

**A Project report submitted to the Vaikunth Mehta National
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**A STUDY OF SOUHARDA COOPERATIVE MOVEMENT (SELF
RELIANT) IN KARNATAKA AND KARNATAKA STATE SOUHARDA
FEDERAL COOPERATIVE LTD., BENGALURU – A CASE STUDY**

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CHAPTER I

INTRODUCTION

Cooperation as socio economic sector for the well being of the community has been inherent in the world. Cooperatives all over the world came into existence owing to the market failure and state failure from exploitation of human beings and people left to mend themselves by coming together to ease some of their economic problems. The cooperative sector emerged spontaneously as people movement for achieving common objectives in developed countries.

The spirit of cooperation is “LOKA SAMGRAHA” which stands for the unity of the world, where cooperation is a way of life and discipline i.e., living and working together. Robert Owen from England, father of Cooperative movement proposed ideals of cooperation in his Report on the poor”, who believed that living status of human beings is based on ‘Doctrine of Circumstances’. The foundation of cooperation is “Each for All, all for Each”.

Robert Owen’s ideals, principles and values of cooperation influenced the people and made massive impact in Europe through formation of various cooperatives. Accordingly, the first consumer cooperative society emerged in 1844 by 28 weavers with 28 pound called ‘Rochdale Equitable Pioneers Society’.

The cooperative sector as it exists today in India can be traced back towards the end of 19th century, which witnessed an intense political and economic exploitation by the colonial rulers to such an extent that people, particularly farmers of south India rose in revolt against the British Government. In order to face the situation, the government on the recommendation of Mr. Fredrick Nicholson penetrated cooperative system as facilitating force to the problems of farmers. Based on Raiffeisen Model of credit cooperatives of Germany, the British Government in India created required legal and administrative system by enacting “Cooperative Credit Societies Act of 1904”. Later, a demand was made to start all types of cooperatives and remove the restrictions in the Act. Therefore, the Government enacted a second cooperative Act in 1912.

This Act provided for formation of all types of Cooperatives like, consumer, marketing, diary etc., apart from credit societies. An important mile stone in the development of cooperative movement in India was the Mantego Chelford Reforms of 1919, wherein the subject of cooperation was made a “Provincial subject”, more or less, all the provinces adopted the cooperative societies Act of 1919 as it is. Further, the Government enacted another law called,

Multi Unit Cooperative Societies Act of 1942 to govern such cooperatives whose operations are extended to more than one province/state.

After independence in 1947, the Government of India appointed a committee called "ALL INDIA RURAL CREDIT SURVEY COMMITTEE" under the chairmanship of Prof. A D Gorwala, to evaluate the impact of cooperative movement in terms of quality. The constitution of a committee on cooperative administration under the chairmanship of veteran cooperator Shri V. L. Mehta in 1963, who dealt with important areas like the administration, audit, supervision, regulation, delegation power etc.,

A number of representations were made to the state governments and Government of India by the cooperators/non-official leaders across the country to remove the restrictions in the act/rules on the cooperatives, so as to enable the cooperative societies to function in cordial, harmonious and democratic way. In response to such representations the Government of India appointed a committee under the chairmanship of Shri Ardhanareeshwaran. The said committee suggested removal of restrictive provisions in the Act and Rules by making necessary amendments to the Acts in the respective states and create an atmosphere for democratic functioning without interference of 'REGISTRAR' in the day to day functioning. In the meanwhile, the planning commission appointed another committee under the chairmanship of Choudhary Brahma Prakash in 1990 to study problems of cooperatives and suggest a MODEL COOPERATIVE LAW besides other remedies.

The model cooperative law suggested by the committee removed most of the restrictive provisions in the Act and suggested that the Registrar should have powers only for 'Registration' of cooperative society, Bye laws including amendments, disqualification of the members, supersession of the board, power to hold the enquiry / inspection, disposal of disputed and power to liquidate. Accordingly, some of the states brought amendment to their existing cooperative laws, along with 'NINE STATES' enacted a parallel law for such of the cooperative which do not receive any aid from Government i.e. Andhra Pradesh, Bihar, Chhattisgarh, Jammu and Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Orissa and Uttaranchal. Initially, Andhra Pradesh took the lead in 1995 and enacted "Andhra Pradesh Mutually Aided Cooperative Societies Act", with active support of Cooperative Development Foundation, Hyderabad.

The Government of Karnataka brought an enactment in 1997 called "The KARNATAKA STATE SOUHARDA SAHAKARI ACT" focused on voluntary formation, wholly owned and controlled by members, non-interference of government in the functioning of cooperatives except

REGISTRATION. This Act has given shot in the arm, boosting Souharda Cooperatives in Karnataka to bring healthy economic growth among members.

However, the Souharda Cooperative movement in Karnataka has observed certain deficiencies in maintaining financial discipline and creating insecurity among the supporters and members of the respective Souharda Cooperative Societies. Therefore a need is felt to investigate and study the impact of Karnataka Souharda Cooperative Movement. The present study focuses its attention on the genesis and performance of Souharda Cooperatives in Karnataka.

CHAPTER II

RESEARCH DESIGN

In order to understand the Souharda Cooperative movement in Karnataka, an attempt has been made to collect required information through ;

- i) Primary Data
- ii) Secondary Data

1) Primary Data:

- a) A structured questionnaire was prepared to collect data from four divisions of Karnataka and 120 members were interviewed in six selected Souharda Cooperatives spread across six areas namely, Bangalore, Shivamogga, Belagavi, Udupi, Raichur and Sirsi.
- b) In order to analyse the effectiveness of Souharda Cooperative movement, certain questions were sent to 500 cooperators through e-mail and 327 cooperators responded accordingly.

2) Secondary Data:

An attempt has been made to gather data from Annual Reports, Committee Reports and Karnataka Souharda Cooperative Act 1997.

OBJECTIVES OF THE STUDY:

- 1) To study the Souharda Cooperative Movement in Karnataka.
- 2) To understand the need for Souharda Cooperative Act.
- 3) To identify unique features of the Karnataka State Souharda Federal Cooperative Ltd., and positive impact of Souharda Cooperative Act.
- 4) To analyze progressive growth trends of Karnataka State Souharda Federal Cooperative Ltd.,
- 5) To evaluate practice of autonomy in Souharda Cooperatives
- 6) To suggest measures for improvement.

CHAPTER III

REVIEW OF LITERATURE

An attempt is made to review some important previously scholarly research works carried in respect of self-reliant/autonomous cooperatives.

1) Sreekanth (2011) in his study titled "A study on self-reliant cooperative in India", he focused on the different states in India adopted the self reliant Act as per the Model Law suggested by the Government of India, which is prepared by the expert committee headed by Choudary Brahma Prakash. The study focused on how Act came in to force and functioning in NINE STATES OF INDIA including Karnataka. It concludes that the cooperatives should attract the youths and benefits should be made available to special segment of the society like women, old age people etc.,

2) M.Indira (2015) in her study titled "The impact of Liberalisation of Cooperative Law on Governance in Cooperatives; Experiences from Karnataka", compares the two cooperative institution i.e. Saphtharishi Souharda Credit Cooperative Society and Sri Kannika Parameshwari Cooperative Bank with aim to understand the difference in the legalities of these institutions. The study depicts that Souharda Federation is playing a vital role in guiding the cooperatives in all aspects which cannot be experienced in non-souharda cooperatives.

(1) According to Goel (2006), cooperative democracy was given priority in the early period of Indian independence and, the first Prime Minister Nehru gave importance to freedom to nurture and promote self-reliant small-sized, voluntary and democratic cooperatives. Though, he was against government participation in share capital of cooperatives, he had to accept it in the National development Council in 1959. Goel observes that Nehru believed in independent cooperation.

3)"A comparative study of the Self Reliant Act of selected states (VAMNICOM-NCUI-2019)" . The acts differ from each other in respect of principles, Registration, appointment of Registrar, promotion of subsidiary, creation of new organization, Audit, settlement of disputes, dissolution, accountability, membership and union and federation. It is observed that Karnataka is the only state where federal cooperative of self reliant societies was registered. It takes care of the primary societies registered under the Karnataka Souharda Shakari Act 1997.

Third sector Research Resource centre, University of Mysore (2017), titled "Souharda Cooperatives in Karnataka – An Evaluation observed that Souharda Cooperatives have a very short history. Two decades is not a time span to predict and pass a judgement either in the

affirmative or negative for only movement. It is a quiet beginning for a parallel movement, but we can notice that clearly those cooperatives are consolidating themselves with steady growth.

CHAPTER IV

CONCEPTUAL DIMENSIONS ON COOPERATIVE SECTOR

Concept:

- The term cooperation is an economic system with social content.
- It refers to self-help made effective by organization through better farming, better business and better living.
- Cooperation is a form of organization in which persons voluntarily associate together on the basis of equality for the promotion of their economic interest.
- International cooperative Alliance at Manchester congress in 1995 defines “A cooperative is an autonomous association of “Rochdale Equitable Pioneers Cooperative society” persons united Voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise”

Objectives :

- To promote the economic interests of the members.
- To encourage the members to participate in the economic activity and decision making.
- To demonstrate equality and equity irrespective of region, cast and creed.

Goal :

The Goal is to promote economic well being of the members, highlighting:

- How many members have benefitted and to what extent?
- How many members failed to receive any benefit and for what reasons?
- Over the period, what has been the impact on the prosperity of the member?

Why choose cooperatives?

- In order to meet the needs of people whether they are consumers, workers or producers for their social, economic and cultural needs.
- Cooperatives bring resources under democratic control, where people are the centre of their business and not capital.
- Reduce inequality by empowering people and by offering them a dignified and

sustainable way to make a living.

- Play an important role in poverty reduction by widening ownership and by giving people and voice, both inside their organization and in society.
- All three basic interests vested directly in the hands of the members- ownership, control and beneficiary.

Features of cooperative organization:

1. It is a voluntary form of organization.
2. It is an association of persons organized on the basis of equity.
3. The focus is for promote the economic interests of the members.
4. It is a democratic organization (one man- one vote).
5. It has service motive.
6. It is an autonomous ie., independent of government and private firms.
7. It enables social and economic development of the members.
8. It has concern for the community by brining socio-economic development.
9. It is an economic undertaking , where members invest their share capital and run the society for their welfare by themselves.
10. The members are owners as well as users of cooperatives (owner-user unique system)

Cooperative identity statement by ICA (International cooperative Alliance)

Definition of a Cooperative

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspiration through a jointly-owned and democratically controlled enterprise.

Basic cooperative values

Cooperatives are based on the values of self help, self- responsibilities, democracy equality, equity and solidarity. Cooperative members believe in ethical values of honesty, openness, social responsibility and caring for others.

The principles of cooperation: (Each for all, all for each)

The principles of cooperation are guidelines by which cooperatives put their values into practice.

First principle :Voluntary and open membership.

Cooperatives are voluntary organizations, open to all persons without gender, social, racial, political or religious discrimination.

Second principle : Democratic member control

Cooperatives are democratic organizations controlled by their members, where members have equal voting rights (one member one vote)

Third principle: Member economic participation:

Members contribute equitably to, and democratically control, the capital of their cooperative, allocating Surpluses by set up reserves, developing their cooperative, benefitting them in proportion to their transactions with the cooperative : and supporting other activities approved by the membership.

Fourth principle : Autonomy and Independence:

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

Fifth principle: Education, Training and Information:

Cooperatives provide education and training for their members elected representatives, managers and employees, so that they can contribute effectively to the development of their cooperatives. They inform the general public- particularly young people and opinion leaders- about the nature and benefits of cooperation.

Sixth principle : Cooperation along Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

Seventh principle : Concern for the Community :

Cooperatives work for the sustainable development of their communities through policies approved by their members.

Cooperative Enterprises Build a Better World (ICA-2012):

The cooperatives enable :

- Economic growth: Sustainable growth means continuous improvement and diversity.
- Sustainable Business: Cooperatives operate from people needs and concern for community.
- Food Security :Farmers being members can own their land and ask better prices for their produce.
- Giving people a voice : Voting business decisions together fosters democracy and empowers people.

Blue print for a Cooperative

The cooperative form of business to become

- The acknowledge leader in economic, social and environmental sustainability.
- The model preferred by people.
- The faster growing form of enterprise.

Blue print strategy – Application for proper running of society.

- Active participation of members
- Sustainability: Model which creates economic, social and environmental sustainability.
- Identity : Members and employees to integrate and demonstrate as “ One cooperative family”.
- Legal framework : Supportive legal framework for safeguarding interests of members and cooperative organization.
- Capital : Cooperatives need access to capital if they are to establish, grow and flourish.

- Cooperative leadership in action with sound ethical and moral values.

Stakeholders Interest in Co-operatives

The stake in a co operative implies the measure of interest of a person to support or contribute to the stability and development of co operative society. The following steps are required to recognize the legitimate stakeholders:

1. Identification of stakeholders (claimants)
2. Understanding specific claims in relation to co operative
3. Allocating priorities to the claims
4. Integrating & coordinating of claims.

It is necessary to take care and acknowledge the claims of all the stakeholders which include:

1. Members
2. Directors
3. Customers
4. Suppliers
5. Trade Union
6. Employees
7. Local Communities
8. Government
9. Bankers
10. Educational Institutions

Cooperative management

The preamble of the law of cooperatives of every state expressly states the functioning of a cooperative as democratic organization based on cooperative principles. In a cooperative society members are owners cum users, who are ultimate and supreme in the overall management of the society. Every member is expected to know his responsibilities and rights.

Similarly, the management should know their duties in running a society on sound lines and in accordance with the cooperative principles.

Every activity and action of a cooperative society, including its formulation and management is regulated by the Act, Rules and Bye-Laws. Every state in our country has enacted a set of cooperative laws to regulate the functioning of cooperatives within its area.

1. General Body :

All the members put together constitute General Body which is ultimate authority in a cooperative organization, subject to, however the cooperative laws of the state concerned. The functions of General Body are:

- Election of members of the management committee
- Disposal of net profit of the society as declared in Annual Audit Reports.
- Approval of Annual Budgets of Income and expenditure.
- Approval of amendments brought forward to the byelaws.
- Approval of Annual Reports to be sent to Registrar.
- Consideration of Annual Audit reports and compliance reports there on.
- Consideration of business development plan.
- Removal of members of the managing committee.
- Exclusion of members.
- All other policy matters and other subjects specifically prescribed in the state laws concerned.

2. Managing Committee

The managing committee is also called “ Board of Directors”.

The general body shall elect the members of the managing committee, according to the cooperative law of the state. The general body of the society shall constitute a managing committee in accordance with the bye laws and entrust the management of the affairs of the society to such committee. The term of the committee is fixed in the cooperative act of the state. The strength of the committee is mentioned in the bye law.

The managing committee has certain powers and duties which are stated below.

- Admissions of members, allotment of shares, withdrawal of shares and removal of members
- Raise deposits, approval of subsidiary regulations on deposits.
- Raise borrowings and acceptance of terms and conditions.
- Sanction of loan or services to members.
- Sanctions expenditure, including capital expenditure subjects to budgets.
- Investments of funds.
- Conduct elections to the committee within time, in accordance with the law and bye laws.
- To call for general body, meeting and approve annual reports, budget to be placed before the general body.
- Consider Audit Reports and to arrange to send compliance reports thereon.
- Review of the business done by the members and by the society.
- Review of loans issued by members and to initiate action for recovery of overdue drafts, including filing of arbitrations and launching of execution of decrees.
- To issue authorization of withdrawal of funds from the banks.
- To fix staffing pattern and the scales of pay services conditions of paid employees, subject to the provisions of cooperative law.
- To recommend to the general body on the disposal of annual profit.
- All other matters relating to the day-to-day functioning of the society.
- Any other matter, as per the law of the state concerned.

CHAPTER V

SOUHARDA COOPERATIVE MOVEMENT IN KARNATAKA (INDIA) – ANALYSIS

Genesis:

Post-Independence, various state governments framed their own independent Cooperative acts and the central government its Multi-state cooperative Act. A panchayat, a cooperative society and a school for every village were considered as the three pillars of the community development. By the beginning of the 1950's the absence of the government's active participation in the cooperative movement was felt.

The state and the central governments started investing crores of rupees in the form of shares, grants, subsidy, contributions, and so on. In spite of which the co-operative movement did not yield expected results. This condition continued for the next two to three decades. Keeping this in mind the Central Government setup a committee under the Chairmanship of Shri Ardhanarishwaran. This committee submitted the report in 1987. It attributed the failure of the co-operative movement to the excessive interference of the governments. It is also true that the unabated party politics in the co-operative movement is also a big hindrance to its progress.

Realizing the vital role of the cooperative movement in the progress of the society the central planning commission set up a committee with task of drafting a model Co-operative Act which will prevent interference of the governments, appointing Shri Chaudari Brahmaprakash as its head. This committee after a detail study of the co-operative acts of various states drafted a model co-operative act in 1991. The Central government recommended the state governments to adopt this. In 1997 a bill on parallel co-operative act was tabled in the state legislature of Karnataka. Demanding an early approval of this bill by both the houses of Karnataka Legislature, a committee Souharda Samvardhana Samithi under the chairmanship of Justice Rama Jois came into existence. It was due to the combined efforts of Sahakara Bharathi Karnataka and Souharda Samvardhana Samithi, The Karnataka Souharda Sahakari Act - 1997" was passed in the legislature. With the consent of The President of India, it was enforced from January 2001.

Need for Souharda Cooperative Act

- In order to remove all kinds of restrictions/controls and interference that have become stumbling block in the free functioning of the cooperatives.
- Every recognition, encouragement and voluntary formation of cooperatives based on self-help, mutual aid, wholly owned, managed and controlled by MEMBERS based on cooperative values and principles.
- Creating environment of self reliant and competitive economic enterprises
- Conversion of cooperative societies registered under the Karnataka Cooperative Societies Act, 1959 as a cooperative under 'The Karnataka Souharda Cooperative Act 1997'.

Formation of The Karnataka State Souharda Federal Cooperative Ltd., Bangalore

The uniqueness of Souharda Cooperative Act in Karnataka is formation of FEDERAL COOPERATIVE i.e. THE KARNATAKA STATE SOUHARDA FEDERAL COOPERATIVE LTD at Bangalore, which was setup in compliance with this new Act. The duties and responsibilities of this Souharda Federal Cooperative is to monitor, supervise, evaluate and control souharda cooperatives by issuing statutory guidelines from time to time.

The Souharda Federal Cooperative is the only elected constitutional entity in India, whose focus is to Act as PARENT for all registered Souharda Cooperatives in Karnataka and to supervise, motivate and facilitate developmental operations of their respective member societies.

The contribution and efforts of past Chairmen Sri Manohar Maski, Sri Vishwanath Hiremath, Sri S R Satishchandra, Sri Gurunath Jantikar, Sri Krishna Reddy and present Chairman Sri NanjanGowda have given a shot in the arm by creating sound platform by using advanced technology, in effective functioning of Souharda Cooperative. The contribution of the committee staff in the sound functioning of federal cooperative is valuable.

Unique Features

- (1) Karnataka State Souharda Federal Cooperative Ltd., (KSSFCL)

The formation of Karnataka State Souharda Federal Cooperative Ltd., has statutory elected body to manage the affairs of the Federal and a unique structure in the Indian Cooperative Movement.

- As soon as the Souharda cooperatives are registered, such registered cooperatives become the members of the Federal, which is built in naturally as per law, has been successful experiment in Karnataka only.
- The Souharda cooperatives enjoy functional autonomy in design and implementation of their business plans, customer service activities, concern for members needs etc.,
- The interference of Government officials in day-to-day management is minimal.
- The Federal provides customized legal assistance to member cooperatives from time to time including the process of formation of new souharda cooperatives.
- Frames model byelaws and economic viability norms for the souharda cooperatives.
- Inspect, guide and monitor the working of souharda cooperatives on regular basis through the divisional offices.
- Supervise proper conduct of Audit, General Body Meetings and Election for Board of Directors and office bearers.
- Formulate code of conduct for the member cooperatives to demonstrate professional management in their operations.
- Constitute and maintain cooperative education fund to provide regular quality education and training to the member cooperatives.
- Conducting the State/National/International levels exposure study tour for cooperative directors, executives and staff.
- Conducting and participating in various State, National and International level workshops and seminars.
- Act as a friend, philosopher and guide to all Souharda Cooperatives and encourage them to undertake new type of business and innovative activities within the provisions of the Act.

The Karnataka State Souharda Federal Cooperative Ltd., has been operating effectively through its Head Office at Bangalore along with four divisional offices at Belgaum, Gulbarga, Bangalore and Mysore. A separate court has been sanctioned by Karnataka State Government at four divisional offices for Souharda cooperatives for resolving disputes among member cooperatives.

Positive Impact of Souharda Cooperative Act (Annual Report of KSSFCL, Bangalore 2022)

- The Karnataka State Souharda Federal Ltd.,(KSSFCL) has dynamic website (www.souharda.coop) providing latest information to Souharda Cooperatives from time to time. The Souharda cooperatives (Members) are given an exclusive e-

mail/IDs under the format of `.....@souharda.coop` so that all the communications reach the members in fastest and cost-effective manner.

- The decision making process by the office bearers on various issues from time to time has been effective by adopting video-conferencing system.
- The KSSFCL has entered into Memorandum of Understanding (MOU) with STOCK HOLDING CORPORATION OF INDIA LTD., (SHCIL) for felicitation of e-stamping Centers across Karnataka through identified locations in the month of February 2010. At present, there are 1558 e-stamping centers/Authorized Collection Centers (ACCs) are working under the supervision and guidance of KSSFCL(Federal) in Karnataka State, covering 30 districts, 152 talukas spread across 372 towns/places. On an average, about 70000 e-stamp papers are issued per day, collecting Rs. 12.5 million of revenue collected every day from their Authorised Collection Centers (ACCs).
- The Karnataka Government has sanctioned a special cooperative court for settlement of disputes in Souharda cooperatives, so far 10,127 cases were filed and 8462 cases have been settled.
- There is a provision in the Karnataka State Souharda Cooperative Act, Sec.3(7)b to provide training, education and information and propaganda of cooperative principles. Accordingly, KSSFCL has launched `Diploma in Cooperation and Banking Management (DCBM)`from 1st January 2019, by obtaining necessary approval from Annual General Body Meeting, for the benefit of Souharda Cooperatives. KSSFCL has been instrumental in planning, organizing and continuous up-gradation of skills through need based training programmes for different cadres i.e Board of Directors, CEO's, Operational staff/employees etc., on regular basis through professional trainers.
- The adoption of healthy cooperative governance practices has been carried out both at Federal level (KSSFCL) and also at member souharda cooperatives with the object of enhancing efficiency, competitiveness, stakeholders' interest, transparency and accountability covering; organisation's vision/ mission/ objectives/philosophy, adherence to cooperative identity and principles, compliance with provisions of Cooperative law, other laws/regulations, member participation and member education, standing recommendations of various committees like Finance committees, Administrative committee, Audit committee, Loan committee, Grievance, Redressal committee, Member Education Welfare committee etc.,

- In order to understand the needs of members at grass root level, KSSFCL is constantly organizing Board of Directors Meetings, Member Meetings, Review Meetings, Annual Meeting of Women cooperatives along with regular Annual General Meeting regularly. There is regular touch and communication with all stakeholders so as to create harmony and interaction among all member souharda cooperatives. In addition KSSFCL has been into publications of monthly magazine i.e. SWABHIMANI SAHAKARI in Kannada.
- The Karnataka Souharda Sahakari Act 1997 have been in practice for the last 25 years, updating the Act with all amendments and constitutional amendments from time to time such as;
 - restriction on nominal membership
 - professional directorship on board and provisions for ST, ST, OBC and Women members on the board.
- Separate Election Authority for Election of Cooperatives, for electing Board of Directors, office bearers and even for casual vacancy.
- Audit panel entrusted to Government Audit Department
- Audit to be completed before 1st September
- Annual Returns to be submitted to Registrar and Federal Cooperative before 30th September
- Annual General Body Meeting (AGM) of all cooperatives to be completed before 25th September, every year.
- Monitoring of Education Fund and Managing of the Fund utilization for the requisite purpose.
- Restriction on formation of Board on the basis of area of operation (Minimum 11 and maximum 21)
- No Supersession of Board - if there is no government assistance to the cooperatives.
- Surcharge provision introduced in case of misappropriation
- Additional penalty clauses have been introduced
- Apex Institutions audit Report should be placed in the legislative assembly

(2) Souharda Cooperatives

- The Souharda Cooperatives function only with contribution of the members without any financial assistance from GOVERNMENT. The audit of Souharda Cooperatives is done by professional auditors only. These auditors are liable to attend Annual General Body Meeting and reply to the queries of members, if any. (Need of the hour) The ownership, management and control of the Souharda Cooperatives lie with the MEMBERS ONLY.
- The Cooperatives have more freedom, and given more responsibility and also the status of an economic entity.
- It is necessary that members of Souharda Cooperatives do a minimum transaction in their institution and attend Annual General Body Meeting without fail. (This should be practical in reality, without creating documents to prove).
- The powers of recruitment of staff, wage revision, promotion or all such decisions in this regard are vested with Souharda Cooperatives.
- There is no provision for GOVERNMENT NOMINEE enabling smooth functioning.

Progressive growth trends of Karnataka State Souharda Federal Cooperative Ltd. (KSSFCL), Bangalore

- An effort has been made here below to consolidate the growth of Souharda Cooperatives in Karnataka under the guidance of KSSFCL, Bangalore.
- ***Growth & Trends of KSSFCL & its constituent member Souharda Cooperatives during 2001 & 2022***
- The growth of Souharda Cooperatives have seen an impressive and fast-track growth in last 22 years, both in volume and variety, which can be seen from Table 1 below:

Table A: Growth & Trends of KSSFCL & its constituent member Souharda Cooperatives in Karnataka during 2001 & 2022

Growth trends, Year-wise	Types / Category of Souharda Cooperatives						Total Souharda Coops.
	Coop. Banks	Credit Coop.	Housing Coop.	Self Help Coop.	Coop. Unions (Okkuta)	Other Cooperatives *	
31 Mar. 2001	18	40	-	8	-	9	75
2001-02	17	43	-	8	-	8	76
2002-03	21	113	1	23	-	14	172
2003-04	22	200	3	56	-	28	309

2004-05	22	277	5	94	-	100	498
2005-06	21	357	5	111	-	128	622
2006-07	19	468	5	139	-	173	804
2007-08	19	574	5	145	-	214	957
2008-09	19	692	5	148	-	266	1130
2009-10	19	826	5	149	-	348	1347
2010-11	19	988	5	153	-	489	1654
2011-12	18	1165	5	156	1	663	2008
2012-13	18	1343	5	156	2	905	2429
2013-14	18	1471	4	156	2	1101	2752
2014-15	18	1701	3	154	2	1287	3173
2015-16	18	2002	3	154	4	1403	3580
2016-17	18	2387	3	154	4	1435	4001
2017-18	18	2680	3	154	4	1443	4302
2018-19	18	2971	3	154	10	1467	4623
2019-20	18	3393	3	154	13	1464	5045
2020-21	20	3656	3	154	13	1452	5298
* NOTE :	Other Cooperatives includes Multipurpose, Consumer, Educational, Employees, Dairy, Industrial, Agricultural, Labour, etc types of Souharda						

- It is clearly evident from the above Table A that the Souharda Cooperatives have witnessed significant growth from the financial year 2008-09, thereby indicating the maturity after stabilization and consolidation phase during 2001 & 2018.

Progress of Souharda Co-operative movement in Karnataka (as on 31/03/2022)

- Souharda Cooperatives - 5753
- E-Stamping Centers - 1587 centers
- Number of Membership - 62 lakhs
- Share capital - 1077 crores
- Deposits - 27,780 crores
- Loans - 20,923 crores
- Reserves - 1,886 crores
- Working capital - 31,367 crores
- Profits - 359 crores
- Employment - 55,000

- **Adoption of Information Technology (IT) to enhance services of KSSFCL**
- The KSSFCL has been providing updated information through its website www.souharda.coop, apart from the traditional approach of circulars and notices to its member Souharda Cooperatives. The Souharda Cooperatives / members are given an

exclusive e-mail IDs under the format of '...@souharda.coop' so that all the communications reach the members in fastest and cost-effective manner.

- Similarly, the speed of decision making by President, Vice- President & Directors of KSSFCL with Managing Director for implementation has been enhanced by adoption of video-conferencing system, to avoid delay.
- It has also been encouraging its constituent members to develop websites for their Souharda Cooperatives, so that the digital reach to the customers and wider presence is possible. Some of the progressive Souharda Cooperatives have already developed their individual websites and sharing updates to their members through adoption of Information Technology, like sms, email. However, there is a need for many more things to be done in this area, considering the profile of customers they will deal with (who are not-so-tech-savvy).
- **Special Achievements of Souharda Federal**
- ***E-Stamping Services through Souharda Member Cooperatives***
- The KSSFCL entered into a Memorandum of Understanding (MoU) with **Stock Holding Corporation of India Ltd (SHCIL)** for facilitation of e-stamping centers across Karnataka through identified locations/ outlets in the month of February 2010. The primary objective was to ensure timely and convenient method of supplying e-stamps for various purposes to the members and general public, who had extreme difficulty in getting genuine stamp papers, in the light of Stamp Paper scam that hit many states, including Karnataka.
- As a result of this initiative, a total of **1587 e-Stamping centers / Authorized Collection Centers (ACCs)** are working under the supervision and guidance of KSSFCL today. On an **average, about 40,000 e-stamping papers issued per day**.
- It may be noted that these **1587 e-Stamping centers** cover **31 Districts, 212 Taluks** in Karnataka. As per average estimate, about **INR 80 lakhs of revenue is being collected everyday** from these **Authorized Collection Centers (ACCs)** across the Karnataka state.
- Souharda Federal Started Research and Evaluation Cell to enhance the quality of the activities and bring in new dimension to the functioning of Souharda Co-operatives. Main activities of the cell are - (a) To have the master data of the co operative movement in the country & state. (b) The cell has entrusted the evaluation of Souharda movement & KSSFCL right from its beginning. (c) Depositors Safety Scheme is being constituted for safeguarding the interest of the depositors. (d) Publishing the special & informative

booklets regarding Taxes applicable to Co operatives, High court judgments applicable to co operatives, Co operative Election manual etc.

- Karnataka Government has sanctioned a special Cooperative Court for settlement of disputes in Souharda cooperatives.
- **Important Innovative Business Practice/Uniqueness of some selected Souharda Cooperatives of KSSFCL, Bangalore**
- The autonomy and flexibility entrusted with the Souharda Cooperatives, through **The Karnataka Souharda Sahakari Act - 1997**, and the strong enabling environment coupled with timely guidance provide by **KSSFCL, Bangalore** has made some of the progressive-thinking Souharda Cooperatives to conceive and effectively implement innovative / unique business practices, and to extend variety of benefits to their customers (which were unheard of in cooperative sector earlier).
- Some of these unique & innovative business practices of some selected Souharda Cooperatives in Karnataka are enumerated and briefly presented in here below.
- Most of these Souharda Cooperatives have carved a special image and exclusive brand for themselves, with their innovative yet locally relevant business practices, which have benefitted their members in particular and public in general. This trend is catching-up and growing faster with time.

B. Unique & innovative business practices of some selected Souharda Cooperatives in Karnataka

Sl. No.	Name of the Souharda Cooperative Institution, Place & District	New / Converted	Year of Regn .	Important Innovative Business Practice / Uniqueness of Souharda Cooperative
1	SUCO Souharda Sahakari Bank Ltd. SUCO Bavan, Moca Road, Gandhi Nagar, Bellary, Dist. Bellary.	Converted from KSCS Act, 1959 to Souharda Coop.	2001	1 st ISO certified souharda bank in South India. Core banking service with advanced up-to-date technologies since 16-March 2001
2.	Vikas Souharda Co-operative Bank Ltd., Hospet, Dist. Bellary.	Converted from KSCS Act, 1959 to Souharda Coop.	2001	Leading Souharda Co-operative Bank with 365 days working from 8.a.m. to 8.p.m (12 hrs/day)
3.	Siddivinayaka Souharda Shakari Ni., Gulbarga, Dist. Gulbarga.	New	2006	Working on 365 days a year to provide Credit & variety of credit+ activities to members & public

4.	Kiran Swasahaya Souharda Sahakari Ni., Sindhanur, Dist. Raichur.	New	2001	Women Self Help Groups activities, purchase of women home made products and marketing.
5.	Gulbarga Mahila Souharda Sahakari Ltd., Kalburagi Dist. Kalburagi	NEW	2008	Leading credit co-operative, crossing INR 2000 million deposits.
6.	Sri Saraswati Credit Souharda Sahakari Ni., Puttur, Dist. South Canara.	New	2001	Leading credit co-operative, serving members by many service oriented activities and non-fund based business income
7.	Kadamba Marketing Souharda Sahakari Ni., Sirsi, Dist. North Canara	New	2005	Purchase of agricultural products from the members farmers and their successful marketing.
8.	Yadagere Souharda Credit Cooperative Ltd., Koppa, Dist. Chickmagalur	New	2004	Leading credit co-operative and sale of agricultural inputs, godown facilities to agricultural products.
9.	Suvidha Vividoddesha Souharda Sahakari Ni., Sagar, Dist. Shimoga.	New	2011	"Supermarket in souharda cooperative sector", with all modern facilities like in Big shopping malls of private sector.
10.	Siddasiri Pattina Souharda Sahakari Ni., Bijapur, Dist. Bijapur.	New	2006	Leading credit co-operative, serving members by many service oriented activities and non-interest earning business.
11.	Hirekerur Talluka Vidyavardhak Souharda Sahakari Ni., Hirekerur, Dist. Haveri.	Converted from KSCS Act, 1959 to Souharda Coop.	2004	Imparting quality & affordable Education from nursery to college.
12.	Spiceroute Souharda Sahakari Ni., Sirsi, Dist. North Canara.	New	2010	Undertaking Tourism Activities
13.	Swathi Jyothi Mahila Vividoddesha souharda Sahakari Ni., Bangalore, Dist. Bangalore.	New	2007	Focusing on rehabilitation of women sex workers
14.	Samruddi Mahila Souharda Pattina Sahakari Ni., Gowribidanur, Dist. Chikkaballapur.	New	2009	Providing credit & support services for marketing of home made products by women
15.	Shakthi Mahila Swasahaya Souharda Sahakari Ni., Mandya, Dist. Mandya.	New	2006	Entrepreneur development programs and marketing of home made products for women
16.	Kavaledurga Bahu Uddeshi Souharda Sahakari Ni., Thirthahalli, Dist. Shimoga.	New	2010	Credit and special programs (like IAS Coaching), sales of battery operated two wheelers
17.	Surabhi Samskarana mattu Marata Souharda Sahakari Ni., Sagar, Shimoga.	New	2011	Processing & marketing activities

18.	Sri Jyoti Multipurpose Souharda Sahakari Ni., Examba, Dist. Belgaum	Converted from KSCS Act, 1959 to Souharda Coop.	2003	Has been managing a Supermarket in rural area
19	Shree Bhramarambha Souharda Credit Sahakari Ltd., Maski Raichur	NEW	2000	
20	Sri Siddaganga Vidyasamsthe Employees Credit Souharda Sahakari Ni., Tumkur, Dist. Tumkur.	Converted from KSCS Act, 1959 to Souharda Coop.	2003	A successful employees cooperative society, managed by employees of an Educational institute
21	Samrudhi Krushi sanskaran Souharda Sahakari Ni.,	NEW		
22	Taluk Savayava Krushi Souharda Sahakari Ni., Viraj pet, Dist. Kodagu.	New	2012	Undertaking & promoting organic farming (<i>Savayav krashi</i>) activities
23	Sharada vividhoddesha Souharda Sahakari ni, Shimogga	NEW		

- ***Training & Development (T&D) initiatives : Backbone for robust progress of KSSFCL***
- It is universally well known fact that people development initiatives play a crucial role in the success of any organization, more particularly to that of large organization like KSSFCL with 4302 member organizations (i.e. Souharda Cooperatives).
- Having been aware of this challenge, KSSFCL has made conscious and comprehensive efforts in capacity building of their key executives and leaders, who in turn can make a significant impact on the growth of their Souharda Cooperatives.
- KSSFCL has been instrumental in planning, organizing and continuous improvement of variety of need-based training programs for various categories of leaders, executives & staff of Souharda Cooperatives, which include customized training & development programs like (a) Presidents, Vice-Presidents & Directors, (b) Chief Executives Officers (CEOs) / Employees, (c) Chartered Accountants, who undertake Audit & inspection and (d) Staff handling E-stamping Centers etc.
- Many other dignitaries of national state level and even some foreign co-operators visited this Karnataka State Souharda Federal Co-Operative ltd and appreciated the unique system which is a model to adopt

- **Infrastructures**

- The Karnataka state souharda federal co-operative ltd has its own building at bengaluru, Belagavi, Kalabura and a site at Mysore where in a building will be built in a couple of months.

- **Common Software**

- Karnataka state souharda federal co-operative ltd working for implementation of common software to all souharda co-operatives in Karnataka.
- Karnataka state souharda federal co-operative ltd is adopting software for its own office to make paperless office, transparent and more professional model office.

AUTONOMY IN KARNATAKA SOUHARDA COOPERATIVE SOCIETIES IN PRACTICE (Data from KSSFCL, Bangalore)

- In order to understand and trace out the practice of autonomy in the Karnataka Souharda Cooperative Sector, an empirical study was undertaken in all the four divisions of Karnataka and 120 members were interviewed in six selected societies, spread across six areas namely; Bangalore, Shivamogga, Belagavi, Udupi, Raichur and Sirsi.
- The Primary Data for the purpose of study was obtained from 120 members from 6 selected societies from four divisions of Karnataka covering 6 places as referred earlier.
- The questionnaire was prepared so as to collect responses from the selected members in order to ascertain the practice of autonomy in the day to day functioning of Souharda Cooperative Societies in Karnataka.

The responses from 120 members are depicted below;

Table - 1
Awareness of Society

Sl.No.	Sources	No. of Responses	%
1	Relatives	22	18
2	Own	33	28
3	Friends	65	54
	Total	120	100

Table - 1 states that of 120 members, 22 members were influenced by relatives, 33 members on their own and 65 members by friends, indicating the practice of cooperation by different sections of community.

Table - 2
Number of shares held by members

Number of shares held	No. of Responses	%
1 - 10	58	48
11- 20	14	12
21 -30	4	3
31 - 40	3	3
41 - 50	5	4
51 -100	16	13
100 and above	20	17
Total	120	100

Table - 2 reveals that 58 members held shares in the range of 1 to 10 shares and 20 members held shares in the range of 100 and above, high lighting diversified nature of members from the community.

Table - 3
Deposits by members

Deposits in lakhs	No. of Responses	%
Nil	52	43
Up to 10,00,000	62	52
11 - 20,00,000	1	1
21 - 30,00,000	1	1
31 and above	4	3
Total	120	100

Table-3 indicates that 52 members have not kept any deposits, while 62 members kept deposits less than Rs. 10,00,000 and 4 members kept deposits Rs. 31,00,000 and above, depicting different types of members with varied economic status.

Table - 4
Loans to members

Loans (Rs.in lakhs)	No. of Responses	%
Nil	62	52
Up to 10,00,000	47	39
11 - 20,00,000	9	7
21 - 30,00,000	1	1
31 and above	1	1
Total	120	100

Table-4 states the loans provided to members of 120 members, 62 members have not taken any loan while 47 members have taken loan upto 10 lakhs, 9 members in the range of Rs. 11 to 20 lakhs, 1 member in the range of Rs. 21 to 30 lakhs and 1 member 31 lakhs and above, signaling mixed proportion of borrowers.

Autonomy in practice

An attempt has been made to identify the degree of autonomy in Karnataka Souharda Cooperative Societies based on 16 factors, which have been responded by 120 members from six selected societies, depicted in Table-5.

Table-5
Autonomy in practice

	Factors	Responses out of 120			Responses (%)		
		Yes	No	Total	Yes	No	Total
1	Influence and power of few people	51	69	120	43	57	100
2	Attending AGM	118	2	120	98	2	100
3	To raise questions in AGM	45	75	120	38	62	100
4	Free to raise voice in the society	120	-	120	100	-	100
5	Observe the activities of society	109	11	120	91	9	100
6	Getting benefit from society	120	-	120	100	-	100

7	Having knowledge of societies	103	17	120	86	14	100
8	Knowing the bye laws	74	46	120	67	33	100
9	Amendments with members' knowledge	84	36	120	70	30	100
10	Dividend decision	120	-	120	100	-	100
11	Government interference	-	120	120	-	100	100
12	If necessary, Govt.to restore	50	70	120	42	58	100
13	Govt. can conduct inspection	40	80	120	33	67	100
14	Board of Directors – Competent	114	6	120	95	5	100
15	Board of Directors – Attending meetings regularly	114	6	120	95	5	100
16	Govt. share capital	-	120	120	-	100	100
	Total	1262	658	1920	66	34	100

Table-5 deals with responses from 120 members in favour (Yes) and against (No) towards the degree of autonomy on various 16 factors selected for the study, the analysis reveals:

1. Of the 120 members, 51 members express that there is influence and use of power by few people in the functioning of society, indicating autonomy persists but still under control of few.
2. 118 members attend Annual General Meeting regularly showing the concern towards the growth and development activities of society.
3. 45 members expressed that they have right to raise questions in annual General Meeting while 75 members said No. By and large, the spirit of correcting and expressing their opinions in AGM is built inside, showing vibrations of autonomy.
4. All 120 members expressed that they are free to raise voice in the society for guiding, correcting and questioning wrong path, indicating the presence of autonomy.
5. 109 members observe the activities of society on regular basis, highlighting the attachment and free environment prevailing in the society, creating cooperative spirit among members.
6. 120 members expressed that they have been benefitted by the society, clearly shows the fair treatment and healthy atmosphere in the functioning of society.
7. 103 members have clear knowledge of their respective societies, stating members' centric and member driven societies.
8. 74 members know the bye laws of their societies, indicating awareness of fundamentals in the day to day functioning of society, the base for autonomy.
9. 84 members expressed that amendments are made with the knowledge of members and accordingly, Board of Directors manage the affairs of society by taking consent of members, depicting democratic approach the base for autonomy.
10. All 120 members stated that decision of declaring dividend is taken by General Body in Annual General Meeting, providing the freedom to decide the dividend rate by members.

11. All 120 members stated that there is no government interference in the functioning of their respective societies, clearly demonstrates that Souharda Cooperative Societies in Karnataka are autonomous in spirit and action.
12. Of 120 members, 50 members expressed that Government may restore a society, if such society fails to deliver expectations of members, showing the need for autonomy for developmental purpose. In case of failure, government may interfere in the interest of members. However, 70 members did not agree.
13. 80 members stated that there is no need by government to inspect their societies, depicting the autonomy of members. However, 40 members expressed that government may inspect their societies.
14. 114 members stated that all Board of Directors are efficient and competent, while 6 members did not agree. By and large, the Board of Directors along with professionals manages the operations effectively, creating the spirit of autonomy in reality.
15. 114 members expressed that all Board of Directors attend the meetings regularly, indicating the concern and responsibility of direction to discharge their duties efficiently, indicating scope for penetration of autonomy to members.
16. All 120 members expressed that there is no need for government share capital, which clearly indicates that members in Cooperative Societies to be autonomous and members are supreme.

Quality of leadership in society:

In order to assess the strength and quality of leadership of societies, an attempt has been made to collect responses from 120 members, depicted in Table 6.

Table - 6
Quality of leadership in society

Nature	No.of responses	%
✓ Outstanding	28	23
✓ Very good	57	48
✓ Good	35	29
✓ Average	-	-
✓ Bad	-	-
Total	120	100

Table 6 states that of 120 members, 28 members expressed that their Board of Directors as outstanding, 57 members as Very Good and 35 members as Good, signaling the presence of competent and skillful Board of Directors with variations where there is a scope for making cooperatives as autonomous.

Table - 7

Responses from Cooperators on Effectiveness of Souharda Cooperative Movement

Sl. No.	Contents	Responses			
		Yes	No	Total	% of Yes
1	Implementation of Souharda Cooperative Act made to perform effectively	325	2	327	99.38
2	Satisfactory Development of Souharda Cooperatives	309	18	327	94.49
3	Karnataka State Souharda Federal Cooperative Ltd., working satisfactorily	319	8	327	97.55
4	Key differences of KSDC Act 1997 over Karnataka State Cooperative Act 1959; a) Independence and Autonomy b) Democratic Management and self controlled c) Government least Interference d) Opportunity to work as financial entities e) Member driven				
		311	16	327	95.10
		304	23	327	92.96
		247	80	327	75.53
		301	26	327	92.04
		313	14	327	95.71
5	Effectiveness of Elected Representatives Functioning Statutory Activities	289	38	327	88.37
6	Satisfactory status of Statutory Education, Training, Publicity activities etc., of KSSFCL; a) Training b) Education c) Publicity d) Statutory e) Business Development Guidance				
		311	16	327	95.10
		298	29	327	91.13
		277	50	327	84.70
		299	28	327	91.43
		262	65	327	80.12
7	Karnataka State Souharda Federal Cooperative Ltd (KSSFCL) working as friend, philosopher and guide.	320	7	327	97.85
8	Awareness of services provided by KSSFCL	313	14	327	95.71
9	Services provided by KSSFCL: a) E-stamping services /training b) DCBM Course c) Ten days personality Development Programme for Souharda Employees d) Seven days basic Banking course for Urban Bank Employees e) Member Education, Managerial Excellence and Need Based Training programmes f) CEO Annual Meeting g) Samalochana Sabha h) Induction Training programme	306	21	327	93.57

	i) Urban Cooperative Bank Employees Training programme				
10	Attracting youths by Karnataka Souharda Cooperative Movement	252	75	32	77

Table-7 depicts responses from cooperators of effectiveness of Souharda Cooperative Movement in Karnataka. Of the 500 cooperators, 327 cooperators responded to certain questions, by expressing their opinions as Yes and No.

The survey (Table-7) reveals that 90 percent and above respondents have expressed "Yes" (Agreed) on effectiveness of Souharda Cooperative Movement in the following areas;

1. Implementation of souharda cooperative Act
2. Satisfactory Development
3. Satisfactory functioning of Karnataka State Souharda Federal Cooperative Ltd
4. Independence and Autonomy
5. Democratic Management and Self controlled
6. Opportunities to work as financial entities
7. Member driven
8. Satisfactory status of Statutory, Education, Training, Publicity activities, business development guidance etc.,
9. KSSFCL working as Friend, Philosopher and Guide
10. Awareness of services provided by KSSFCL
11. Services provided by KSSFCL

The survey (Table 7) also reveals that there are certain areas where respondents have certain hangover over certain issues, where less than 90 percent respondents have expressed 'Yes' such as;

1. Government interference (75.53%)
2. Effectiveness of elected representatives functioning statutory activities (88.37%)
3. Publishing of souharda cooperative activities (84.70%)
4. Business Development guidance (80.12 per cent)
5. Attracting youths by Karnataka Souharda Cooperative Movement (77.06%)

CHAPTER VI
FINDINGS & SUGGESTIONS

1. It is found that the number of Souarda Cooperatives have grown slowly and steadily from 75 as on 31st March 2001 to 5753 as on 31st March 2023, indicating impressive and sustainable growth in souharda cooperative movement with support of 62 lakh members.
2. It is ascertained that the financial resources have been growing year by year, where the share capital of Rs. 1077 crores, Deposits of Rs. 27,700 crores, Resources of 1886 crores and overall working capital of Rs. 31,367 crores stand as on 31st March 2022, with net profit of Rs. 359 crores.
3. It has provided satisfactory employment opportunities to 55,000 people.
4. It has played a dynamic role in providing E-stamping centres, where 1587 centers are operating throughout Karnataka.
5. Necessary amendment have already been incorporated in Karnataka Souharda Sahakari Act 1997 and have been in practice for the last 22 years across all souharda cooperatives, hence ensuring people-connect and success.
6. It is traced out that 90% of newly registered cooperative societies opt for the Souharda sahakari since there is no government interference.
7. 54 per cent of members were influenced by friends, followed by 28 per cent on their own and 18 per cent through their relatives, highlighting the presence of cooperation in the community.
8. 48 per cent of members held least number of shares (1 to 10 shares), 13 per cent held in the range of 51 to 100 shares, 17 per cent held 100 and above shares, indicating diversified nature of members and showing the presence of needy members, supported by well to do members.
9. 52 per cent of members have kept deposits up to Rs. 10,00,000, while 3 per cent kept deposits Rs. 31,00,000 and above. However, 43 per cent have not kept any deposits. It is found that heterogeneous nature of economic status among members, a challenge for autonomy.
10. 39 per cent of members have obtained loans up to Rs. 10,00,000, while 7 per cent obtained loans in the range of Rs. 11 to 20 lakhs. However, 52 per cent members have not obtained any loan, highlighting varied economic status demanding cooperation among members on equality basis so as to create autonomy.
11. 43 per cent of members expressed that there is influence and power of people while, 57 per cent expressed 'No.' indicating that 'Autonomy' persists with resistance.

12. 98 per cent of members attend Annual General Meeting, showing the concern and attachment towards the society.
13. 100 per cent of members have expressed favourable response in respect of ; free to raise voice in the society, getting benefits from society, dividend decision, no need for government interference and government share capital. It demonstrates the practice of autonomy and freedom.
14. 91 per cent observe the activities of the societies, 86 per cent have knowledge of societies, 67 per cent of members know the bye laws of society and 70 per cent have clear understanding of amendments. This shows holistic approach of managing the operations of societies, proving status of autonomy.
15. 95 per cent of members expressed that their `Board of Directors' are competent and attend meetings regularly, showing the professional approach in the day to day management, which is required for exhibiting autonomous in practice.
16. 23 per cent of members stated that Board of Directors are outstanding, while 48 per cent are Very Good and 29 per cent are Good indicating presence of competent representatives in managing the affairs, scope for creating autonomy in real terms.
17. In nutshell, 66 per cent of members have expressed that there is autonomy in practice, while 34 per cent expressed `No'. It clearly reveals that `Autonomy in practice' is prevailing by and large in these societies. However, autonomy is behavioural and attitudinal aspect based on culture, character and deeds of Board of Directors as well as members prevailing in their respective societies.
18. It is found that majority of the respondents i.e. 90 percent have expressed positive and satisfactorily responses in respect of functioning and effectiveness of Souharda Management in Karnataka.
19. It is ascertained that few of the respondents have certain reservations in respect of identity and sanity of Souharda Cooperatives, due to government interference, family dominance and feudal approach, absence of ethical practices etc.,
20. It is traced out that Souharda Cooperatives Movement is yet to attract youths affectively (77.06%)

Analysis

The existence of cooperative operation needs democratic, equality, autonomy and self-help practices for achieving the objectives of society. The study of six selected souharda cooperatives reveal that certain souharda cooperatives have been successful due to ethical and

dedicated leadership and integrated cooperative mindsets, while few are dominating through feudal approach mis-utilising autonomy and freedom provided in the Act.

In order to bring harmony and organic growth in souharda cooperatives, proper checks and balances through legalized system be created. Ultimately, the success of souharda cooperative movement depends upon the culture, commitment, integrity and humanistic cooperative environment, which can enhance fundamental principle 'Each for All, All for Each'. The history of cooperative movement has witnessed positive and lasting impact on the global scenario with examples of Robert Owen, Friedrich Raiffeisen, Rochdale Pioneers and Rochdale pioneer award winners; Dr. Kurien from India, Royal Prof. Ungku A Aziz from Malaysia, Mr. Lee Jong-koo from Korea, Yehuda Paz from Israel and Vaikunthbhai Mehta from India.

The Souharda Cooperatives have been demonstrating in aggressive way with enthusiasm but under the control of few, without proper vision and mission. Therefore the Board of Directors of Souharda Cooperatives be influenced by successful cooperatives especially in India like Gujarat Cooperative Milk Marketing Federation Ltd., (GCMMF) – AMUL, Indian Farmers Fertiliser Cooperative Limited (IFFCO), Saraswat Urban Cooperative Bank (Mumbai) Bhagini Nivedita Urban Cooperative Bank (Pune), Vikas Souharda Urban Cooperative Bank (Hosapete) SUCO Bank (Bellary), Uralungal Labor Contract Cooperative Society (Kozhikode), SEWA (Gujarat), the Totgars' Cooperative Sale Society Ltd., Sirsi (TSS).

The Souharda Cooperatives have to be given exposure to successful cooperatives and interacting with effective cooperative leaders in the country. Few women cooperators in the country have improved economic, social and cultural status of women such as:

- Dr. Jaya Arunachalam, Padmashri awardee (1987) founder of the Working Women Forum (WWF) and the Indian Cooperative Network for Women (ICNW), dedicated her life to unlifting millions of women out of poverty, believed that effective and humanistic leadership in cooperatives can miracle in changing the economic, social and cultural status of women in the world(www.icoop.corp).
- Smt. Lakmi Baruva, Padmashri awardee (2021) from Government of India, founder President of Konokotla Women Urban Cooperative Bank Ltd., in Joharat (Assam), effectively transformed the economic status of downtrodden women from Joharat, Shivasagar and Golayghet districts in Assam.

Suggestions

1. The composition of members should be encouraged from different sections of community irrespective of caste, creed and religion.
2. The members be given motivation to keep deposits especially from lower income group so as to create habit of savings and thrift.
3. The cooperative leadership to be built up with ethical and moral values with selfless character, so as to reduce influence and power of few people.
4. The members have to be given education in respect of byelaws and activities of the societies.
5. The amendments have to be made after discussing the objectives and need in the Annual General Meeting is with knowledge of members.
6. The members be given exposure to visit to successful cooperative societies, so as to learn the techniques and tactics of managing their societies with autonomous character.
7. The Board of Directors along with administrative personnel have to be model in treating member as their family members with cooperative character, so as to conceive the 'autonomy in practice'.
8. There is a need to form Board of Management (BOM) to guide Board of Directors and Executives to perform the activities professionally by following rules and regulations in ethical manner.
9. A continuous cooperative education programmes be delivered at schools, colleges, universities level, so as to attract youths.
10. It is suggested that inbuilt cooperative ethical culture among elected representatives and employees be created among Souharda Cooperatives

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