expected to mobilise liquidity and refinance support from the higher financing institutions like NABARD for supporting the crop loan operations of CCBs and PACS/LAMPCS affiliated to it. Over time, ST CCS has also been providing medium term loans for investments in agriculture and for the rural sector, often with refinance support of NABARD.

Both CCBs and SCBs are federal structures and their sustainability very largely depends on the sustainability of the lower tiers. But all other linking systems are only intermediaries. The survival of the intermediaries depends upon the performance of PACS/LAMPCS, which needs prime importance at ground level. The Primary Agricultural Credit Societies (PACS/LAMPCS) constitute the 'hub' of the Indian co-op movement. Every fourth co-operative in India is a primary credit society.

## **1.7 LAMPCS and Tribal Development**

Co-operatives have been conceived as a shield to the weak and one of the main thrusts of Co-operative improvement programmes has been to guarantee that benefits of the Co-operative flow increasingly to weaker sections including the Scheduled Tribes. The Co-operative have strived to achieve this through expansion of the membership of the weaker sections in the existing PACS and ensuring bigger flow of funds and services to them. In this regard, particular and functional Co-operative for activities like dairy,

poultry keeping and fisheries have been organized. For forest labour, the forest labour corporations have been organized. Likewise, labour contract societies have also come up countryside artisans have also of Co-operatives.

The Large-Scale Adivasi Multi-Purpose Societies (LAMPS) are co-operative Societies set up by the government for integrated tribal development in regions with essential tribal populations. They are generally one per block, and their membership is controlled to adult members of any Scheduled Tribe community.

The main purpose of the LAMPS is to offer diversity of services to the tribal population under one institutional set up. The services provided by their Co-operative include; Financial assistance, both short and medium term to meet the necessity of the tribals to carry on their agricultural operations and related activities, financial assistance for consumption purpose, marketing assistance to the tribal to dispose of their agriculture and minor forest produce at remunerative price and distribution of agricultural inputs and consumer goods.

**The main objectives of a LAMPCS are:**

To raise capital for the purpose of giving loans and supporting the essential activities of the members.

1. To collect deposits from members with the objective of improving their savings habit.
2. To supply agricultural inputs and services to members at remunerative prices.
3. To arrange for supply and development of improved breeds of livestock for the members.
4. To make all necessary arrangements for improving irrigation on land owned by members.
5. To encourage various income-augmenting activities such as horticulture, animal husbandry, poultry, bee-keeping, pisciculture and cottage industries among the members through supply of necessary inputs and services.
6. Encouragement of subsidy-cum-loan production plan in the fields of agriculture, horticulture, animal husbandry, irrigation, Forestry, cottage and rural community industries.

7. Liberating the tribals from the control of money lenders through supply of production and consumption credit.
8. Purchase from tribals their additional agricultural produce and forest produce.

## CHAPTER - II

### 2.1 Review of literature

In 1937, the committee headed by Mehta Bansali suggested the need for developing the indigenous community (All India Rural Survey Committee, 1937). Kaka Kalekar chaired a 1955 committee that recommended three main aspects on the development of tribal population and also to release them from the clutches of money-lenders and similar categories (First Backward Classes Commission, 1955). In 1959, the Renuka Ray Commission recommended the need for entrusting commercial exploitation of forests to be entrusted to cooperatives rather than to the contractors (Study Team on Social Welfare and Welfare of Backward Classes, 1959).

In 1960, Verrier Elwin Committee made the following recommendations:

*The tribal must have a direct share in the profits of the forest. For this, really remunerative coupons should be reserved for allotment to Tribal Cooperative Societies on a fixed price which should be calculated so as to allow a substantial margin of profit. The Cooperative Society should be confined to tribal and no outsider should be permitted to become a member. (The Committee on Special Multipurpose Tribal Blocks, Ministry of Home Affairs, 1960)*

In the year 1961, the Dhebar Commission suggested that the sale and marketing of the produce and supply of the tribal people should receive special attention through cooperatives so that they get reasonable prices for their produce (The Scheduled Area and Scheduled Tribes Commission, 1961). Also in 1961, the Special Working Group on Cooperatives of Backward Classes attributed slow development of cooperatives in tribal areas to structural weaknesses, operational defects, management problems, faulty procedures and adoption of unsuitable business methods and practices. It observed that:

*for the small man, be he a tribal or a member of the Scheduled Caste, who is unorganised and dispersed, cooperative form of organisation provides opportunities for getting the benefits of large scale operation and management without curtailing individual freedom. The pace of economic rehabilitation of backward classes can be made more rapid and sustained through cooperatives.*

In 1967, a Committee headed by Hari Singh made the recommendation that cooperatives should be established for the collection and grading of Myrobalan in the raw form and for export to foreign countries (The Adhoc Committee on Export of Minor Forest Products, 1967). In 1969 it was suggested that "Forest Labour Cooperative Societies through which workers are trained and equipped to organise themselves should be encouraged and streamlined. In any case they should be kept away from the influence of contractors" (National Commission on Labour, 1969). During the years from 1971 to 1973, the committee headed by K. S. Bawa was tasked with the specific responsibility of suggesting ways and means for the development of tribal economies. It recommended to form large sized Adivasi multi-purpose cooperative societies in tribal areas to provide their tribal members production as well as consumption credit, to undertake marketing of agricultural and minor forest products and to distribute consumer goods as well as agricultural inputs so that the tribal could secure all facilities under one roof. It should be established covering one block with a requisite number of branches to provide all the services to the tribal population (Ministry of Agriculture, 1973).

Bose (1986) in this study made a general observation of the working of the LAMPS in West Bengal. The study did not make a comprehensive and critical evaluation of the functioning of LAMPS; instead it was confined to making certain common remarks about the benefits of LAMPS in West Bengal. The study also pointed out some of the hindrances in the functioning of LAMP societies. The author remarked that strategically, the LAMPS were the suitable agency to satisfy the needs of the tribal in the rural area.

Mahalingam (1987) conducted a performance appraisal of the LAMP societies in the tribal areas of Tamil Nadu. Based on the performance data of thirteen LAMP societies in Tamil Nadu he came to the conclusion that the co-operative movement was the only means for the development of tribal economy. He suggested some practical measures for strengthening the LAMP societies functioning in the tribal areas of Tamil Nadu. The study also stressed the necessity of focusing all efforts on strengthening the co-operative structure in the tribal regions. The study was based on the official data collected from the office of the Registrar of co-operative societies at Chennai.

In a study of the role of LAMP co-operative societies in Tamil Nadu Mahalingam (1990) made a micro level analysis of the performance of tribal co-operatives in Salem District.



Based on the data collected from the LAMPS and the two hundred tribal households in the study area, it was concluded that the integrated service rendered by the LAMPS were positively related to tribal Development. The researcher identified significant positive correlation between the services rendered by tribal co-operatives and development of the tribal economy. The study also made some useful suggestions for improving the efficiency and popularity of tribal co-operative.

Shivaprasad and Chandrashekar (2014) this research work was assess the impact of new forest policies on collection and marketing of non-timber forest products (NTFP), or in another word Minor Forest Products (MFP) in the study area with reference Large sized Adivasi Multipurpose societies (LAMPS). There has been increasing trends in the trade of forest products particularly Non-Timber Forest Products. Increasing trade of forest products has supported economic growth of a number of emerging countries. There is strong evidence that forest products play a significant role in the livelihoods of the rural poor. Forest products are the main sources of income for the tribal population of many countries. In India the central government came with legislation named as the scheduled tribes and other traditional forest dweller (Recognition of Forest Rights) Act 2006 popularly known as Forest Rights Act (FRA) 2006 to recognize the tenure and occupational rights of forest dwellers. The Forest rights act was the first act enacted in independent Indian that addressed the question of community ownership of MFP (minor forest product) and rights and management/ governance of forest at the legislative level. This study is based on primary and secondary data related to collection and marketing of minor forest product through LAMPS and dependency of Tribal population on minor forest produce through LAMPS and dependency of tribal population on minor forest products. The study intended to understand the collection and marketing status of MFP in LAMPS and how new forest policies impacts on the collection and marketing of MFP's in LAMPS societies. Collection and marketing of minor forest produce are highly influenced by the implementation of Forest Act of 2006.

## **CHAPTER - III**

### **3.1 Objectives**

A co-operative is said to be a success only when it achieves success in both enterprise as well as institutional aspects. As such, the present study is conducted with the following objectives.

1. To study the relevance of LAMPCS for development of tribal areas
2. To study the activities of two selected LAMPCS of Malkangiri district, Odisha
3. To offer suitable measures for improving the performance of LAMPCS

### **3.2 Methodology**

The study is based on primary data and secondary data. The data are collected from the last 5 years financial data and direct interview of the President and Managing Director of the two LAMPCS under study. The data is then analysed using ratio-analysis. The success or failure of the LAMPCS can be determined only by assessing the various services provided by the LAMPCS to the tribal population of Malkangiri district, thereby leading to overall development of the district.

## CHAPTER - IV

### 4.1 Study of two LAMPCS of Malkangiri District, Odisha

#### 4.1.1 MATHILI LAMPCS

The Mathili LAMPCS is a Cooperative Society registered under Cooperative Societies Act 1962 bearing its Registration No. KPT/580 Dt.18.03.1977.

The Society is a Block Level Society functioning under MATHILI Block of Malkangiri District. The area of operation is confined to 20 Gram Panchayat (GP's), 145 Revenue Villages, there are more than 18840 Nos. of Agricultural farmers and 21490 Nos. Land in hectare. Mathili is located in Mathili Block of Malkangiri District.

The Society has been affiliated to the following cooperative institutions:

1. K.C.C.B.Ltd.,Jeypore
2. IFFCO Ltd., Bhubaneswar
3. TDCC Ltd., Bhubaneswar
4. OSCB Ltd, Bhubaneswar
5. Dist.Coop.Union, Jeypore

The Mathili LAMPCS has come into existence in the year 1977 and completed 43 years of audit. The LAMPCS is successfully rendering satisfactory services to their Members. Essential services like dispensing of credit, supply of fertilisers & seeds, Procurement of Paddy and deposit mobilisation with an attractive interest on their investment from LAMPCS. This has resulted in developing the member's trust and loyalty towards the society.

The main aims and objectives of the Society are:

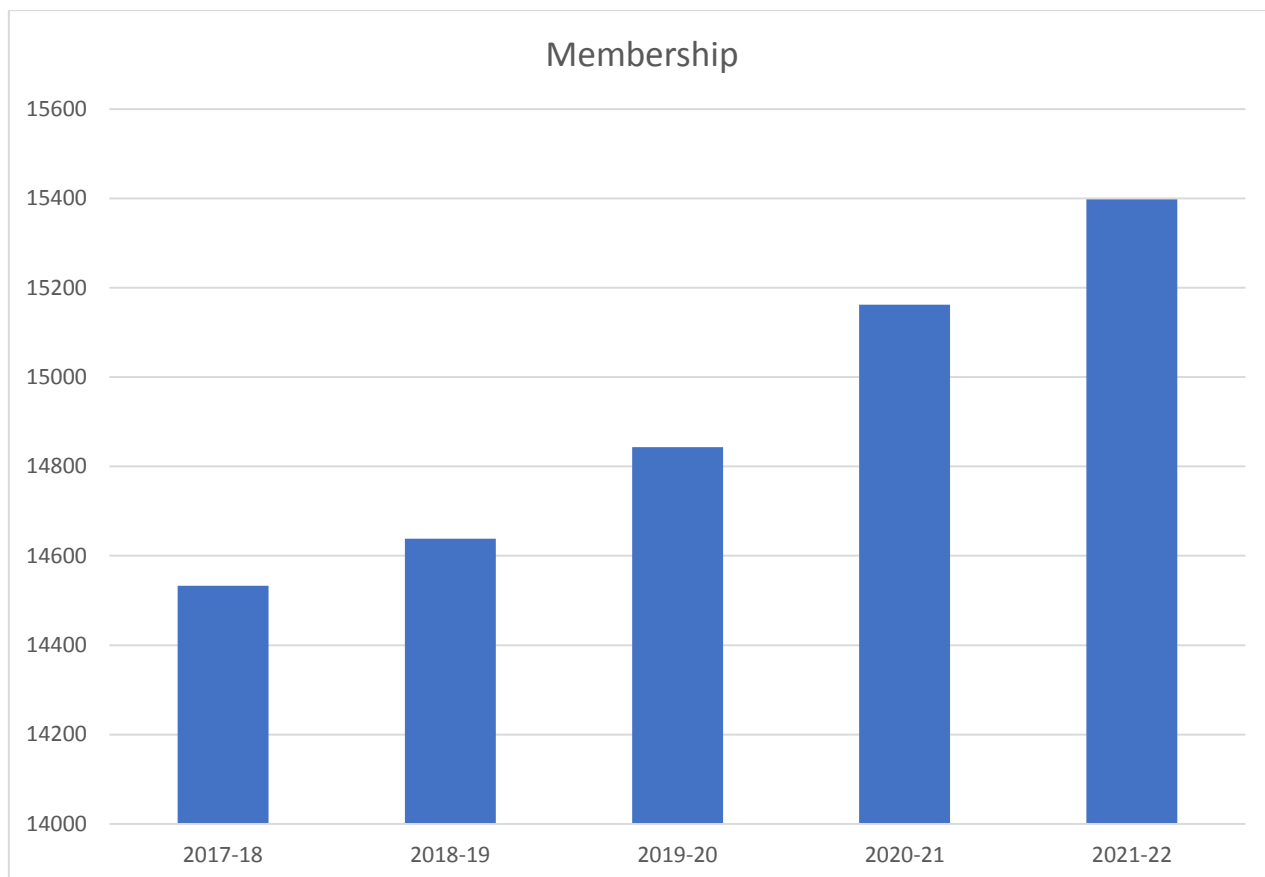
- 1) To provide both Agricultural & Non-agricultural credit facilities to its members.
- 2) To supply consumer articles both contd. & non-contd. commodities through its fair price shops.
- 3) To supply fertilisers, pesticides, insecticides and agril. implements to its members.
- 4) To undertake marketing of SAP/MFP and other activities for promotion of socio-economic condition of its members.
- 5) To undertake any other such business activities within the purview of its bye-law, OCS Act and Rules.
- 6) To undertake Paddy procurement business both in Khariff marketing season as and when specific orders have been given by the Govt.

As it can be seen from the achievement of the LAMPCS under different sectors during last 5 Years, the LAMPCS has shown a good growth over previous years and also a bright picture on fulfilment of various needs of its members to a desired extent.

#### 4.1.1.1 Sector wise Achievement of the MATHILI LAMPCS in Last 5 Years

### MEMBERSHIP

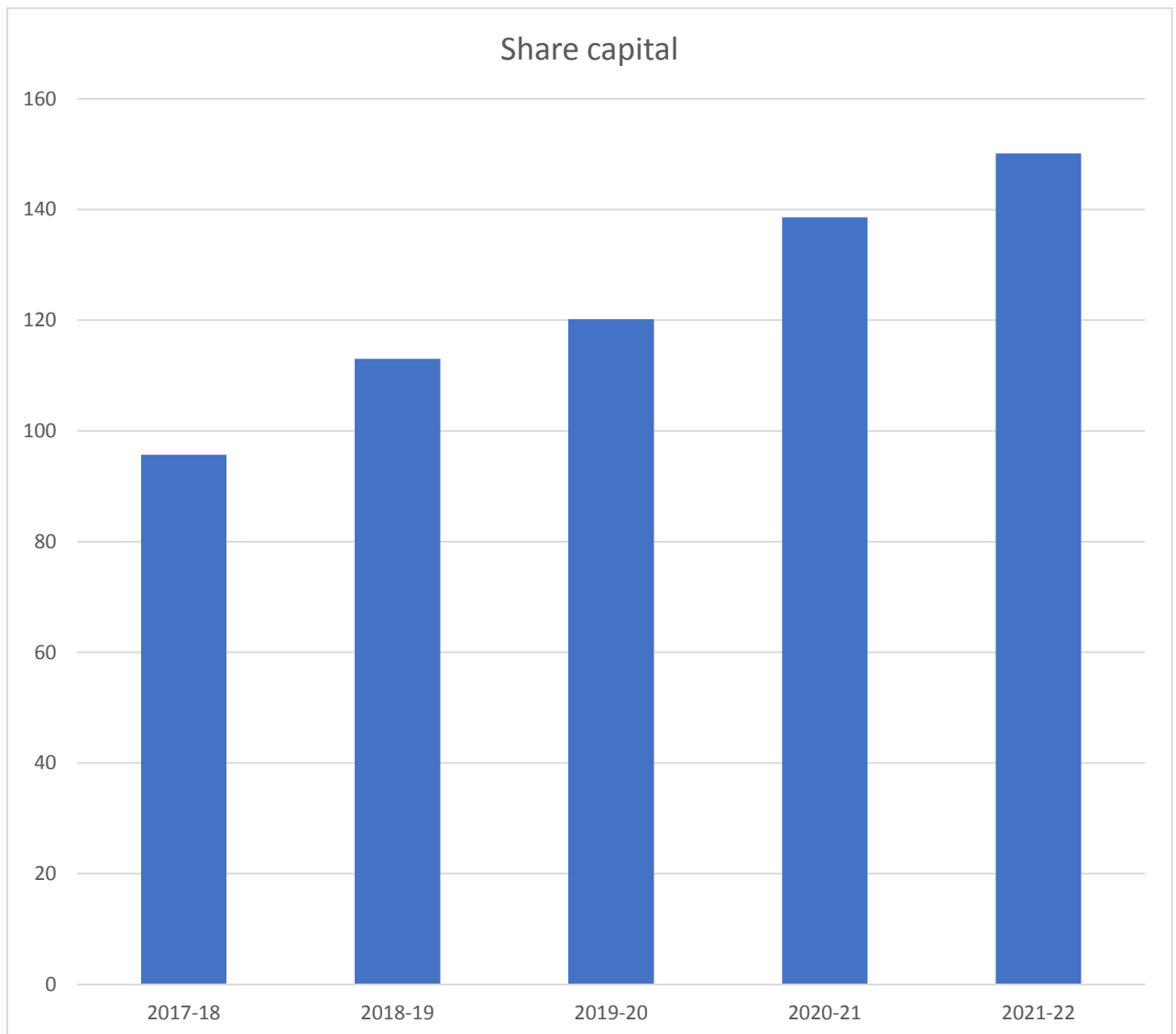
Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Membership	14533	14638	14843	15162	15398



## SHARE CAPITAL

(Rs. In Lakhs)

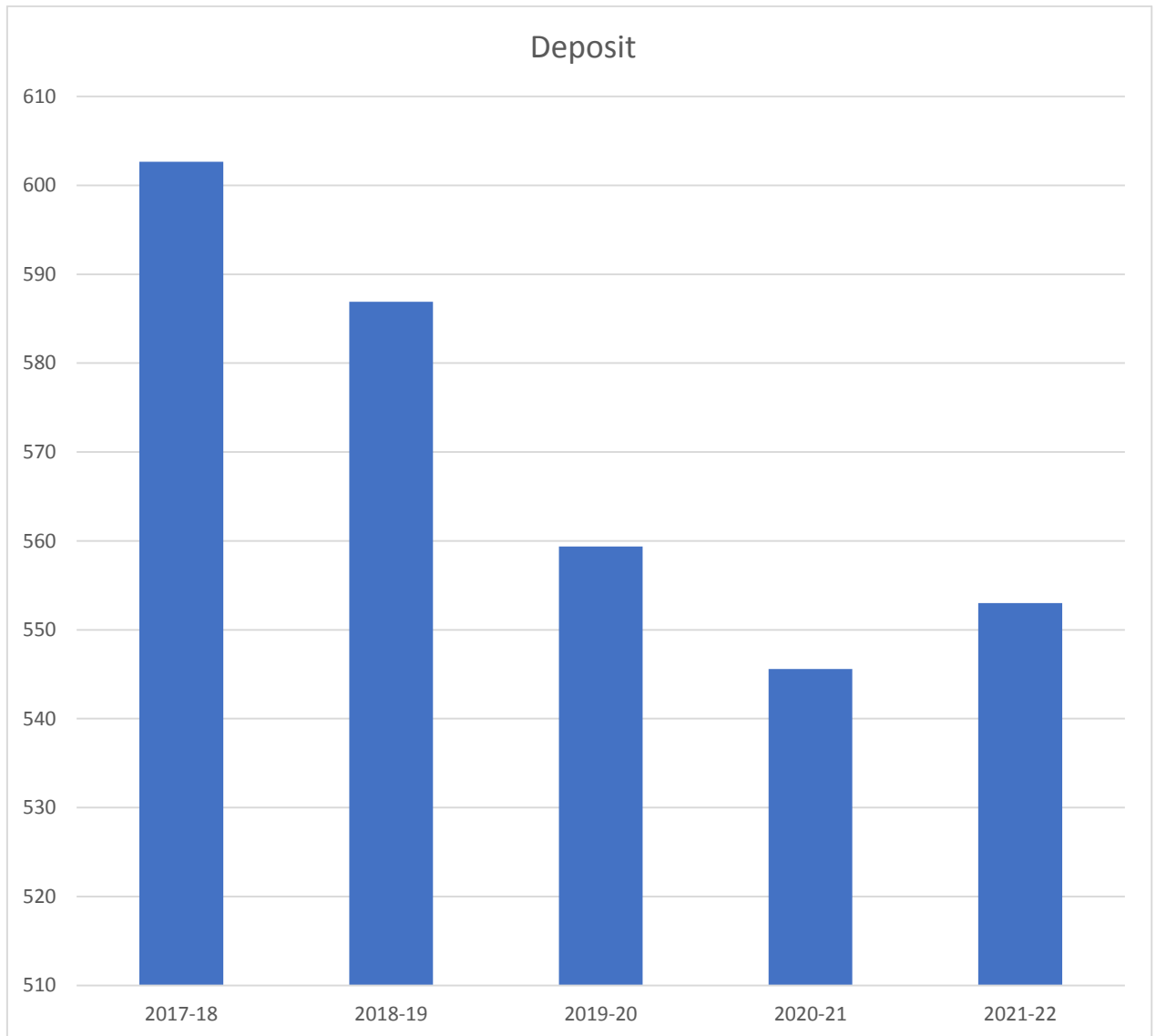
Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Share capital	95.71	113.04	120.16	138.57	150.12



## DEPOSITS

(Rs. In Lakhs)

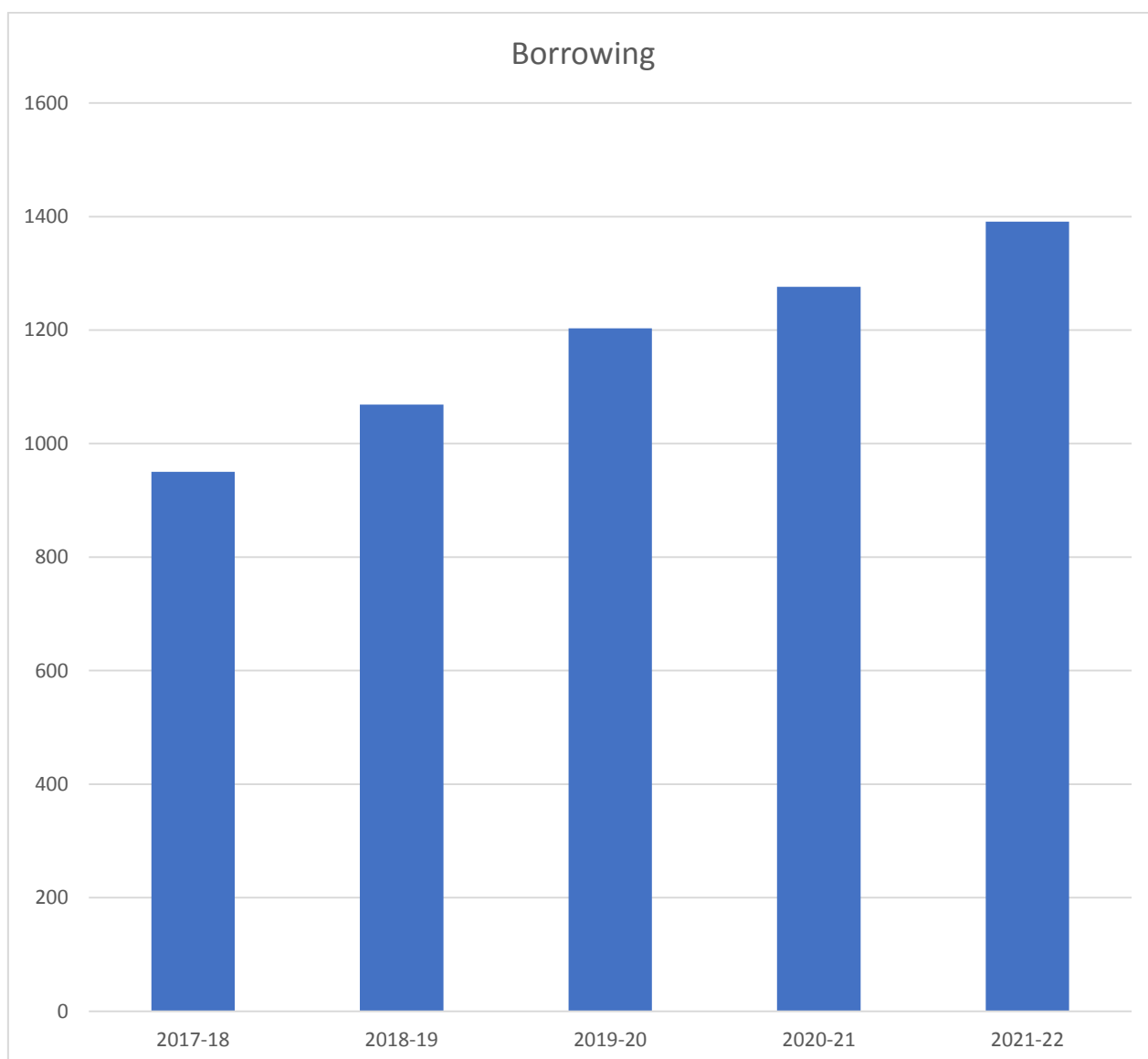
Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Deposit	602.66	586.90	559.37	545.60	553.02



## BORROWINGS

(Rs. In Lakhs)

Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Borrowing	950.28	1068.88	1203.26	1276.10	1391.00



## COST OF MANAGEMENT

(Rs. In Lakhs)

Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Cost of Management	17.26	20.08	27.64	27.64	35.76

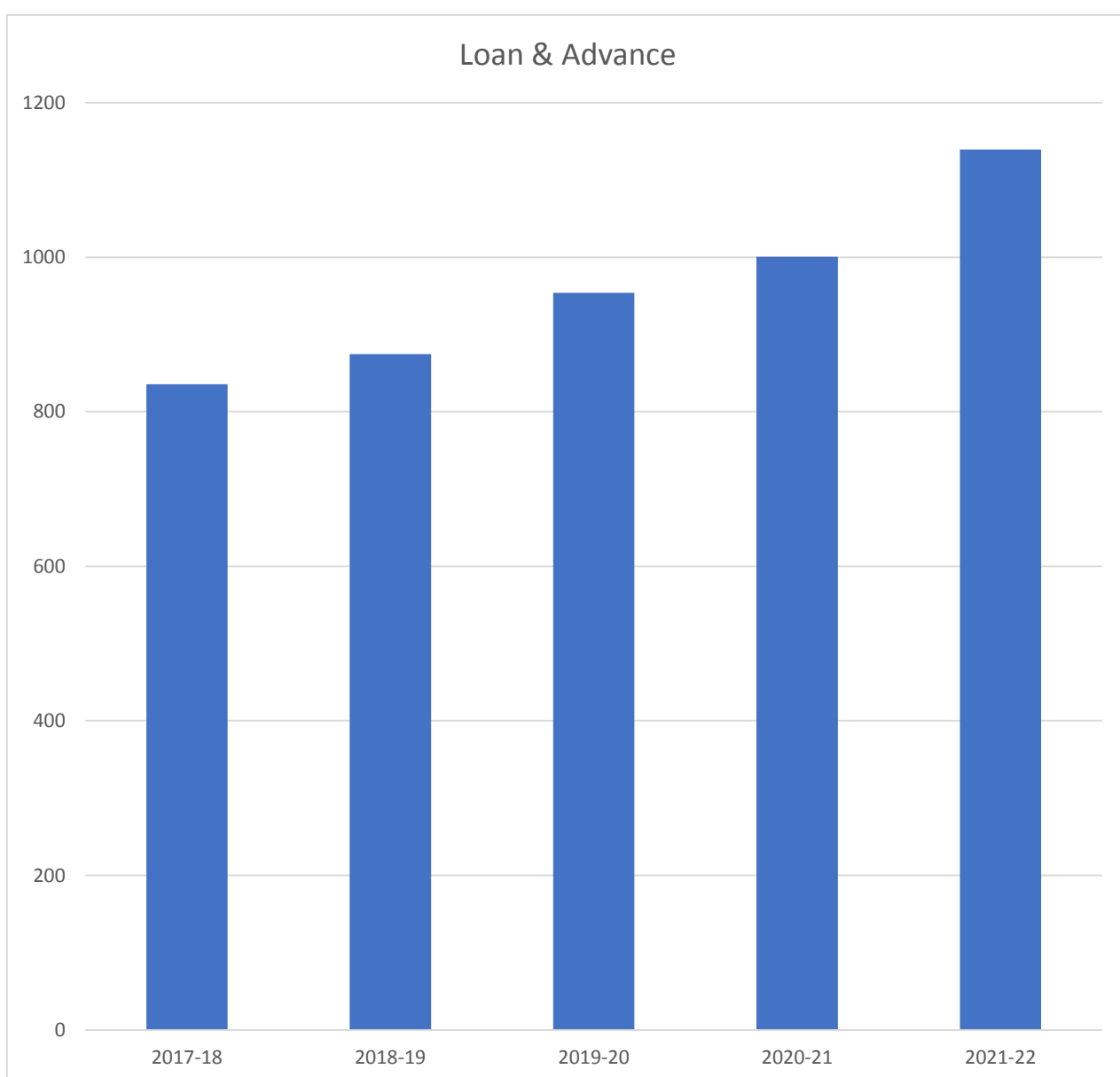




## LOANS & ADVANCE

(Rs. In Lakhs)

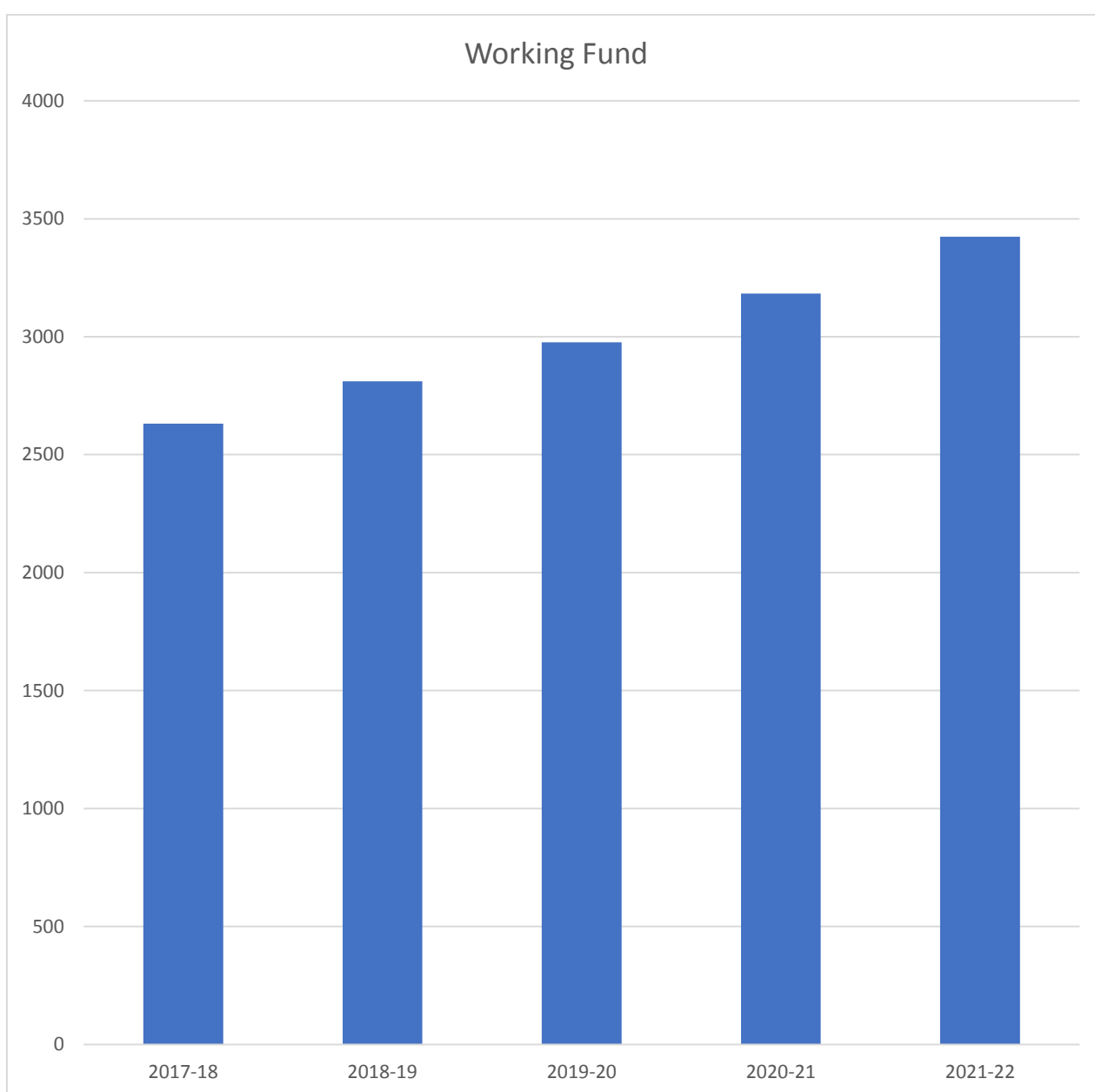
Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Loan & Advance	835.79	874.70	954.01	1000.73	1139.33



## WORKING FUND

(Rs. In Lakhs)

Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Working Fund	2631.60	2811.20	2976.38	3183.11	3423.75



## GROSS PROFIT

(Rs. In Lakhs)

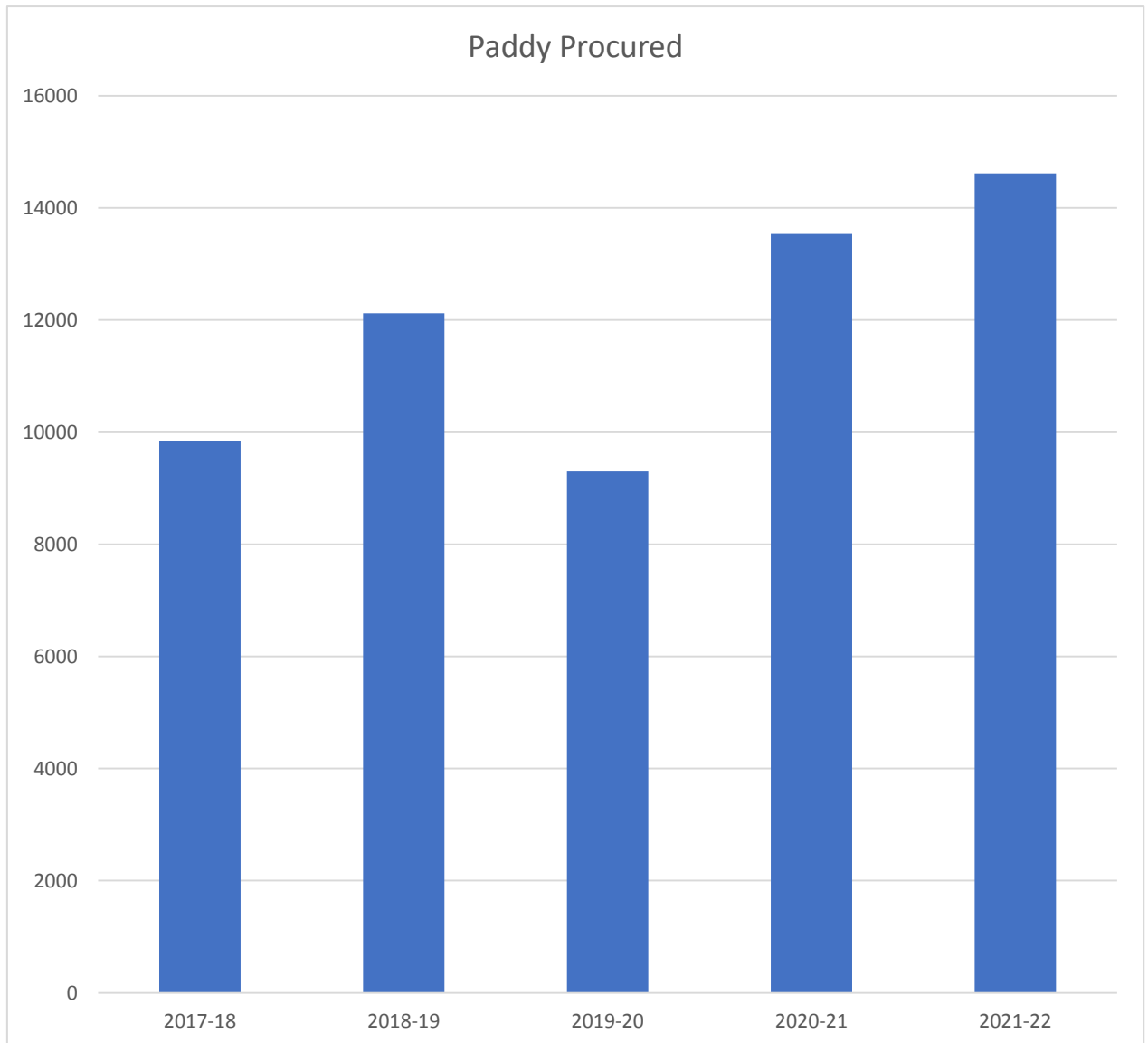
Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Gross Profit	28.65	34.79	30.15	38.64	43.23



## PADDY PROCUREMENT

(in MT)

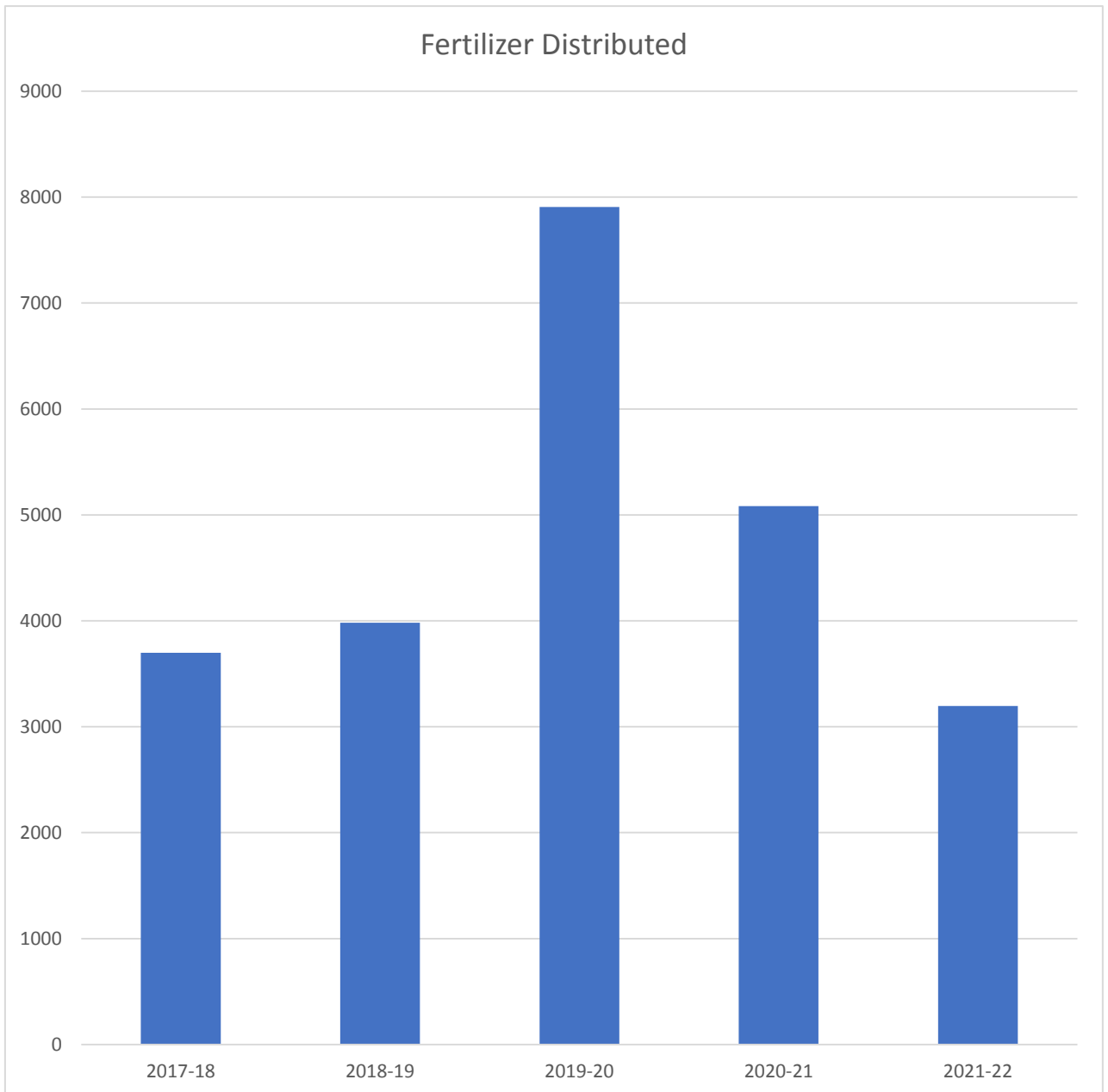
Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Paddy Procured	9850.52	12119.33	9302.22	13534.64	14614.50



## FERTILIZER DISTRIBUTION

(in Qtls)

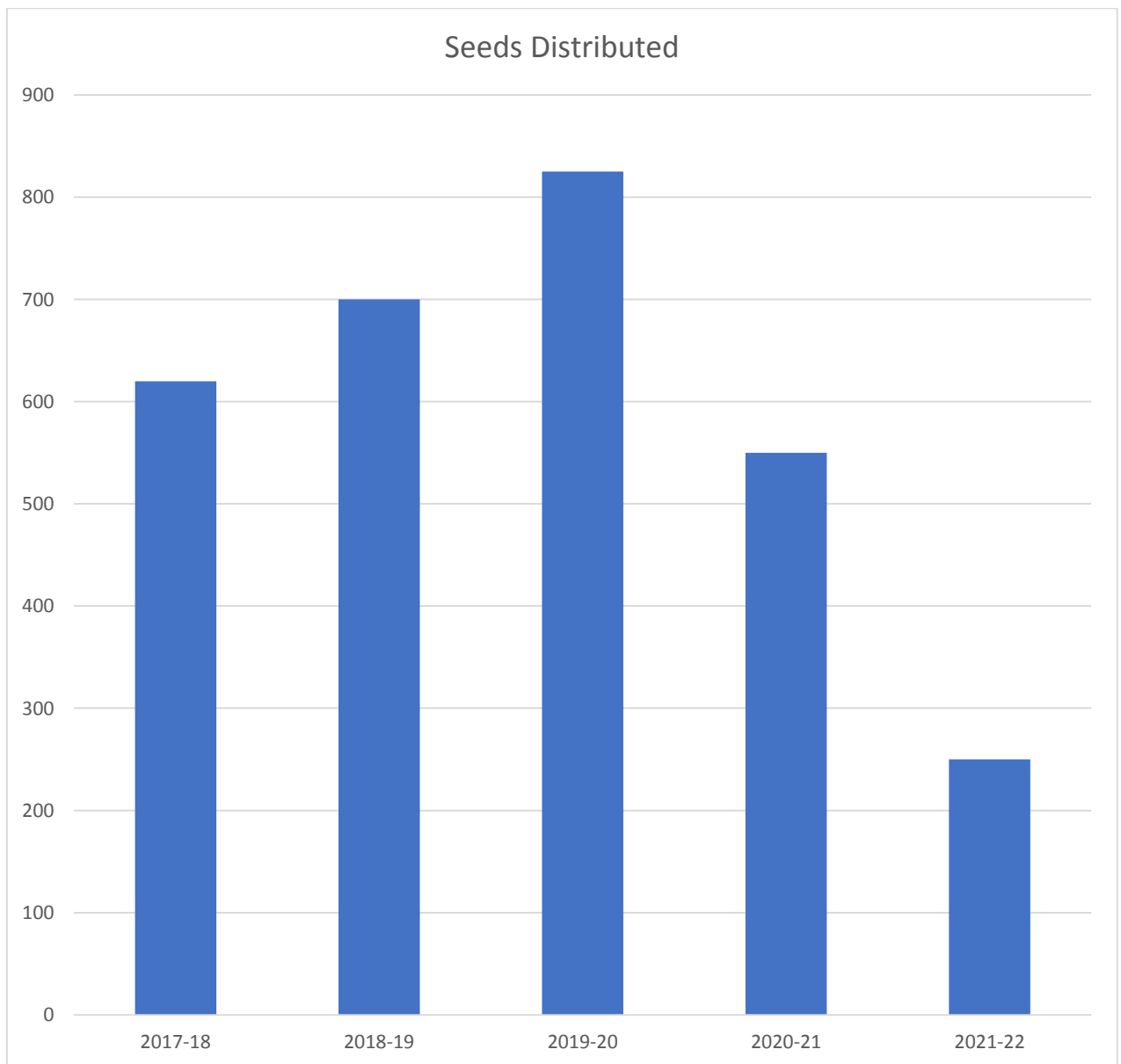
Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Fertilizer Distributed	3697	3981	7907.95	5081.85	3195.00



## SEEDS DISTRIBUTION

(in Qtls)

Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Seeds Distributed	620	700	825	550	250



#### **4.1.2 Kalimela LAMPCS**

The Kalimela LAMPCS is a Cooperative Society registered under Cooperative Societies Act 1962 bearing its Registration No. KPT/575 Dt.10.03.1977.

The Society is a Block Level Society functioning under Kalimela Block of Malkangiri District. The area of operation is confined to 21 Gram Panchayat (GP's), 435 Revenue Villages, there are more than 25840 Nos. of Agricultural farmers and 30390 Land in hectare. Kalimela is located in Kalimela Block of Malkangiri District.

The Society has been affiliated to the following cooperative institutions:

1. K.C.C.B.Ltd.,Jeypore
2. K.D.W.C.C.S.Ltd.,Jeypore
3. R.C.M.S.Ltd.,Jeypore
4. IFFCO Ltd., Bhubaneswar
5. TDCC Ltd., Bhubaneswar
6. OSCB Ltd, Bhubaneswar
7. Dist.Coop.Union, Jeypore

The Kalimela LAMPCS has come into existence in the year 1977 and completed 43 years of audit. The LAMPCS is successfully rendering satisfactory services to their Members. Essential services like dispensing of credit, supply of fertilisers & seeds, Procurement of Paddy and deposit mobilisation with an attractive interest on their investment from LAMPCS. This has resulted in developing the member's trust and loyalty towards the society.

The main aims and objectives of the Society are:

- 1) To provide both Agril & Non-agril. credit facilities to its members.
- 2) To supply consumer articles both contd. & non-contd. commodities through its fair price shops.
- 3) To supply fertilisers, pesticides, insecticides and agricultural implements to its members.
- 4) To undertake marketing of SAP/MFP and other activities for promotion of socio-economic condition of its members.
- 5) To undertake any other such business activities within the purview of its bye-law, OCS Act and Rules.

- 6) To undertake Paddy procurement business both in Khariff & Rabi marketing season as and when specific orders have been given by the Govt.

As it can be seen from the achievement of the LAMPCS under different sectors during last 5 Years, the LAMPCS has shown a good growth over previous years and also a bright picture on fulfilment of various needs of its members to a desired extent.

#### 4.1.2.1 Sector wise Achievement of the KALIMELA LAMPCS in Last 5 Years

##### MEMBERSHIP

Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Membership	20135	21122	23456	24888	25187

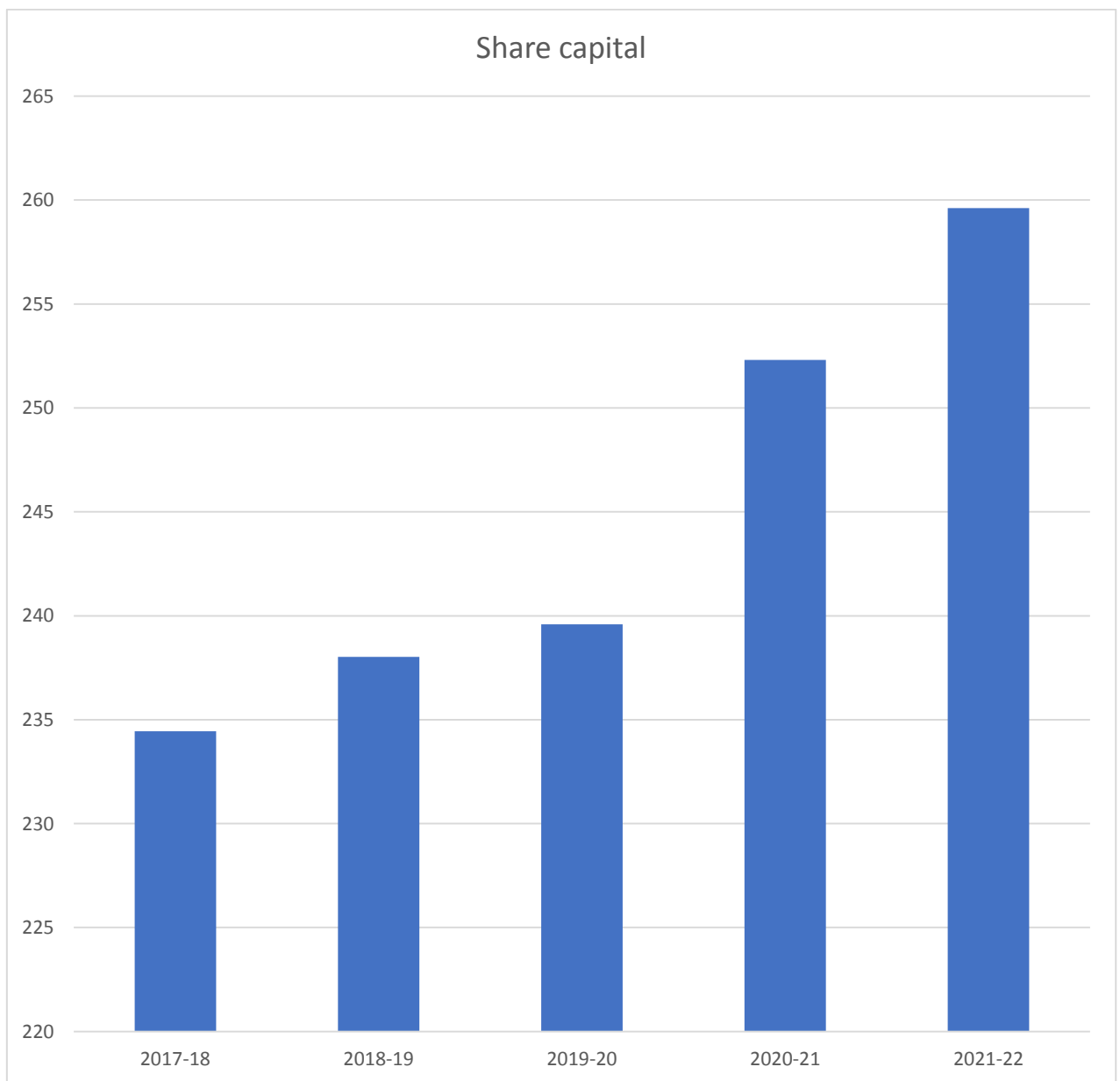




## SHARE CAPITAL

(Rs. In Lakhs)

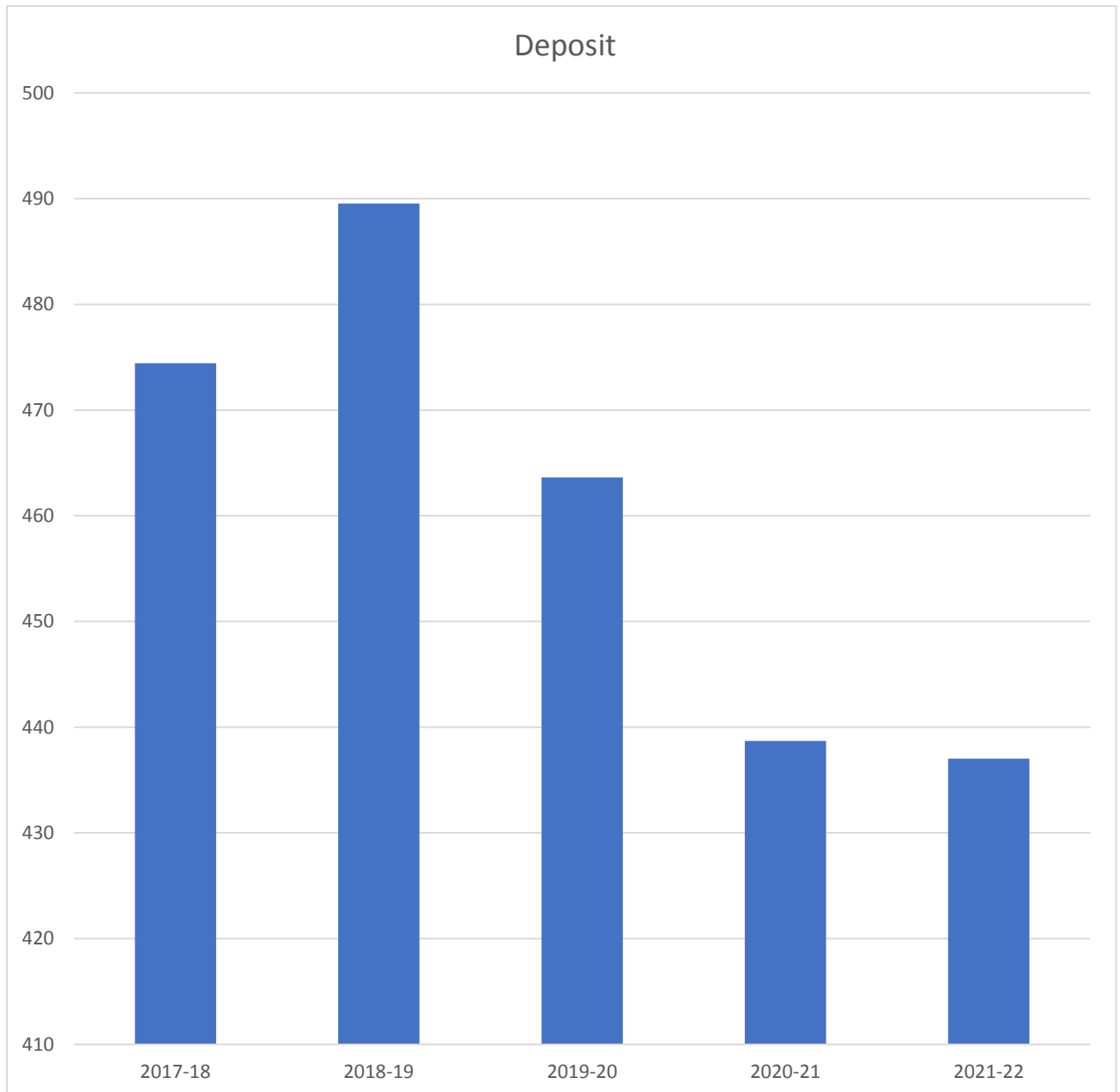
Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Share capital	234.45	238.02	239.59	252.31	259.61



## DEPOSITS

(Rs. In Lakhs)

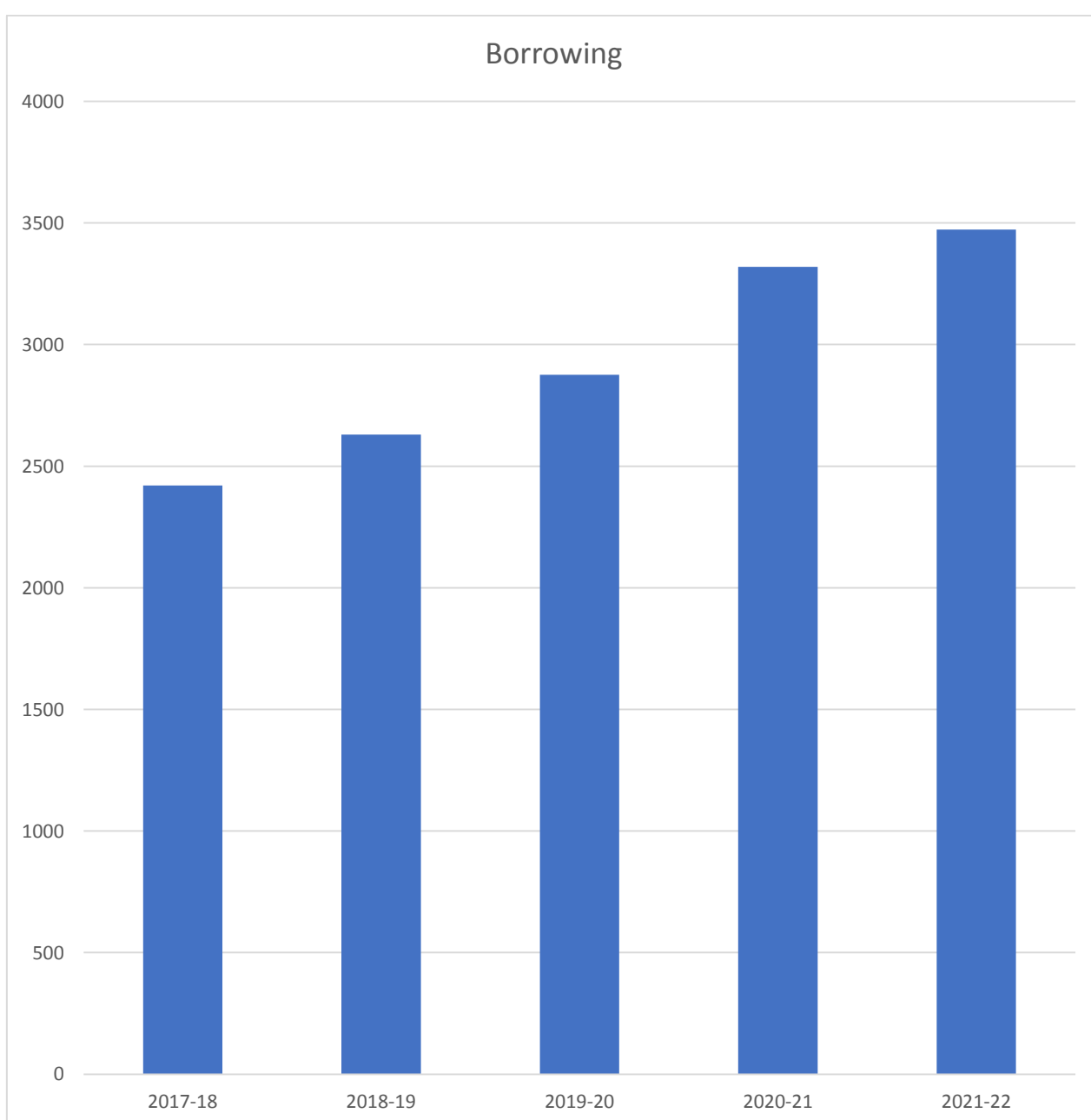
Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Deposit	474.44	489.55	463.64	438.69	437.02



## BORROWINGS

(Rs. In Lakhs)

Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Borrowing	2420.79	2630.57	2876.13	3320.20	3472.39



## COST OF MANAGEMENT

(Rs. In Lakhs)

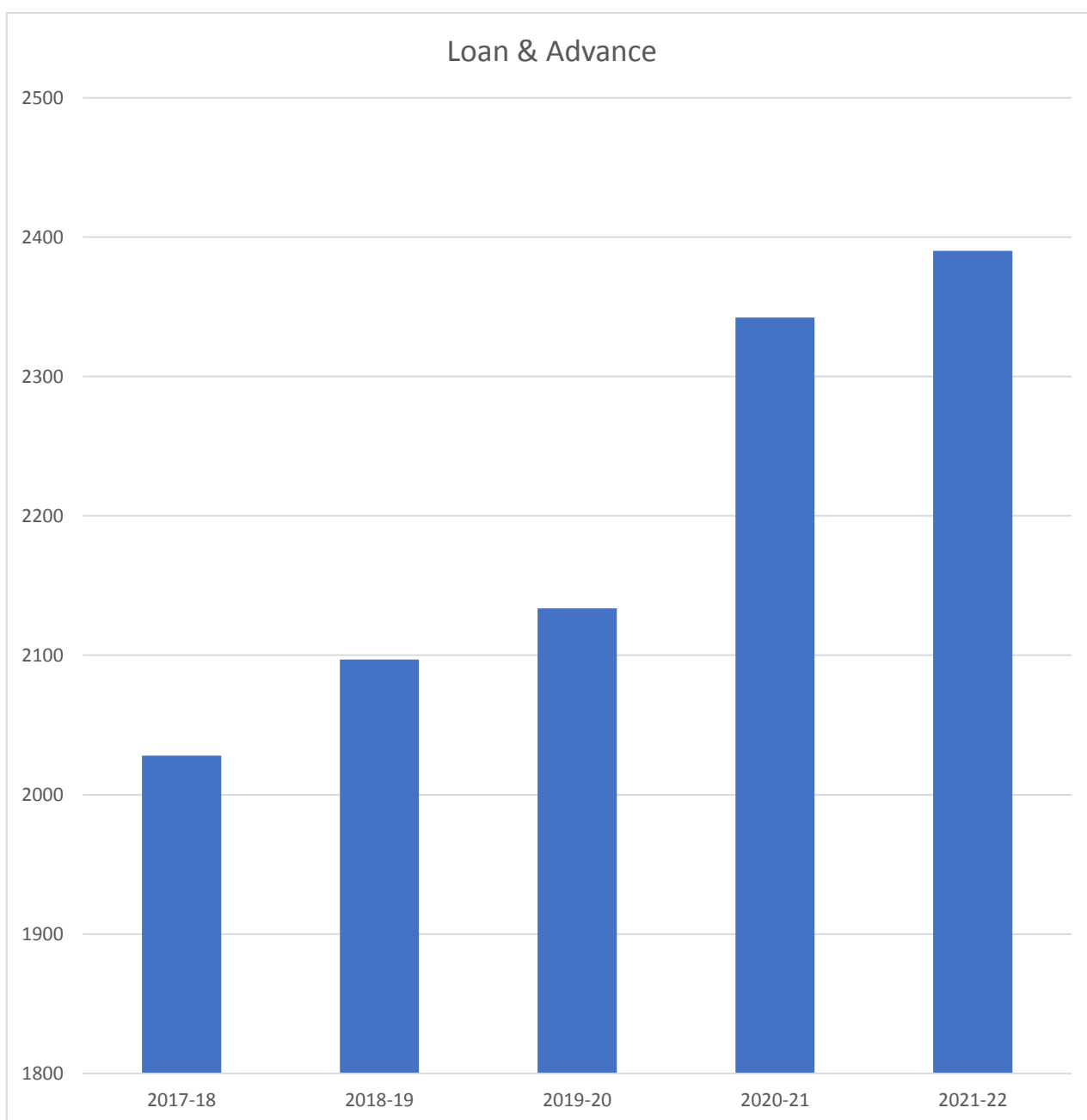
Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Cost of Management	28.02	39.68	34.91	21.85	32.48



## LOANS & ADVANCE

(Rs. In Lakhs)

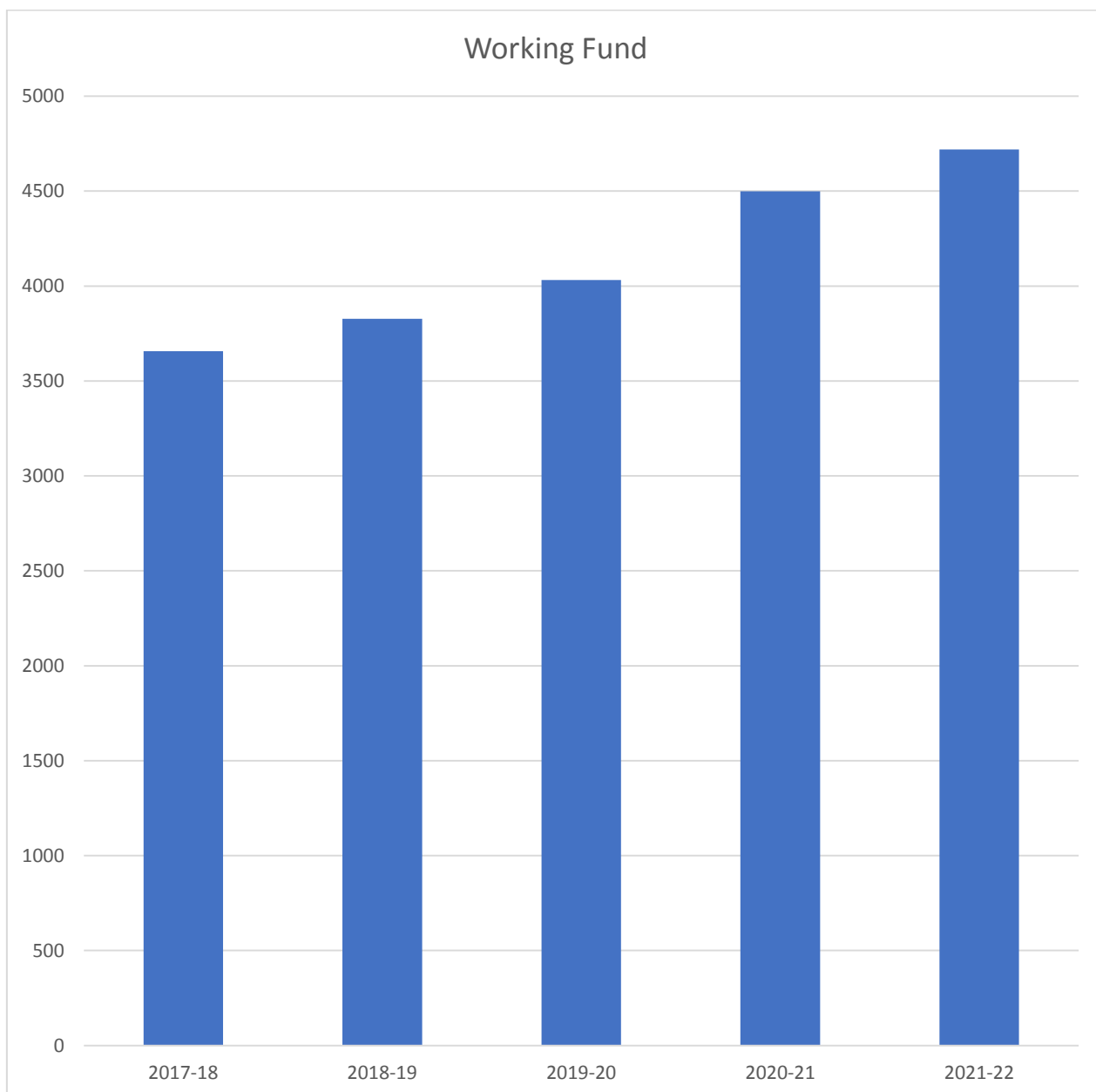
OSI. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Loan & Advance	2028.00	2096.97	2133.71	2342.37	2390.24



## WORKING FUND

(Rs. In Lakhs)

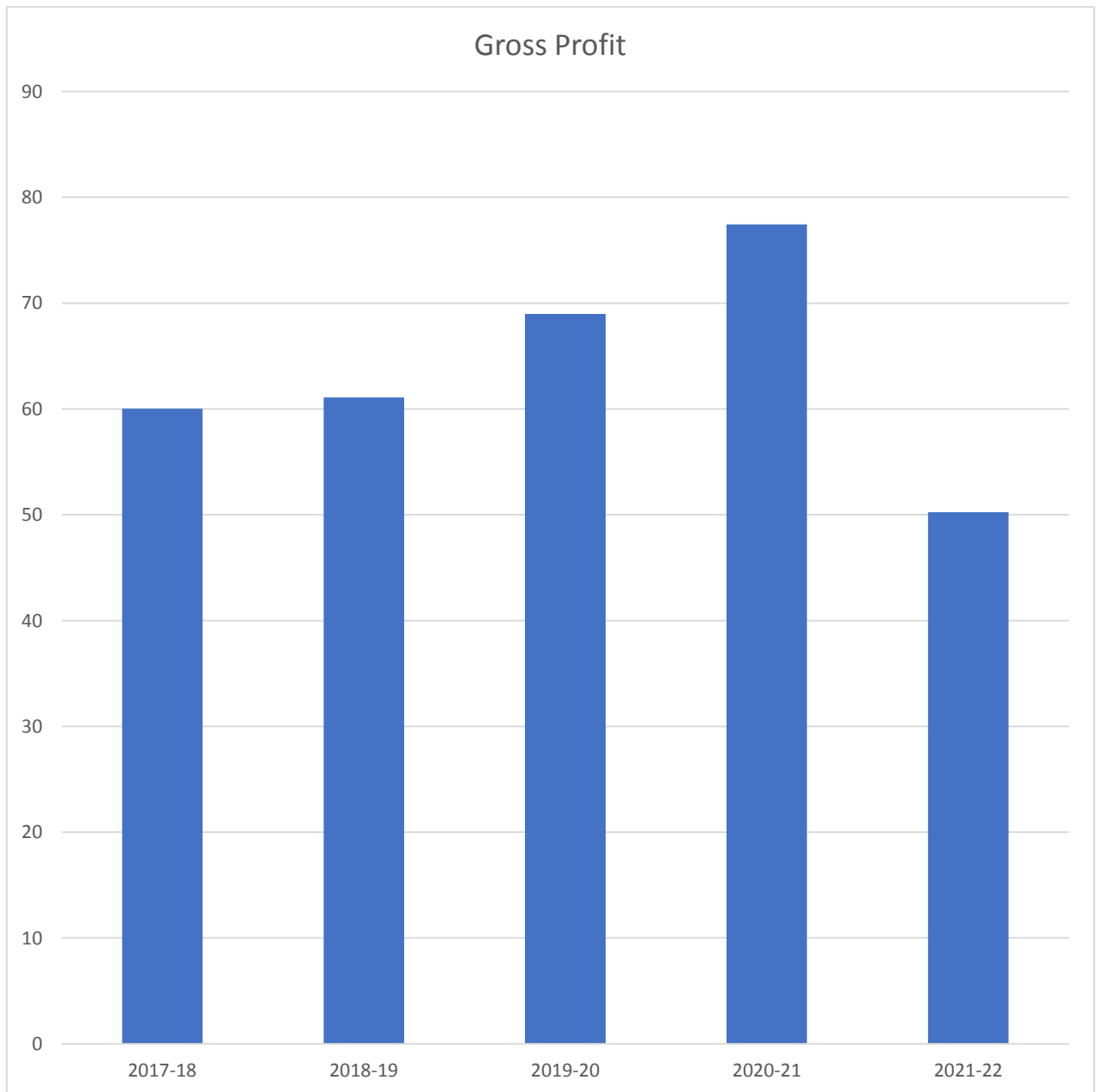
Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Working Fund	3656.75	3827.66	4032.19	4498.90	4718.98



## GROSS PROFIT

(Rs. In Lakhs)

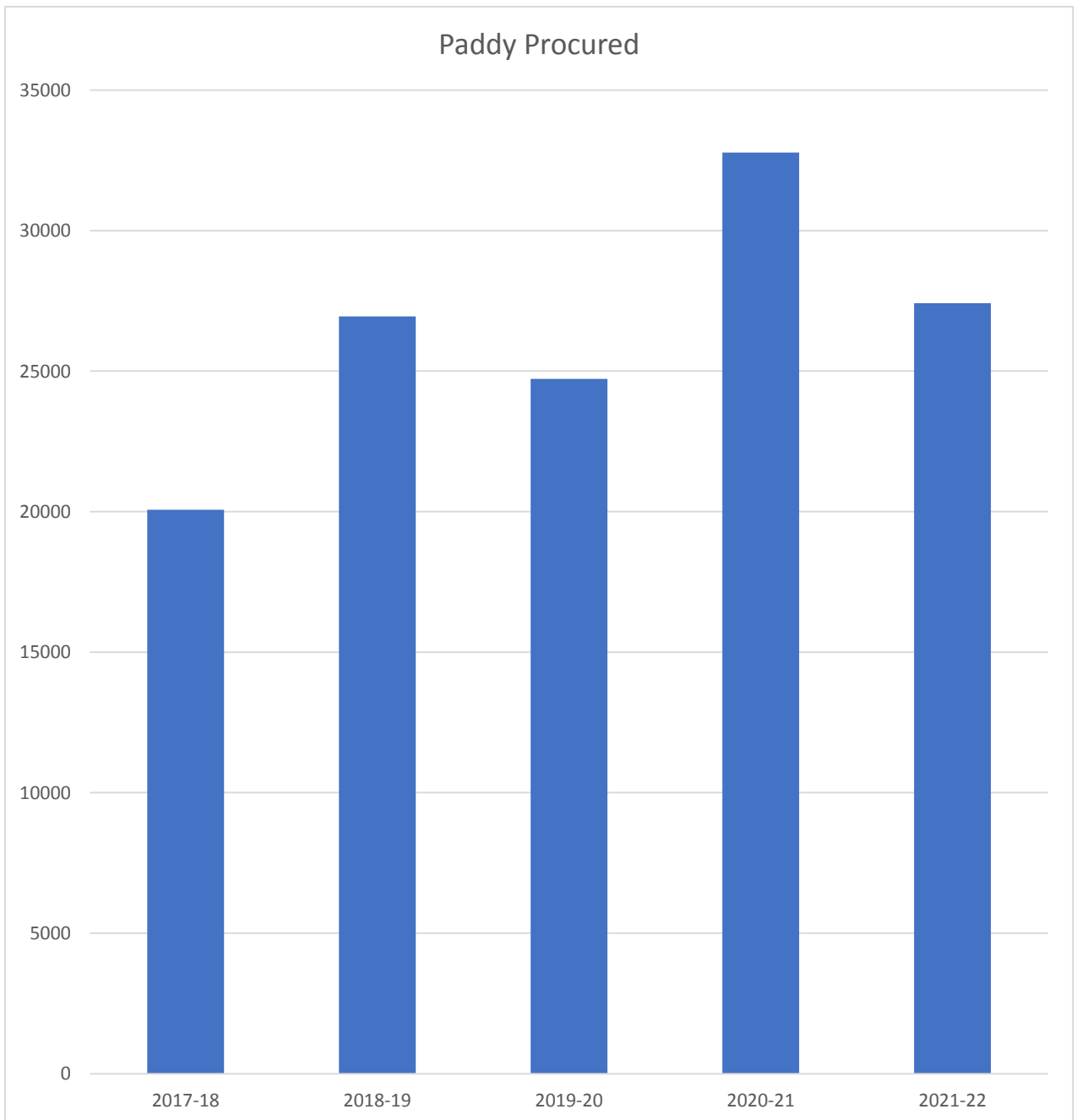
Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Gross Profit	60.03	61.09	68.98	77.45	50.24



## PADDY PROCUREMENT

(in MTs)

Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Paddy Procured	20068.93	26951.47	24727.93	32776.65	27415.89

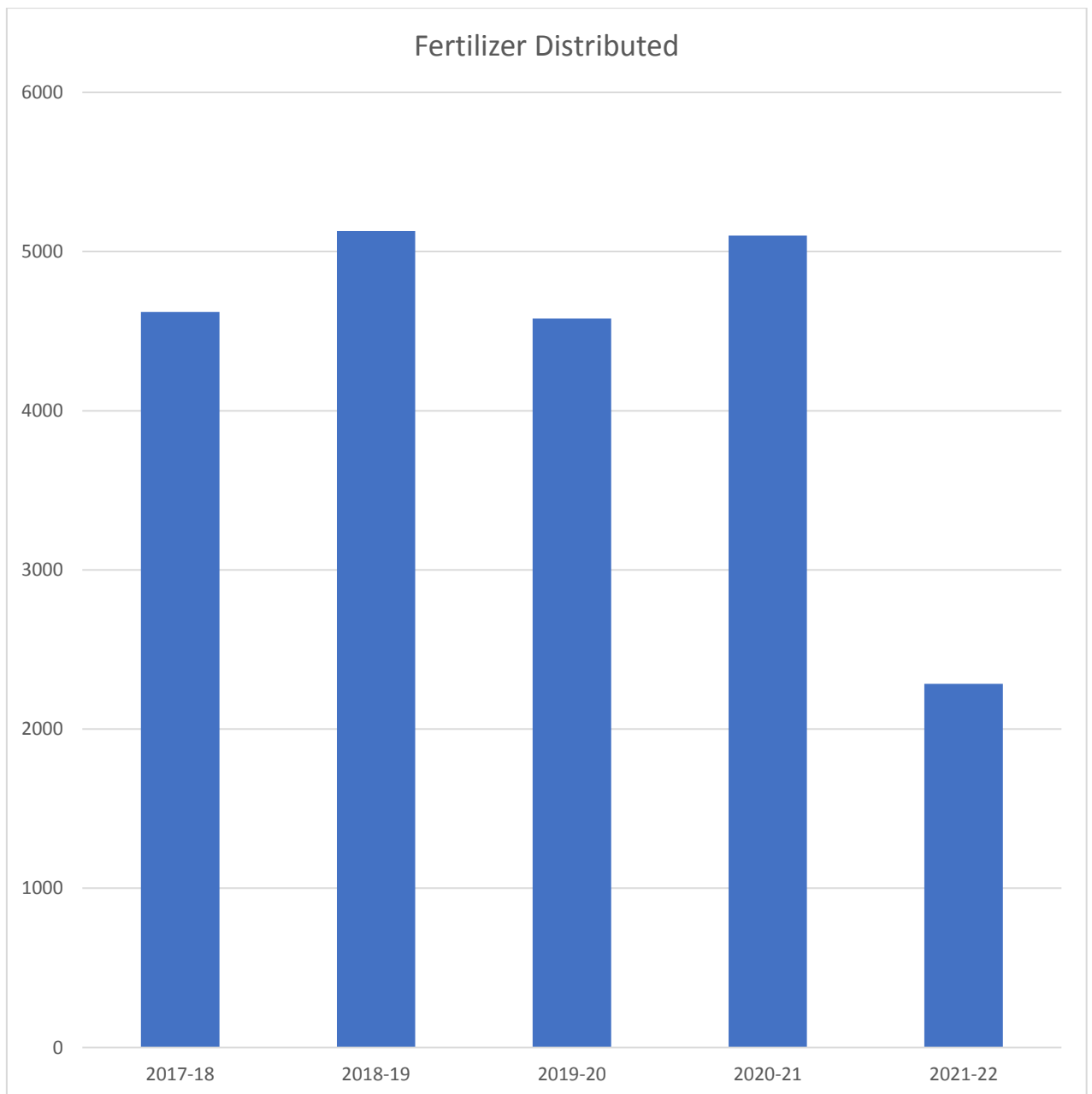




## FERTILIZER DISTRIBUTION

(in Qtls)

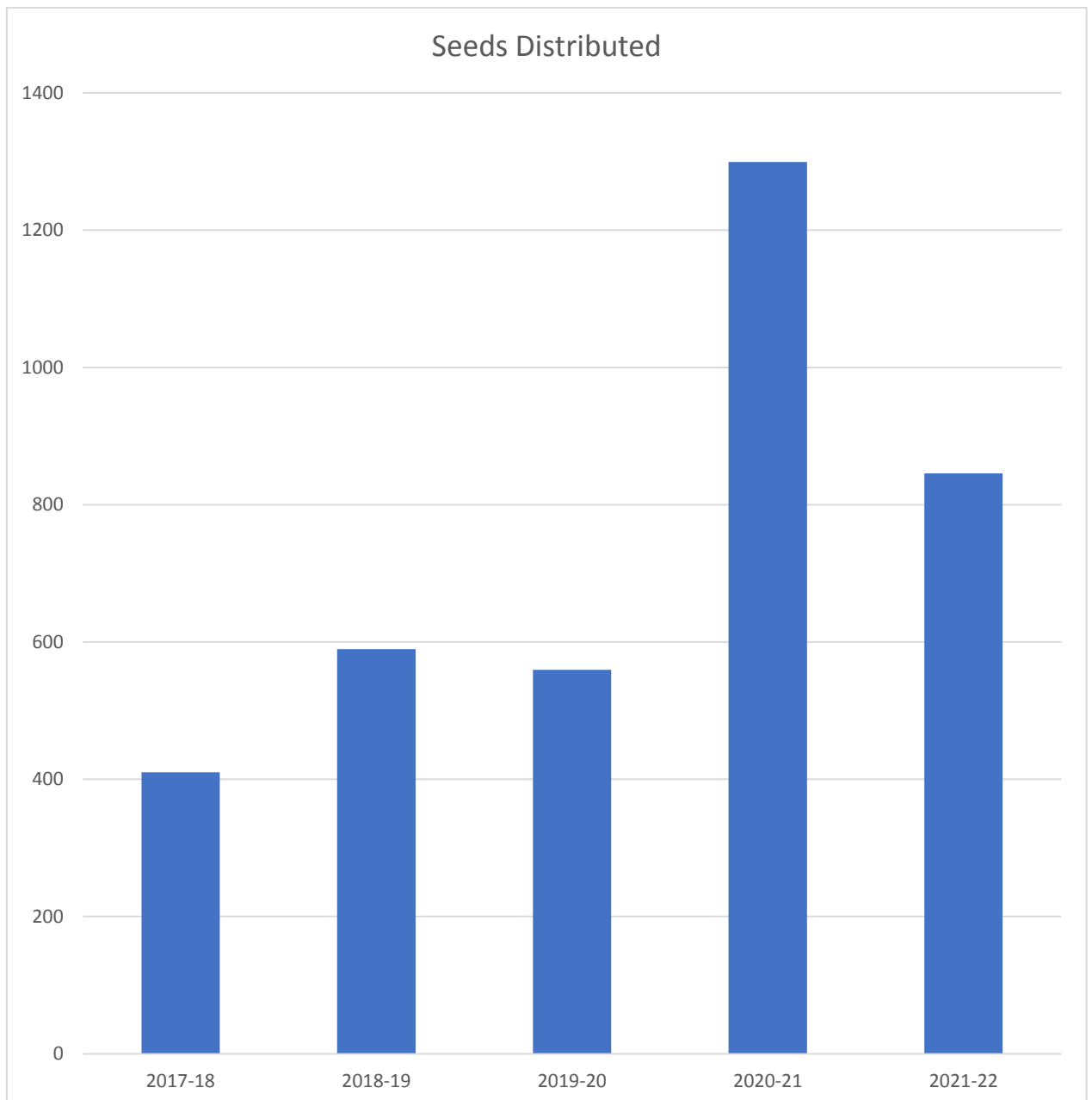
Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Fertilizer Distributed	4620.00	5129.50	4579.15	5100.90	2284.00



## SEEDS DISTRIBUTION

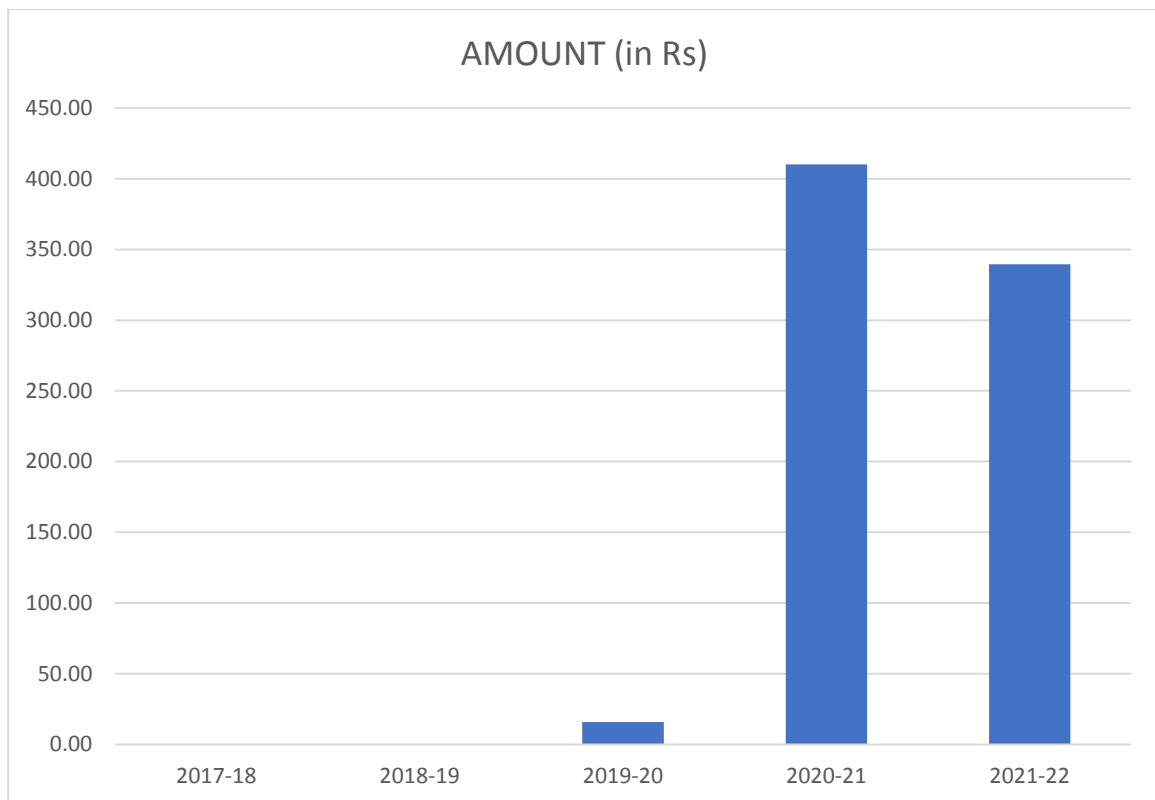
(in Qtls)

Sl. No.	PARTICULARS	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
1	Seeds Distributed	410.15	589.47	559.47	1299.47	845.78



## Oilseeds Procurement (Ground Nut)

SL NO.	NAME OF THE YEAR	AMOUNT (in Rs)
1	2017-18	0.00
2	2018-19	0.00
3	2019-20	1583138.00
4	2020-21	41006058.00
5	2021-22	33961768.75



## **CHAPTER-V**

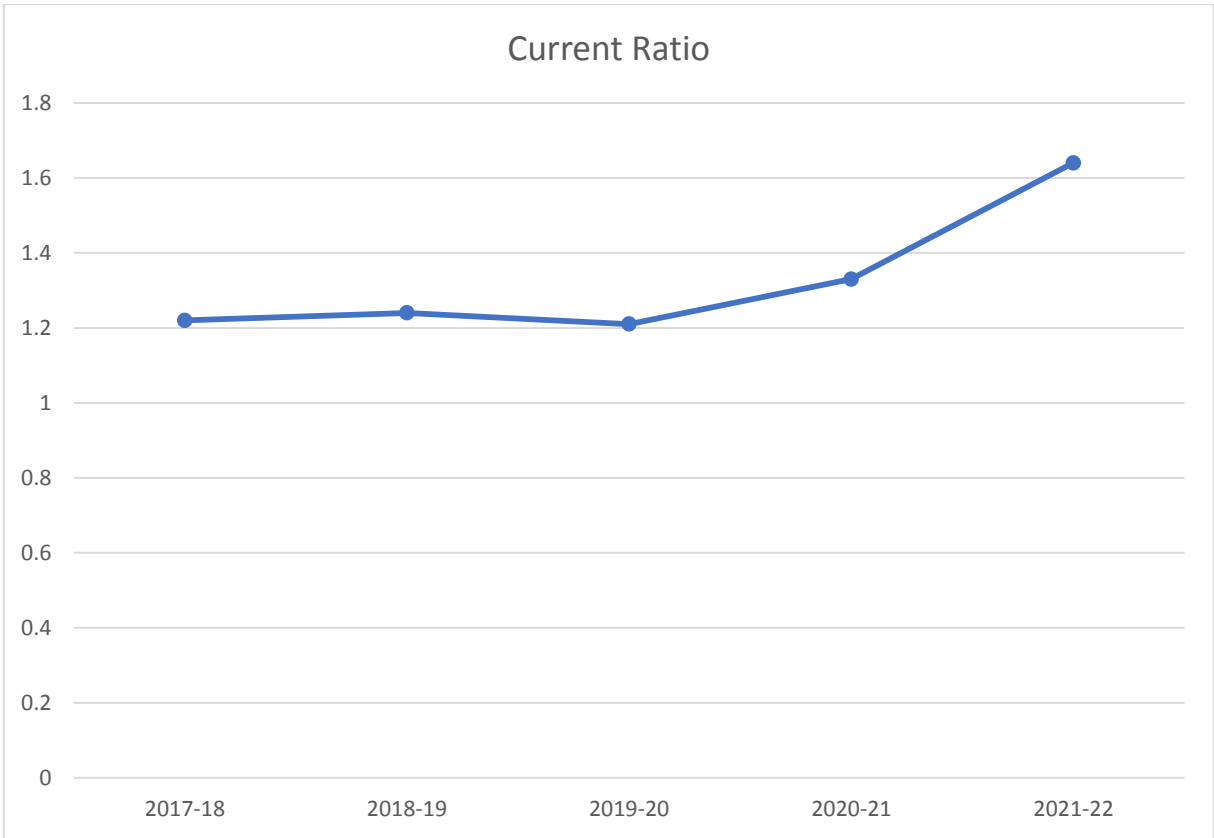
### **5.1 Analysis of Financial performance of the TWO LAMPCS**

The main function of the service cooperative societies are to provide loans to its members and carry out such activities like sale of paddy, fertilizers, PDS business as well as paddy procurement for the benefit of its members. Hence proper flow of funds would indicate the trustworthiness of the business which can be judged through various prescribed financial ratios.

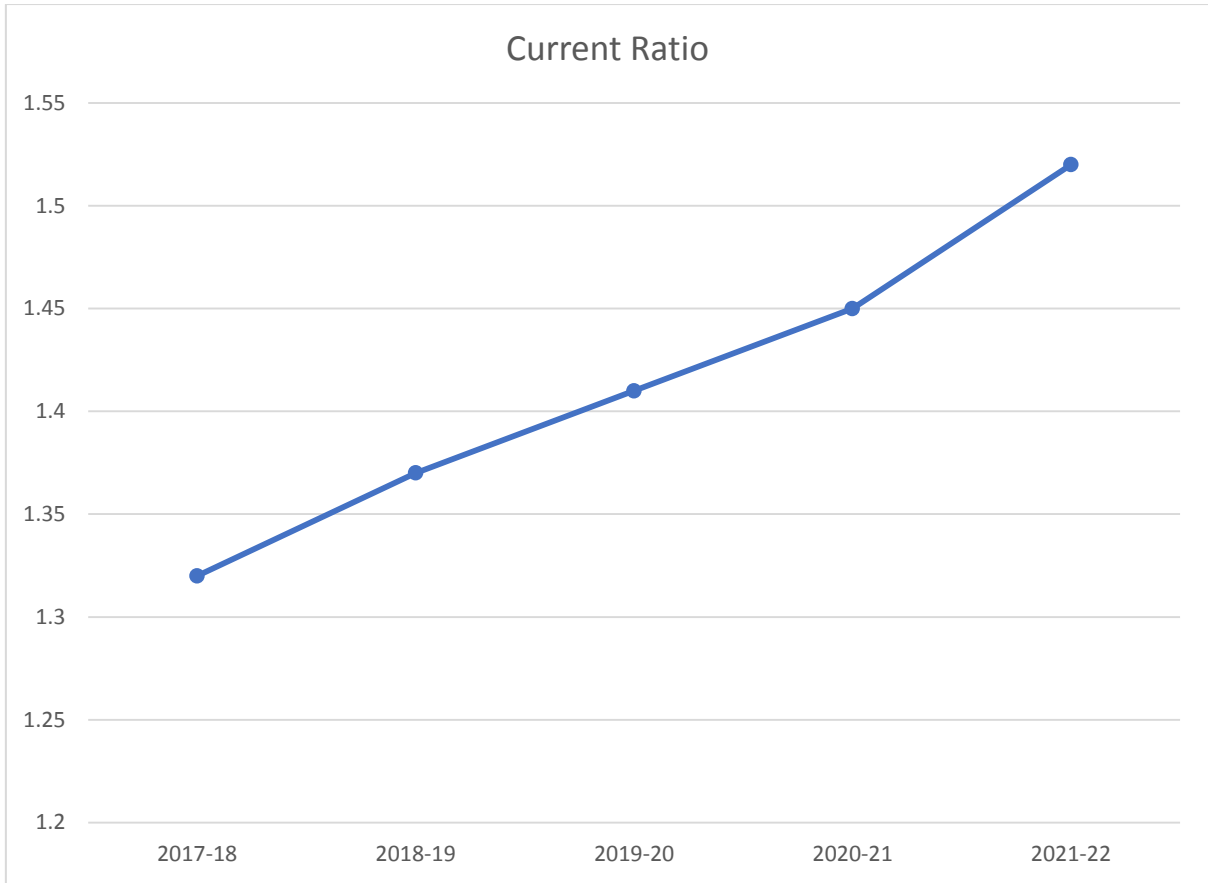
To carry out the study on various financial indicators, five years financial audited accounts of the society have been taken into consideration. Ratio analysis is used to analyse the data and get insights on the working of the two LAMPCS.

#### **1. Current Ratio**

### **MATHILI LAMPCS**



## KALIMELA LAMPCS

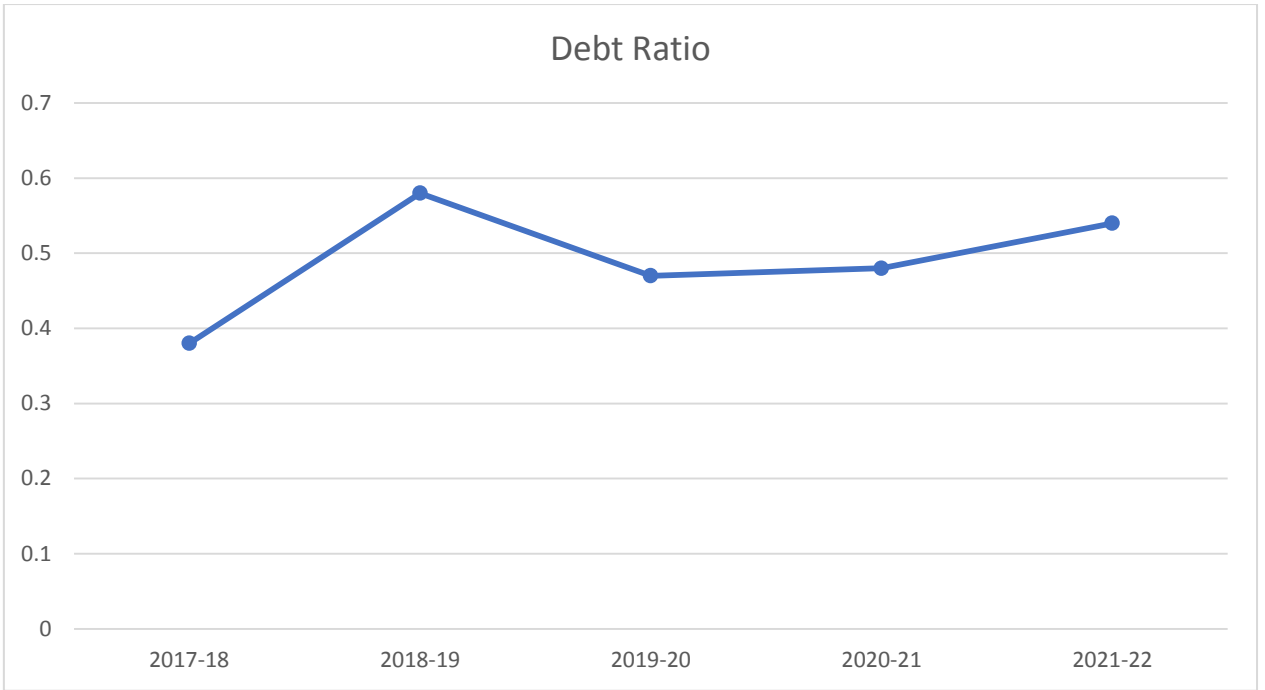


**Observation:**

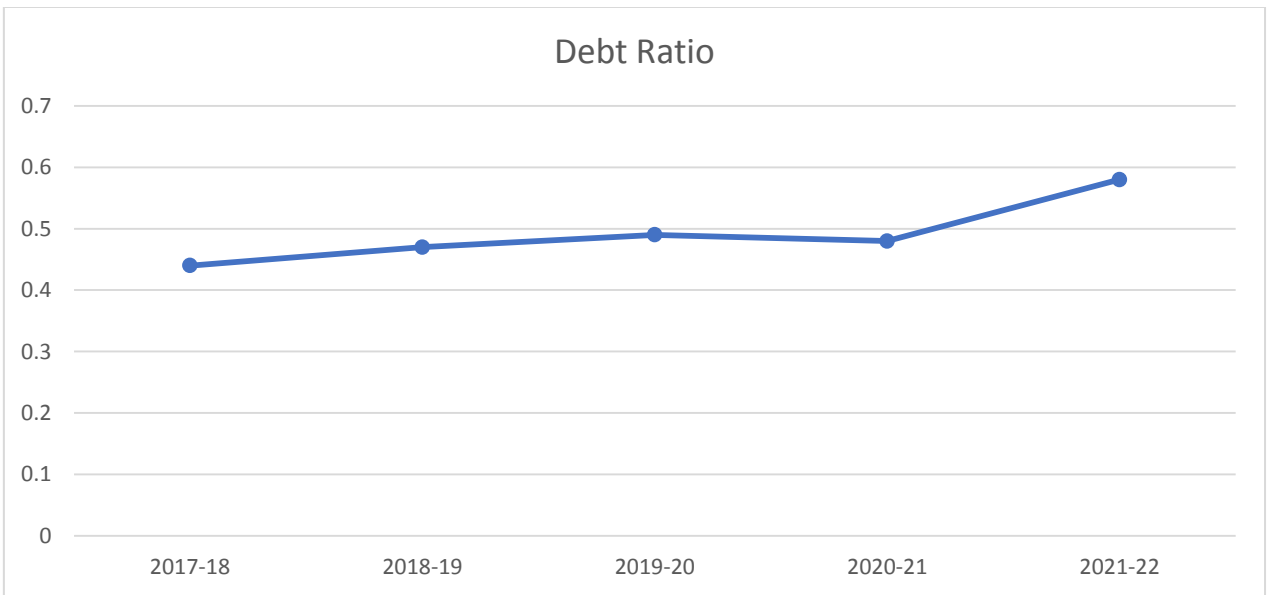
Current ratio is in increasing trend and shows that the LAMPCS are well positioned to meet any short-term obligations.

**2. Debt Ratio**

**MATHILI LAMPCS**



### KALIMELA LAMPCS

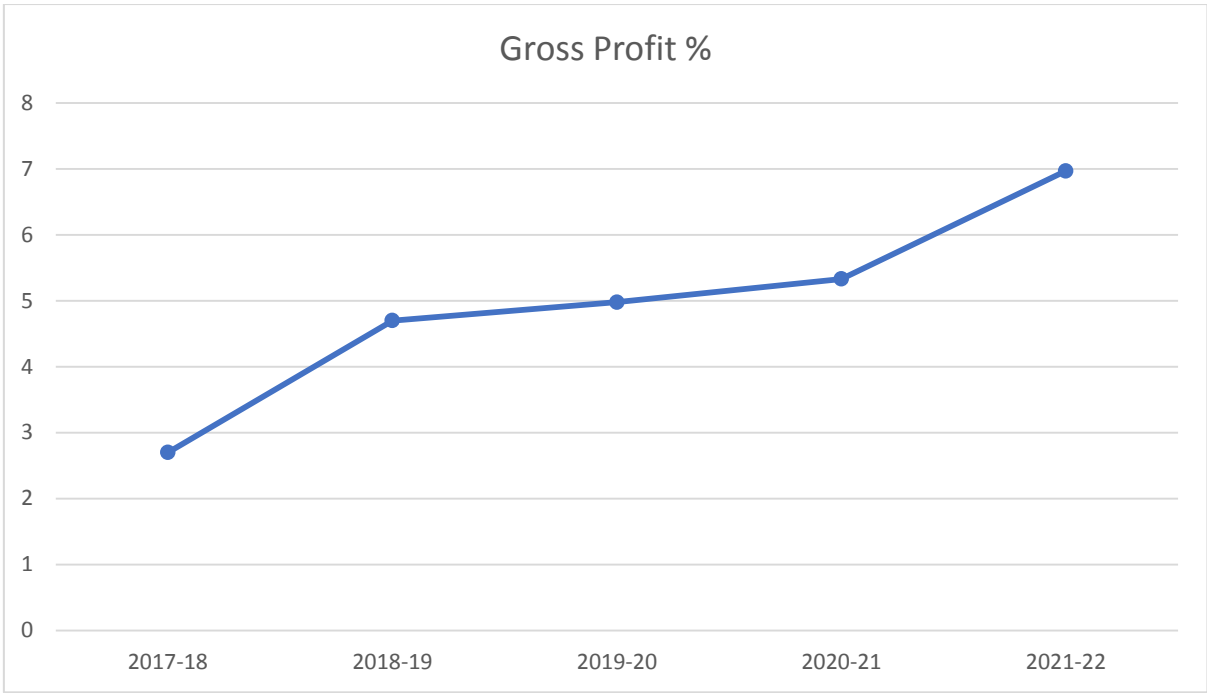


**Observation:**

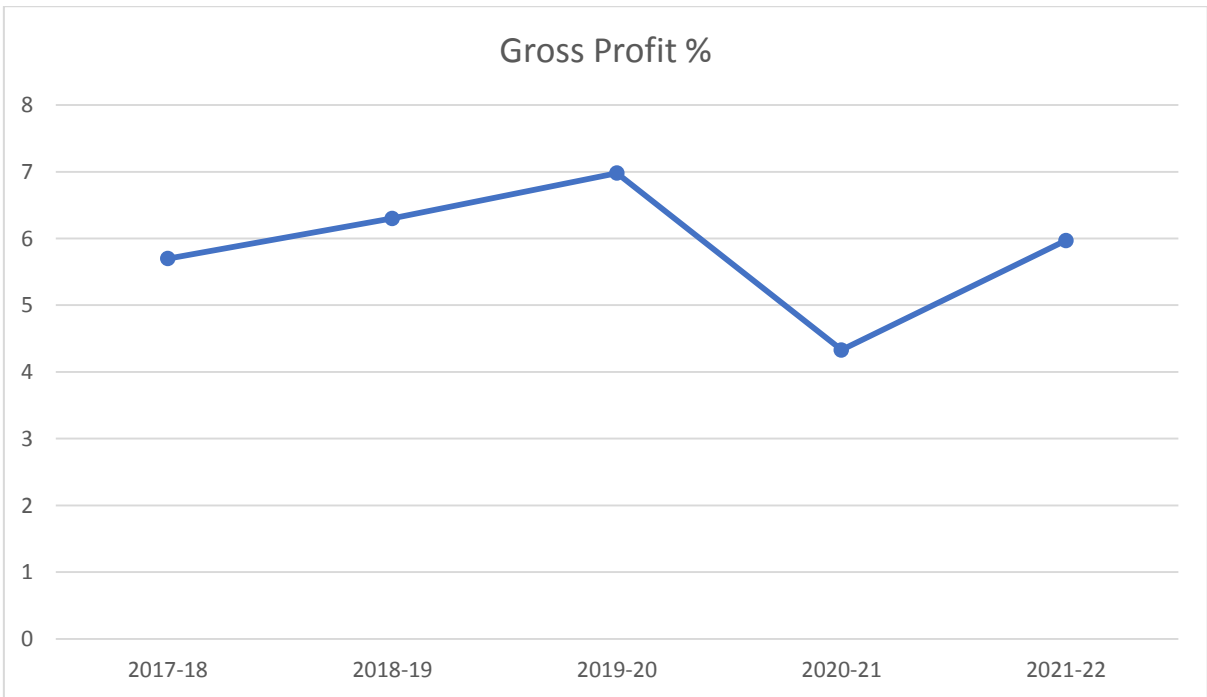
The LAMPCS have a high Debt ratio, considered to be “highly leveraged”. This shows most of it’s assets are financed through debt and not equity.

### 3. Gross Profit %

### MATHILI LAMPCS



**KALIMELA LAMPCS**



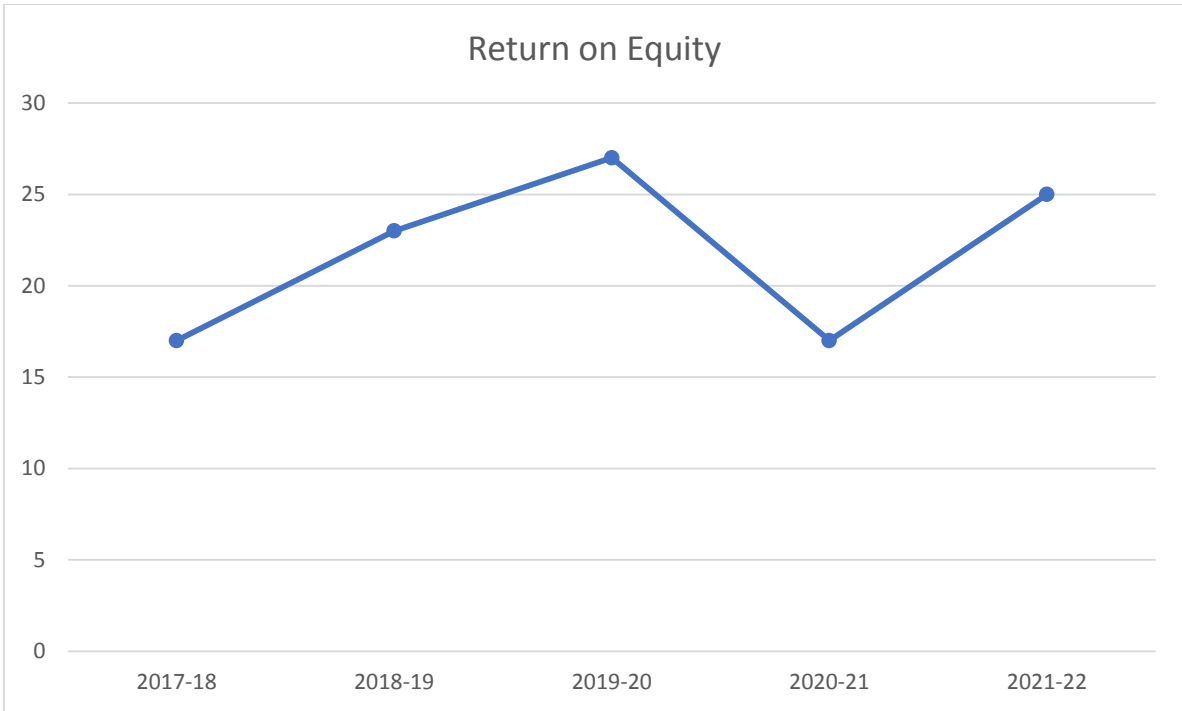
**Observation:**

The gross profits are on increasing trend baring 2020-21 due to covid. This shows the LAMPCS have managed the resources efficiently.

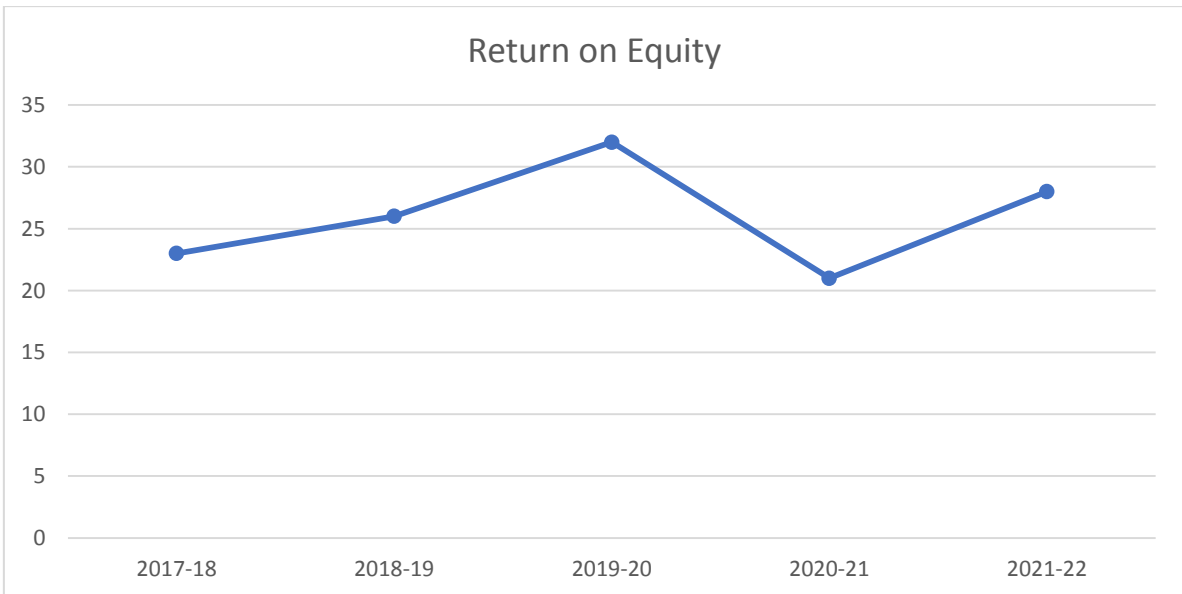
**4. Return On Equity**

**MATHILI LAMPCS**





### Kalimela LAMPCS

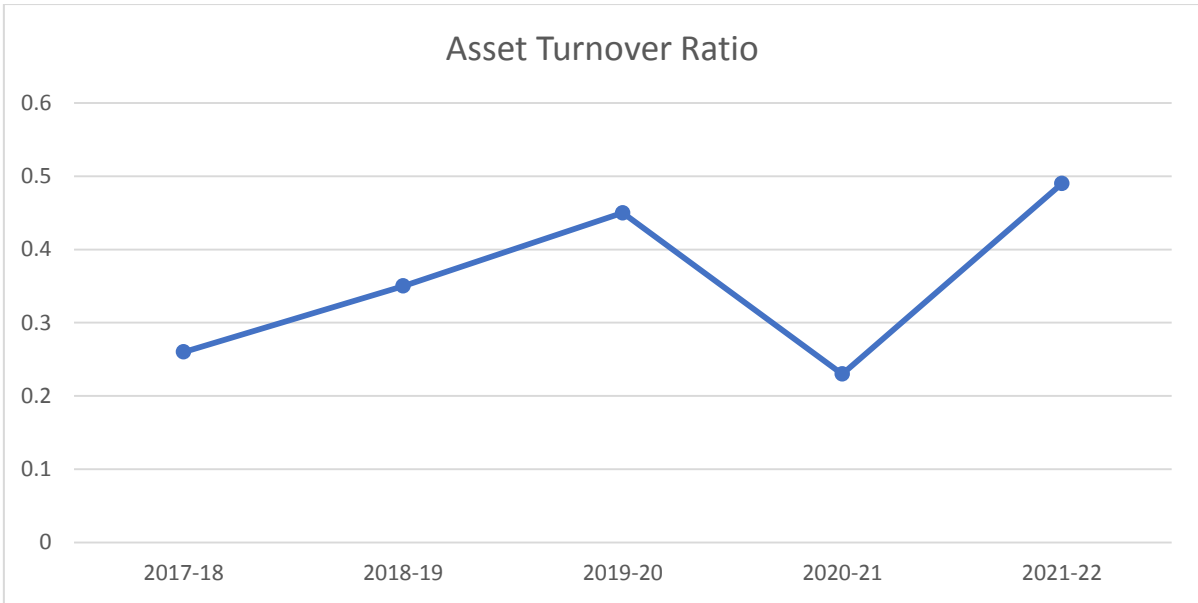


**Observation:**

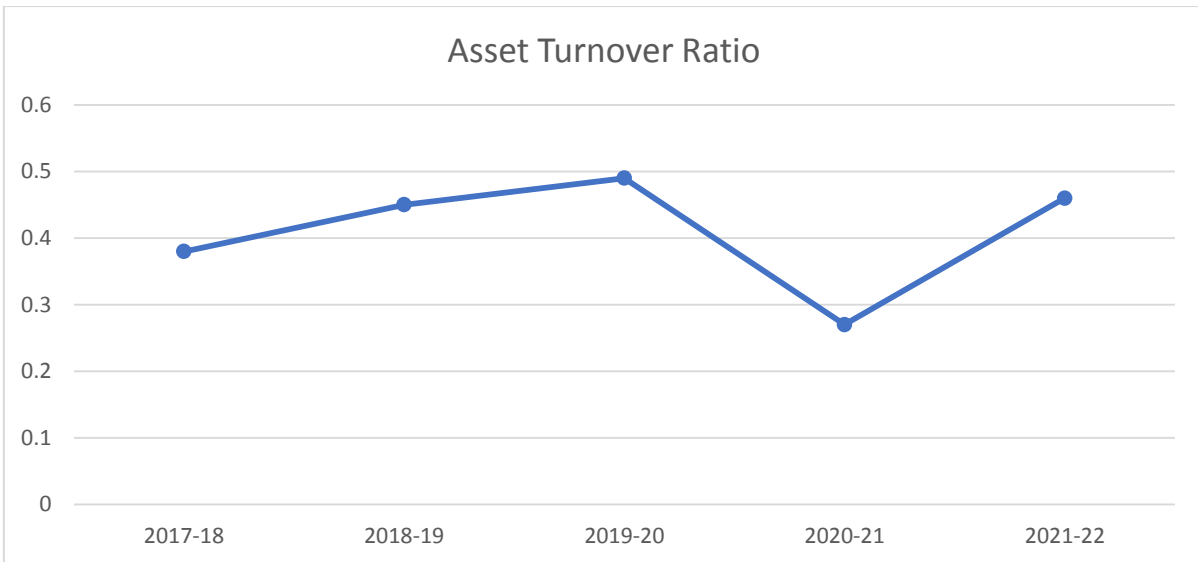
This increasing ratio shows the efficiency of the LAMPCS in generating returns for the members of LAMPCS. This shows the efficiency of the management.

### 5. Assets Turnover Ratio

#### MATHILI LAMPCS



### KALIMLELA LAMPCS



**Observation:**

The ATR is in increasing trend. This shows the efficiency of the LAMPCS in using its assets to generate revenue. ATR is below one as the LAMPCS have invested money to maintain inventory to meet its supply.

## CHAPTER - VI

### 6.1 Major Findings

The success of Scheduled Tribes Co-operatives is the institutional aspect is appraised by analysing the socio-economic benefits enjoyed by the members. For this, data were obtained from the financial statements of the societies choose for detailed study. Discussions with government officials, Presidents and Managing Directors of the two Tribal co-operative societies were also made as part of the study. The current study is conducted with the principal objective of assessing the performance of co-operative societies functioning and suggests measures to overcome the problems encountered by the societies.

1. Current ratio is in increasing trend and shows that the LAMPCS are well positioned to meet any short-term obligations.
2. The LAMPCS have a high Debt ratio, considered to be “highly leveraged”. This shows most of it’s assets are financed through debt and not equity.
3. The gross profits are on increasing trend baring 2020-21 due to covid. This shows the LAMPCS have managed the resources efficiently.
4. This increasing ratio shows the efficiency of the LAMPCS in generating returns for the members of LAMPCS. This shows the efficiency of the management.
5. The ATR is in increasing trend. This shows the efficiency of the LAMPCS in using its assets to generate revenue.
6. Financial assistances to the LAMPS co-operatives by the government are fixed not on the basis of properly prepared projects.
7. The share of adult females in the tribal population is more than that of the adult males. But in the membership of co-operatives the share of adult males is much higher than the share of adult females. So, there is male domination in the membership of co-operatives.
8. The low level of income of the members is the major reason for default in repayment.
9. Director Board and General Body meetings are not held regularly.
10. Sub-standard assets are on an increasing trend

## 6.2 Suggestions

1. To execute the public distribution scheme to remote tribal areas properly and efficiently and to mitigate the losses, government should bear the transportation costs, handling charges and shortages cost and other cost.
2. One central agency should collect and publish data relating to all the LAMP societies functioning in the state.
3. Proper training should be imparted to the members for undertaking technical work. If all the suggestions given above are genuinely and truthfully implemented, the LAMP Co-operative societies will reach their institutional objectives. An integrated approach to revamp and revitalize the Scheduled Tribe Co-operatives is a must.
4. More diversified activities like procurement of minor forest products like honey, wax, Kendu leaves can be taken up.
5. Regular meetings of directors and members should be conducted.
6. Consumer cooperative stores can be operated by the LAMPCS.
7. Regular audit should be conducted.

### **6.3 Conclusion**

Since tribal communities do not have the avenue for availing credit, or a place to store or sell their produce, a need for a multi-purpose entity was there. For the said purpose, formation of LAMPS was suggested by the Bawa Committee in 1973. In furtherance of the same, LAMPS were developed in almost all states. The majority of LAMPS were able to channel all kinds of necessary assistance to the tribal members and no other type of organisation were that effective in reaching out to indigenous peoples. Substantial assistance was provided through LAMPS by various schemes of both union and state governments as well as that of other agencies. Success stories of LAMPS are indicative of the need for maintaining as well as improving LAMPS which could lead to the sustainable development of communities.





