

# Cooperative Movements in Karnataka: Society Structure and Growth

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**How to cite this paper:** Mahesh Kumar M "Cooperative Movements in Karnataka: Society Structure and Growth" Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-3 | Issue-4, June 2019, pp.854-861, URL: <https://www.ijtsrd.com/papers/ijtsrd23736.pdf>



IJTSRD23736

## ABSTRACT

Cooperatives in India are playing an active role in the fields of banking. The cooperative movement has been till now limited to agriculture and its allied sectors. The new aim of India is to increase farmers' income by 2022 where 65% of population is dependent on agriculture. In rural areas, there are many landless and agriculture as occupation. Co-operative Movement in Karnataka has originated from the co-operative experience all over the world. Different types of co-operatives developed in different countries of the world and are adopted India and Karnataka. The Cooperative Societies can be defined as an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. This study aims at the cooperative movements in Karnataka and In this paper We shall also discuss about the cooperative societies structure and growth on the basis of share capital.

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**Keywords:** Cooperative Structure, Co-operative Movement, current status and functions of cooperatives, etc

## INTRODUCTION

The greatest challenge to any civilized society is the economic deprivation it harbours, in league with social deprivation. This principle is germane to the cooperative management in the Country and Karnataka in particular, which encompasses the basic human feeling of self-worth as its core. The Department of Co-operation is a vital Department of the Government of Karnataka.

The Department functions in close co-operation and co-ordination with various other Departments connected with the implementation of socio-economic plans and schemes.

The Department of Co-operation oversees the administration and functioning of various Co-operative Institutions namely Textiles, Sericulture, Industries, Animal Husbandry, Fisheries, Sugar, Horticulture, Agriculture and Irrigation and also assist the societies financially besides providing technical guidance and input. The cooperative strategy goes deep into the realms of building financial capabilities and self-confidence especially among the rural poor.

## Cooperative Societies

The Cooperative Societies can be defined as an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise". India is an agricultural country and laid the foundation of World's biggest cooperative movement in the world. The need for profitability is balanced by the needs of the members and the wider interest of the community, the Cooperative Movement was started by the weaker sections of society for protecting its members from the clutches of profit hungry businessmen. Here, we are giving a brief

summary of the Cooperative Movement and Cooperative Societies in India for general awareness.

Hence, we can say that the Cooperatives Movement was awakening movement for peasants and farmers as well as agriculture and its allied activities. It has immense potential to deliver goods and services in areas where the government and private sector failed to reach.

## METHODOLOGY AND DATA SOURCE:

The study mainly depends on secondary data and it has been collected from the books and records of the society. Secondary data was collected by various sources like books, research articles, journals and report.

## The present study was undertaken with the following objectives:

1. To study the cooperatives movements in Karnataka
2. To study the structure of cooperative society in Karnataka
3. To know the growth of the cooperatives society in karnataka

## COOPERATIVE MOVEMENT:

The Co-operative Movement in India took birth in 1904 by the enactment of Co-operative Societies Act 1904 and after

making a long journey it has entered into the new millennium with lots of hopes and expectations.

Two movements in the last century had a cascading effect on the well being of the vast population of this country. The independence movement got India rid of foreign yoke. Soon it was realized that political freedom had no meaning unless the country enjoyed the fruits of sustained economic growth. Independence movement was the movement of the people. And so has been the cooperative movement. Enshrined in both the movements had been the urge and aspirations of the teeming millions of India – small and marginal farmers, landless laborers, workers, members of the weaker sections of the community viz. handloom weavers, fishermen, artisans etc. who were otherwise steeped in poverty and deprived of the means and fruits of an economic upsurge for centuries. The post independence era witnessed the saga of human struggle not only to better the lot of the poor people but also to ensure equitable distribution of wealth and in these endeavor cooperatives had a crucial role to play.

People from various classes assembled under the umbrella of cooperatives. It green (agriculture), white (dairy), yellow (poultry) and blue (fishery) revolutions, their success depended on the vast cooperative network spread in the nook and corner of the country. The age old institution of money lenders crumbled under the weight of credit cooperatives and banking institutions in rural and urban conglomerations. Spread of the movement in non-credit sector also followed in a big way. Right from the fifties of the 20th century, the country charted its course of economic development and chose mixed economy as the means to attain the goals.

The cooperative movement which has not been designated as a distinct sector even today had to fight its own battle and carve out a niche for itself in the economy. State participation in the financial set up of cooperatives became an integral part of the deliberate policy of the Government to promote cooperatives. Agricultural development became a major plank of the government. Cooperatives were to support the massive programmes for increasing agriculture production and creating suitable post-harvest facilities. The wide network of credit movement was assisted by non-credit cooperatives in various areas of socio-economic activities.

There was mushroom growth of cooperatives in credit and non-credit areas. Both credit and non-credit cooperatives had various tiers extending from primary to national levels. There was massive diversification of cooperatives in all spheres of the economy be it primary, secondary and tertiary sectors.

Today Cooperative Movement in India is the largest in the world. The movement has permeated all walks of life i.e., agriculture, horticulture, credit and banking, housing, agro-industries, rural electrification, irrigation, water harvesting, labour, weaker sections, dairy, consumers, public distribution system, international trade, exports, agri-business, human resource development, information technology.

#### **Co-operatives in Karnataka**

Karnataka has been in the forefront of Co-operative endeavours and has produced several outstanding

cooperatives. Sri Siddanagouda Sanna Ramanagouda Patil organized the first Agricultural Credit Coop.Society in 1905 in the village of Kanaginah in Gadag District.

#### **The Cooperatives in Karnataka have the following fundamental objectives and principles**

1. To inculcate the spirit of cooperators among the people in the State
2. To encourage people to promote cooperatives on a voluntary basis
3. To ensure that the cooperatives are formed and function on democratic principles
4. To ensure that the cooperatives in the state enjoy maximum autonomy
5. To ensure that the cooperatives are accountable to members
6. To ensure that the cooperatives function as useful instruments to bring about sustained improvement in the quality of life of their members.
7. To ensure that the cooperatives function as instruments for poverty alleviation and for the uplift of weaker sections of the society in order to pave way for establishing an equalitarian society
8. To encourage cooperatives to emerge as self supporting, economic service- oriented business concerns
9. To encourage cooperatives serve as multifunctional units
10. To encourage efficient deposit mobilization
11. To encourage efficient deployment of human resources
12. To achieve financial gains and to put mutual aim ahead of private interest
13. To provide equal opportunities to all the members
14. To encourage cooperatives to emerge as peoples bank
15. To prevent misuse by cooperators
16. To ensure independent audit
17. To infuse professionalism in the management
18. To serve towards national objectives
19. To have Cooperators among the Cooperatives

#### **COOPERATIVE SOCIETY MOVEMENT IN KARNATAKA**

The first co-operative society of our country was registered in 1905 at Kanaginahal village of Gadag district in Karnataka. Sri Siddanagouda Sannaramana Gouda Patil is considered as the pioneer in the co-operative movement as he is the founder president of the said co-operative society in our country

The Mysore Co-operative Societies Act 1959 is the first legislation in our state pertaining to the co-operative societies and has come into being from 25-05-1960.

Karnataka occupies third position in the co-operative movement in India. It has been playing an important role in improving the economic condition of people involved in co-operative movement and has spread to almost all sectors of economic activities, both in rural and urban areas.

Karnataka is the first state where in Agricultural loans through co-operatives are available at 3% which, is the lowest in the country. This facility is also extended to the loans borrowed by weavers and fishermen.

Loans are available, if borrowed through co-operatives, for self-help groups at 4%. Government of Karnataka is subsidizing the co-operatives by providing Interest- subsidy through budgetary provisions.

A new era of co-operative credit structure through self-governance and independent decision making has come in to being and it is hoped that the co-operatives will become

professionally efficient and financially viable in the years to come. The state has witnessed a tremendous growth in the Cooperative Sector.

### Highlights of the registered growth are as follows.

(Rs. in lakhs)

Year	No. of Societies	Membership (Actual)	Share Capital	Working Capital
1905-06	5	386	0.11	0.14
1925-26	1603	92,292	35.52	112.38
1950-51	5190	5,01,281	138.74	690.90
1975-76	22713	59,45,009	12,543.00	91,637.00
2000-01	29930	1,61,67,000	1,47,316.00	21,19,867.65
2005-06	32577	2,05,00,000	1,91,700.00	26,47,500.00
2007-08	33394	2,09,00,000	2,69,000.00	27,18,000.00
2008-09	34025	1,87,88,741	2,78,574.89	32,69,321.66
2009-10	34863	1,99,04,730	3,17,136.93	38,24,891.99
2010-11	35502	2,15,33,651	3,47,900.00	41,35,500.00
2011-12	36481	2,63,99,074	3,02,200.00	51,86,400.00
2012-13	37468	2,18,11,687	3,12,900.00	58,69,200.00
2013-14	38430	2,30,15,000	4,11,618.00	65,66,200.00
2014-15	39627	2,23,99,000	4,02,526.00	69,35,300.00
2015-16	40643	2,34,65,000	4,64,418.00	86,21,200.00
2016-17	41402	2,48,21,000	4,96,174.00	98,36,400.00
2017-18 (Tentative)	42543	2,28,85,000	4,519.79.00	109,66,600.00

### Scope and future of cooperative movement

The cooperative movement has been till now limited to agriculture and its allied sectors. In rural areas, there are many landless and agriculture as occupation. Either they will be agricultural labour or resort to allied activities. In the time period, the agriculture as an occupation has also shrunk and land holding became less because of population exposure. Thus, it is important to make more and more rural people understand that agriculture is not the only source of income for rural people.

Need for the Study The cooperative structure stands on a strong economic foundation and a sound social base. The economic logic behind formation of a cooperative and the spread of cooperative movement lies in the existence of glaring inequalities in the distribution of wealth and income and the need of moderating them through the principles of cooperation. The necessity of liberating people from the tyranny of exploitative practices is the social justification for cooperatives.

### Basic Statistics

Sl. No	Particulars	As on 31-03-2018 (Tentative)
1	No. of Cooperatives	42,543
	a) which working	37,516
	b) of which defunct	1,731
	c) of which liquidated	3,296
2	Share Capital (Rs. in crores)	4,519.79
	a) of which Govt	178.13
	b) of which Members	4,341.65
3	Membership	2,28,85,000
4	Working Capital (Rs. in crores)	1,09,666
5	Deposits (Rs. in crores)	64,200
6	No. of villages covered by co-operatives %	100%
7	No. of cooperatives under Profit	24,888
	No. of cooperative under loss	13,901

Co-operative institutions have played a vital role in the socio-economic development of the country, particularly in the rural areas and in agriculture and allied sectors. It is our firm belief and conviction that the Co-operative Institutions will continue to play a key role in the economic development of the country and will become more relevant in the changing economic environment of liberalization of globalization.

Cooperative Movement is wide spread in all the developmental sectors like Credit, Marketing, Consumers, Silk Industry, Dairy, Fishery, Horticulture, Sugar, House Building, Constructions of godown

## CO-OPERATIVES

### Vision

To promote and encourage the growth of self-reliant, autonomous and economically viable co-operatives through active participation of the members

### Mission

1. To take steps to see that genuine co-operatives are organized and managed on sound lines as per the basic principles of co-operation.
2. To render guidance and assistance for the development of co-operative movement in the state to promote the economic interest and welfare of the people.
3. To serve as a friend, philosopher and guide to all types of co-operatives.

### Objective of the cooperative

1. Strengthen the credit delivery system to the farmers through PACS and sustain the PACS by effective implementation of business development plan.
2. Extend health care facilities to all the members of rural cooperatives.
3. Encourage active participation of women and socially and economically backward sections of the society in the cooperative movement.
4. Strengthen the infrastructure and financial position of the cooperative societies with a district level integrated approach.
5. Modernize the office management for improved efficiency.

### Objectives and responsibility cooperatives

1. The primary objective of the Department of cooperation is to see that genuine cooperatives are organized and managed on the basis of sound cooperative principles for the promotion of economic interest and welfare of the people, and to render guidance and assistance for development of cooperative movement in the state.
2. Administering proper supervision and control on the registered co-operative societies based on the above objectives as per the provisions of the Karnataka co-operative societies Act and Rules.
3. Enforcement of the Government policy pertaining to Agricultural credit, Agricultural produce, Horticulture, Fisheries, Dairy, their marketing and processing and implementation of various schemes.
4. Providing share capital, loan, interest subsidy to the members of the credit, marketing, consumers, industries and various co-operative societies but also extending govt. guarantee to loans availed by state level Institutions.
5. Providing financial assistance for the upliftment of the SC/ST backward classes and minorities through the special schemes formulated by Government so that they can not only participate in the co-operative societies activities, obtain the various benefits but also come to the main stream of co-operative movement crossing the threshold.
6. Provide technical guidance for the implementation of the schemes formulated by the Government.
7. Collection and compilation of statistics of department as required by Central, State Government, RBI, NABARD etc.
8. To exercise proper control and supervision on the administration of various cooperative societies within the legal frame work of cooperative Acts and Rules.

### Regulatory Functions of the department

1. To organize and register various types of cooperative societies on the basis of principles of cooperation, formulating and registration of byelaws and rules for the effective functioning of these societies.
2. To ensure that the general body meetings and if required, special general body meetings are conducted, approve the resolutions made in these meetings within the frame work of cooperative Acts and Rules.
3. Appointment of election officer for conducting the election in order to elect the board members to the cooperative societies.
4. To supervise all types of cooperative societies and to ensure that these societies functions as per the provisions of Act and Rules.
5. Superceding and reorganization of Board in case the elected board functions against the provisions of the Act, Rules and Byelaws.
6. In addition to the disposal of the disputes arising with respect to constitution, working and management of cooperative societies also to perform statutory and quasi-judicial functions.
7. To perform statutory function by executing awards, decrees, orders and decisions pertaining to loan recovery.
8. To conduct Enquiry and Inspection with regard to irregular activities in co-operative societies.
9. Revival, Liquidation and cancellation of registration of defunct societies.
10. Inspection and control of business of chit fund organizations, Money lenders, Pawn Brokers under Chit fund Act, Money lenders Act, Pawn Brokers Act and Rules.
11. Register societies and institutions under Karnataka Societies Registration Act 1960 and to implement the Act.

### Acts and Rules implemented by Co-operation Department.

1. Karnataka Co-operative Societies Act, 1959 and Rules, 1960.
2. Karnataka Moneylender Act, 1961 and Rules, 1965.
3. Pawnbroker Act, 1961 and Rules, 1966.
4. Chit fund Act, 1982. and Chit fund (Karnataka) Rules 1983.
5. Karnataka public money (recovery of Dues) Act 1980.
6. Karnataka Agricultural credit operations and Miscellaneous Provisions Act 1974
7. Karnataka Souharda Co-operative Act, 1997 and Rules 2004.
8. The Karnataka Prohibition Of Charging Exorbitant Interest Act, 2004.
9. Multi - State Co-operative Act (in part)..

### Organizational Structure of the Department

The Department at the Government level has a secretariat and a five tier field department comprising of the State, region, district, sub-division and taluka levels. The field officers of the cooperation department are not only in charge of regulating the affairs of divisional, district and taluk level co-operatives but also implementing the departmental programmes and schemes.

Secretariat

The Department of Co-operation at the Government level is headed by a Minister of cabinet rank. The Principal Secretary

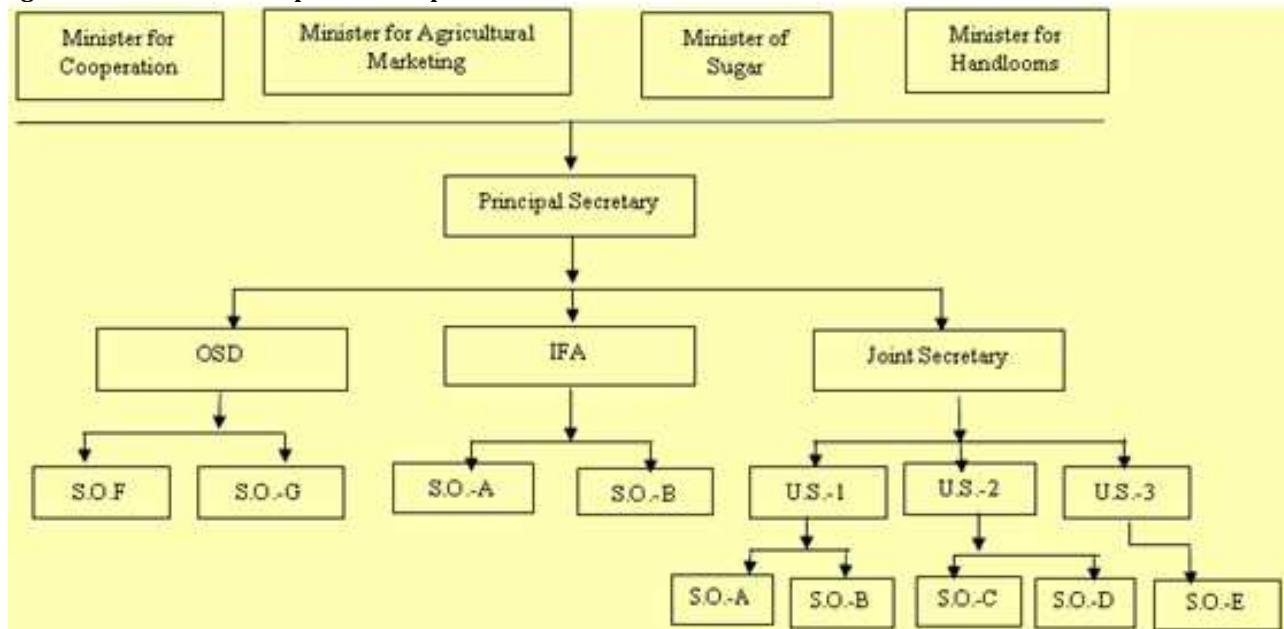


to Government, Department of Co-operation, looks after the working of the Departments of Co-operation, Co-operative Audit, Agriculture Marketing and the State Warehousing Corporation. The department of co-operation at the Secretariat is responsible for policy making, planning, budgeting and for providing other support services to the co-operative sector. It provides norms and broad guidelines for strengthening and consolidating the growth of co-operatives. It liaises with Planning, Finance and other departments and with the Government of India. It is the appellate authority under the KCS Act and Rules. Government is also the appointing and disciplinary authority in respect of the officers of these departments.

**State Head Quarters:**

The Registrar of Co-operative Societies is the Head of the Department of Co-operation. He is also the Registrar General of Money Lenders and Pawn Brokers and the Registrar of chits. He functions as the Registrar General under Karnataka Societies Registration Act 1960 with effect from 07-05-2008. exercises statutory powers under the KCS Act 1959, the Karnataka Money Lenders Act 1961, Karnataka Pawn Brokers Act 1961 and Chit Funds Act 1982. The Registrar of Co-operative Societies is the Government’s nominee on the boards of Apex level Co-operatives such as the Karnataka State Co-operative Apex Bank, the Karnataka State Co-operative Agriculture and Rural Development Bank, the Karnataka Cooperative Milk Producers Federation, the Karnataka State Co-operative Marketing Federation, the Karnataka State Co-operative Federation etc.

**Organization chart of Co-operation Department**



**State, Regional, District and Sub-divisional level:**

The powers of the Registrar have been delegated to the Additional Registrars and Joint Registrars in the Head Office, 4 Regional Joint Registrars of Co-operative Societies, 33 District Registrars of Co-operative Societies and 52 Assistant Registrars of Co-operative Societies based on the registered jurisdiction of the cooperatives. These officers exercise statutory and administrative control over the co-operatives in accordance with the powers delegated to them and accordingly register, amalgamate, liquidate co-operatives, amend their byelaws, inspect the co-operatives, function as quasi judicial authorities and perform all other statutory duties.

The District Deputy Registrars also function under the control of the Zilla Panchayats in so far as the implementation of the District sector Plan Schemes are concerned. The sub-divisional Assistant Registrar of Co-operative Societies are responsible for the implementation of the State Plan Schemes and the District Sectors Plan Schemes. For implementation of plan schemes of the District Sector, they work under the supervision of the Taluk Panchayats. There are 131 Co-operative Development Officers and 109 Co-operative Inspectors to assist the sub-divisional Assistant Registrars.

**Head Office**

The Head Office located in Bangalore, has been structured on functional and sectoral lines with reference to the types of co-operative societies. The department is headed by the Registrar of Co-operative Societies. He is the Chief Administrator of the department. He is assisted by four Additional Registrar of Co-operative Societies, four Joint Registrar of Co-operative Societies, three Deputy Registrar of Co-operative Societies, one statistician of the cadres of Assistant Director and Assistant Registrar of Co-operative Societies and supporting staff.

**Head Office consists of the following wings:-**

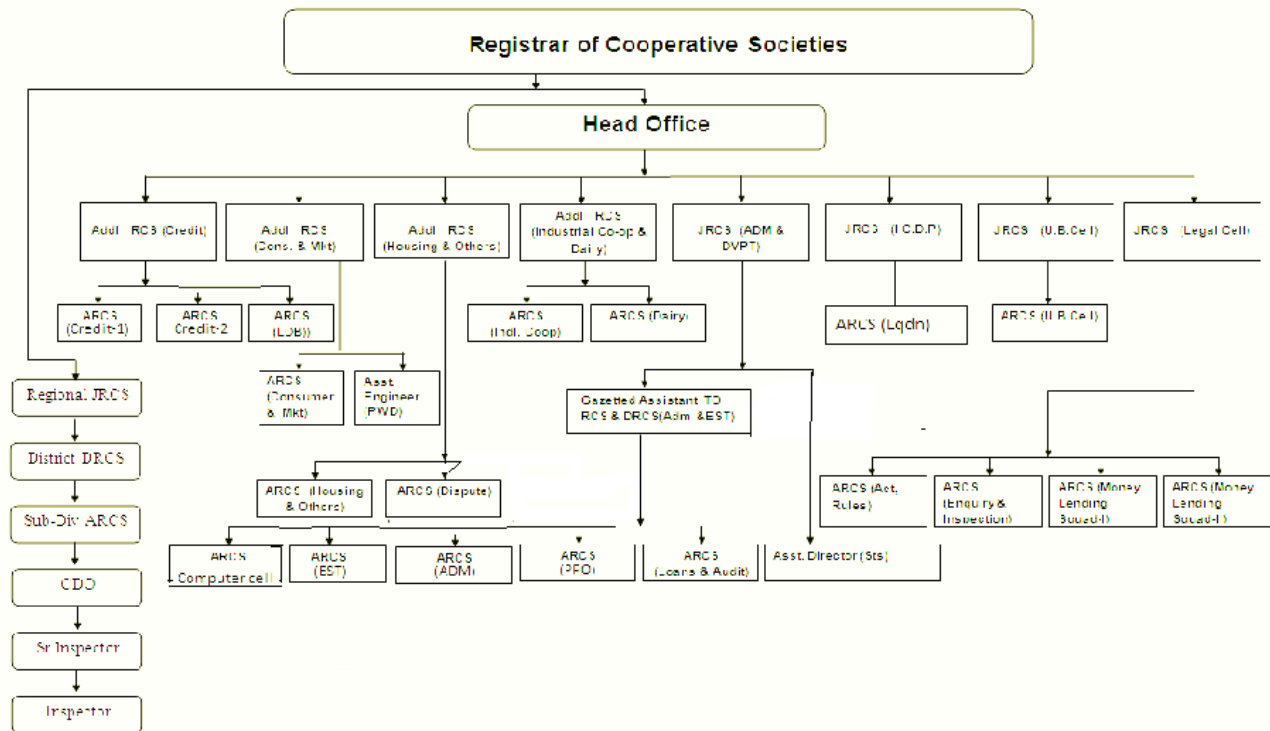
1. Credit.
2. Consumers and Marketing.
3. Housing and Miscellaneous.

4. Industrial And Dairy Co-operatives.
5. Administration and Development.
6. Urban Banks.
7. Enquiry and Inspections.
8. Integrated Co-operative Development Project.

The first four wings are headed by Additional Registrar of Co-operative Societies and the other wings by Joint Registrar of Co-operative Societies.

All these wings assist Registrar of Co-operative Societies in managing the department with reference to various provisions of KCS Act and rules and the implementation of various departmental programs sponsored by the government. The Registrar of Co-operative Societies has not only to administer the Co-operative societies Act and Rules but also to implement the Karnataka money lenders Act and Rules, the Karnataka Pawn Brokers Act and rules and Chit fund Act and rules.

### Organizational Structure of the Registrar of Cooperative Societies, in Karnataka,



### Regional Office

There are four Regional Offices corresponding to the revenue divisions of Bangalore, Mysore, Belgaum and Gulbarga. The Regional Offices are located in Bangalore, Mysore, Belgaum and Raichur respectively. Each Regional Office is headed by a Joint Registrar of Co-operative Societies directly reporting to Registrar of Co-operative Societies. The Joint Registrar of Co-operative Societies in charge of Regional Office exercise powers as per the powers delegated to them.

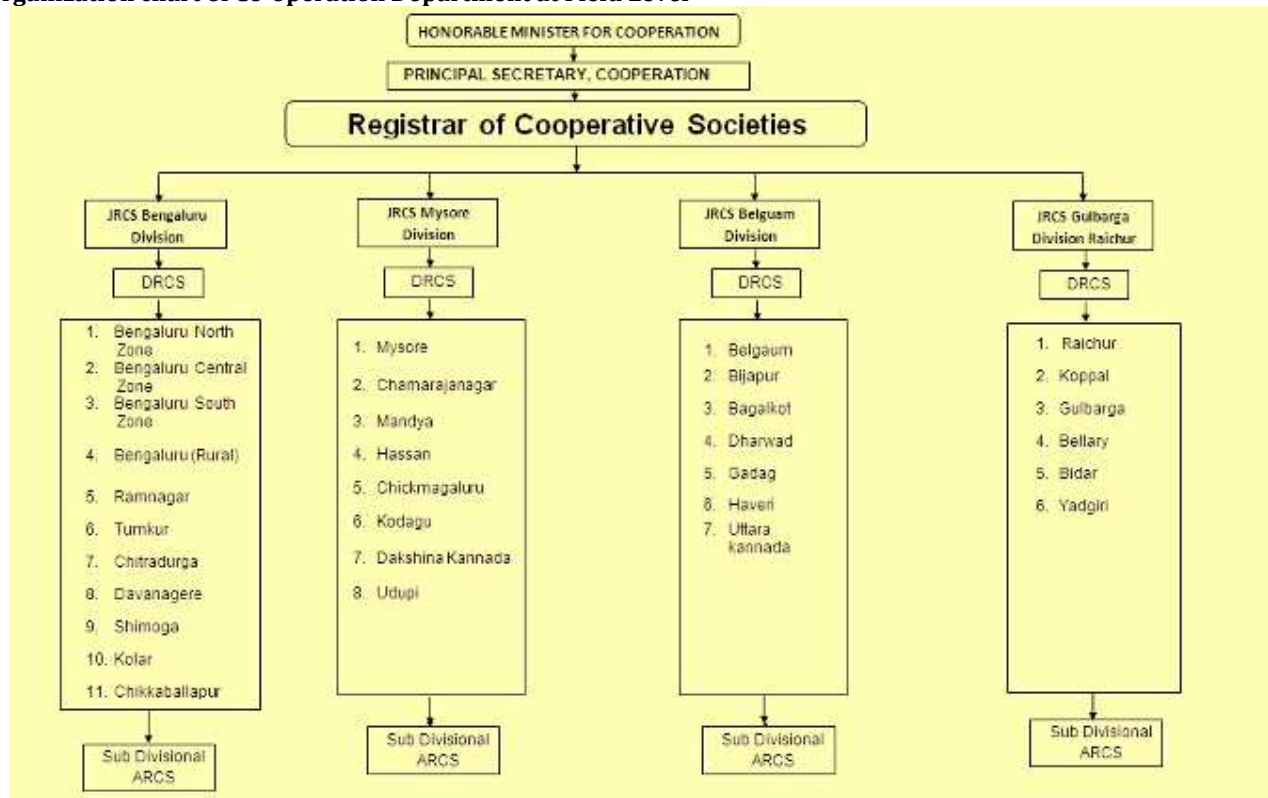
### District Office

Each district office is headed by a Deputy Registrar of Co-operative Societies reporting to the concerned Regional Joint Registrar of Co-operative Societies. Bangalore urban district has been bifurcated into three Deputy Registrar of Co-operative Societies for the sake of administrative reasons. The Deputy Registrar of Co-operative Societies in charge of district office is Register under the Co-operative societies Act, Money lenders Act, Chit Act, and the Pawn Brokers Act, Karnataka Societies Registration Act.

### Sub-Divisional Office

In the state, there are 52 sub divisional offices headed by Assistant Registrar of Co-operative Societies. They directly report to the concerned Deputy Registrar of Co-operative Societies and perform functions delegated to them by the Registrar of Co-operative Societies.

Taluk level Office Considering the increasing work load and diversified responsibilities of the department, the need for establishing separate offices at the taluk level was felt and an office was set up at each taluk. Every taluk office is headed by a Co-operative Development officer.

**Organization chart of Co-operation Department at Field Level****Initial Stages of Co-operative Movement**

The Co-operative Movement in the old Mysore area was first introduced in 1905 when the first Mysore Co-operative Societies Act was passed. The progress of the movement was slow up to 1910-11. However, in the course of the next few years, there was rapid development. There were 111 societies with a membership of 9,043 and a working capital of Rs.3.71 lakhs at the close of 1910-11. By the end of financial year 1914-15, there were 725 societies with a membership of 56,267 and their working capital went up to Rs.30.85 lakh.

**Need for a Separate Provincial Bank**

During the period when the Co-operative Movement was introduced, the need for an Apex Bank to finance the societies was not felt since most of the earlier societies, which were started, were non-agricultural societies and they were carrying on their activities out of the meager resources raised by them. But after the year 1910-11, the number of societies increased and at the end of the year 1914-15, there were 725 societies and out of which 661 were agricultural credit societies. With the increase in the number of societies, the need for starting a special agency for financing the societies arose. As already indicated above, the Bangalore Central Co-operative Bank was already in the field and was financing some societies to a small extent. Subsequently, however, another institution more or less similar in nature with the jurisdiction of Mysore District called the Mysore District Co-operative Central Bank was registered. This was followed by another type of institution known as 'Unions', which was designed to work as a permanent link between the primary societies at the base and the central bank at the top. The jurisdiction of the unions extended over a taluk and their main functions were to mainly inspect and supervise the co-operative societies in the taluk and also to finance them partly by raising deposits and partly by borrowings from central banks. But since their utility to the movement

as a whole was far from satisfactory on account of their limited area of operations and lack of resources, the 'Unions' were wound up in the next few years by an order of Government in December 1924.

**Starting of the Provincial Co-operative Bank**

Against this background, the Mysore Provincial Co-operative Bank came into existence. Though this Bank was registered on 10-11-1915, it actually commenced its work in 1916. The Bank was started with the objective of financing, inspecting and supervising the co-operative societies in the Mysore State. Subsequently, several district co-operative central banks with the jurisdiction of a district were registered. Five such district central banks were started. But their working was not satisfactory and they became defunct. As such, the provincial bank started financing the societies directly. Besides, granting of loans, the Bank served as an outlet for investment of the surplus funds of the co-operative societies in the State. The Bank thus began acting as the balancing centre of the Co-operative Movement in the State, safeguarding its interests.

**Reorganization of Provincial Co-operative into an Apex Bank**

As already stated above, there were two provincial co-operative organizations working on similar lines and with the same aims and objects, namely (1) The Mysore Provincial Co-operative Bank, (2) Bangalore Central Co-operative Bank. This was an anomaly, which led to mutual competition unnecessarily in the matter of financing of co-operative societies. In order to remove this anomaly and to have only one institution as an Apex institution exclusively for financing the co-operatives in the State, the Government appointed an Enquiry Committee known as the Mysore Co-operative Enquiry Committee, 1920-22 presided over by Mr Lallubhai Samaldas.

The Committee after reviewing the position of these two banks, made the following three alternative recommendations to the Government.

- 1) To amalgamate the Mysore Provincial Co-operative Bank and the Bangalore Central Co-operative Bank.
- 2) To create a new Apex Bank.
- 3) To convert the Central Co-operative Bank into an urban bank dealing only with the individuals and to reorganize the Provincial Co-operative Bank into a new Apex Bank.

The Bangalore Central Co-operative Bank opposed the amalgamation with the Provincial Co-operative Bank. Thus, the creation of a new Apex Bank was out of question. The Government therefore accepted the third suggestions made by the Committee.

Accordingly, the Government passed orders on 14/15.9.1925 permitting the Mysore Provincial Cooperative Bank to get itself converted into an Apex Bank with the jurisdiction extending over the entire State for financing the co-operative societies exclusively and the Bank thereafter was named as the Mysore Provincial Co-operative Apex Bank Ltd., popularly known as "Apex Bank".

### PRINCIPLES OF CO-OPERATION

#### ➤ Voluntary & Open Membership

Cooperatives are voluntary organizations, open to all persons capable of using their services and willing to accept the responsibilities of membership, without discrimination on the basis of gender, social status, racial, political ideologies or religious consideration.

#### ➤ Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and decision making. Elected representatives of these cooperatives are responsible and accountable to their members.

#### ➤ Member's Economic Participation

Members contribute equitably and control the capital of their cooperative democratically. At least a part of the surplus arising out of the economic activity would be the common property of the cooperatives. The remaining surplus could be utilized benefiting the members in proportion to their shares in the cooperative.

#### ➤ Autonomy & Independence

Cooperatives are autonomous self-help organizations controlled by their members. If cooperatives enter into agreement with other organizations including government or raise capital from external sources, they do so on the terms that ensure democratic control by members and maintenance of cooperative autonomy.

#### ➤ Education, Training & Information

Cooperatives provide education and training to their members elected representatives and employees so that they can contribute effectively to the development of these institutions. They also make the general public, particularly young people and leaders aware of the nature and benefits of cooperation.

#### ➤ Cooperation among cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together

through the available local, regional, national and international structure.

#### ➤ Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

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