

**ROLE OF CO-OPERATIVE SOCIETIES IN ECONOMIC
DEVELOPMENT “A Case study of SEVA Mutually Aided Co-operative
Credit Society Mahabubnagar”**

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**By
Bhavana Kumari
K. Mounitha
D. Avanthika
G. Ajay
A. Jagadeeshwar
Akash Mahathare**

**Under the guidance of
Shaik Shujath Ali**



**Department of Commerce
SRI CHITTEM NARSI REDDY MEMORIAL GOVT. DEGREE COLLEGE, NARAYANPET
NARAYANPET DISTRICT. TS**

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RESEARCH ADVISORY COMMITTEE
SCNM GOVT DEGREE COLLEGE NARAYANPET

(Shaik Shujath Ali)

Research Supervisor

Approved by:

Chairperson:

(Dr. Mercy Vasantha)

Sri Chittam Narsireddy
Memorial Govt. Degree College
Narayanpet-509 210
NARAYANPET-Dist. T.S.

Jignasa Coordinator:

(Dr. Md. Riyaz Khan)

Members:

1.

(E. Narayana Goud)

2.

(Shaik Shujath Ali)

3.

(Dr. Md. Shafiq Ahmad)

4.

(M. Uday Kumar)

5.

(Dr. Md. Riyaz Khan)

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ROLE OF CO-OPERATIVE SOCIETIES IN ECONOMIC DEVELOPMENT “A Case study of SEVA Mutually Aided Co-operative Credit Society Mahabubnagar”

Chapter I: Introduction and objectives of the study

Co-operation is one of the novel economic developments of the previous century. It is a form of economic organization that is not solely based on financial principles but is deeply rooted in greater values. For the first time in India, the notion of co-operation came into existence in 1904 when “Co-operative Credit Societies Act” was approved by the regulatory authorities including government to tackle rural indebtedness and to provide credit lines to those in need. The principle of cooperation can be dated back to the advent of human civilization, and has evidently shaped some significant aspects of social life. –As the maxim, ‘the hermit is a freak’, mankind has been gifted with a sense of social grouping which empowers them to work together, live together, and support one another during distress and adversity. It is an alternative planning for reconstruction. One of the perceptions state that cooperation is a socio-biological need of humans. Neo-Gandhian economic thought is based on the idea that “strong reciprocity” is inherent in human nature (Ginits, 2000). The ability of human groups to maintain high level of hereditary relatedness with all the group members is quite intriguing and fascinating. A strong reciprocator in the form of group norm is predisposed to foster cooperation with others group members (Ginits, 2000, pp.169). This reciprocator also results in punishment of non-cooperators, even in the absence of justification of the group behavior in terms of measuring parameters like self-interest, or reciprocal altruism or extended kinship. (Ginits, 2000, pp, 169). Hence, it can be said that strong reciprocity indeed acts as a powerful tool that enables enforcement of social norms. The norms for food sharing or collective action constitute a few observable social norms. This strong reciprocity is believed to be a result of the structure of exchange and contact within the group members of the mobile hunter-gatherer groups during the Pleistocene era. However, the modern accounts of these societies display a wide variety not only in social organization but livelihood as well (Kelly, 1995 and Binford 2001). Background of the Study Co-operation is quintessentially a method of working together that assists the poor significantly more compared to the rich. All those who want to join a co-operative must be bound by a common need and desire to fulfill it, and an implicit agreement to work selflessly. "Each for all and all for each" is its motto. For such an association to run successfully, it is imperative that every associate is able to express her/his opinions freely in addition to having an equal stature and voice in making decisions regarding day-to day strategic affairs. The concept of co-operation, thus, can be defined as a group of people having shared economic needs (one or more), who voluntarily decide to pool their material and human resources -to gain mutual benefit, through a democratic organization that is formed and managed by the group members.

Justice and equality

Co-operation was originally conceived as the antidote to capitalism that would provide justice and equality to one and all. The Concepts and Definitions The Concept of Co-operatives According to International Co-operative Alliance (ICA) 1995, “Co-operatives are founded on the values of self-responsibility, self-help, democracy, equity equality, and solidarity. In line with the tradition espoused by their founders, co-operative members trust in the moral values of openness, honesty, social responsibility and caring for others” (International Labour Conference, Promotion of co-operatives,2001).

Co-operative Movement

The Definition of Co-operative Movement Co-operative movement is defined as a “democratic and voluntary movement of the people, carried out by pooling their resources with the purpose of achieving or securing benefits which people cannot achieve individually. The purpose of the movement is to promote positive values like mutual help, self-help, self-reliance and general wellbeing of everyone” (Soni & Saluja, 2013). Origin of the term, Cooperation The term cooperation has originated from the Latin word Cooperari, wherein the word Co implies “with” and operari implies “to work” (Baek.etal. 2017). Thus, cooperation essentially means “working together”. It espouses the joint principle of mutual help and self-help. The Definition of Co-operatives Cooperation refers to all the facets of human life such as economic, political, social, religious, and moral aspects (Swami & Gupta, 2006). It is a sort of socioeconomic establishment that is a significant mechanism of overall rural development (Ramesh, 2007). A co-operative generally is “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” (ICA, Statement on Co-operative Identity, 2012). As per the UN study, co-operatives can engender far-ranging, indirect and direct positive effects on socioeconomic growth (UN, 2009). “If cooperation fails, the best hope of rural India fails” (The Royal Commission on Agriculture, 1928). With 75% Indians residing in countryside, co-operatives emerge as eminent instruments to enable socioeconomic transformation. The co-operatives constitute a distinguishable economic sector and an essential aspect of the socioeconomic structure of the country which acts as a potential and impactful instrument facilitating socioeconomic growth (National Policy on Co-operatives, 2002). The study published by NABARD point out to the development of rural institutional infrastructure, private capital formation in agricultural sector and distribution of farm inputs such as seeds, fertilizers, etc. emanating from co-operatives (NABARD, 2002). Man is a social animal. “Cooperation is basic to the development of human beings and ultimately to the progress and prosperity of society at large” (Mathur, 1996). A co-operative society as “an association formed for the purpose of joint trading, originated among the economically weaker people who were selflessly prepared to assume the duties of membership and share its rewards in proportion, to the degree in

which they make use of the association” (Fay,1939). Calvert(1933) defines co-operation as, "a form of an organization in which persons voluntarily associate together as human beings on the basis of equity for the promotion of the economic interest of themselves” (quoted in *ibid*, 1996). This is now widely known that our civilization cannot prosper without group life that naturally responds to group as well as social stimuli. Thus, the co-operative spirit is intrinsic and innate in mankind from the dawn of human age. For the key to the future lies in cooperation as opposed to competition. Even economists have discovered through studies that co-operation is superior to any sort of competition. "Co-operation as a philosophy, therefore, was coined to counter capitalism and irrational inequality ". The co-operatives play a significant role in Indian Financial System, particularly in rural areas. As a last solution to reach every man in the remotest village, there is no rival to co-operative credit in the rural financial system except the traditional moneylenders. Hence, it provides the sole method with proven capability of reaching village folks. It emerges as a brilliant alternative to usury (Mithani, 2001). Principles of Cooperation According to the International Co-operative Alliance,¹ the co-operative principles are guidelines by which co-operatives to convert the espoused values into practice. The guiding principles have been sketched out as follows:

i. **Voluntary and Open Membership** Co-operatives are purely voluntary organizations that provide membership to anyone who wants to avail their services and is willing to fulfill the accountabilities of the membership. The organization advocates zero discrimination whether it is based on social class, gender type, racial group, religious preferences, or political affiliation.

ii. **Democratic Member Control** Co-operatives are democratic in nature and are governed by the principle of “one member, one vote”. The association is democratically run by the members, who vigorously take part in making decisions and designing the policies and procedures. The representatives including men and women are elected by the members and are answerable to them also. The members have uniform voting rights.

It Is a non-governmental organisation, more accurately, a cooperative union representing cooperatives and the cooperative movement worldwide. It is established in 1895 to unite, and serve cooperatives in worldwide.

iii. **Member’s Economic Participation** The seed fund of the co-operative is collected and managed equitably and legitimately by the members of the Co-operative. The common property of co-operative is generally a stipulated part of that capital. The members are eligible to obtain partial compensation, if any, on capital that is considered to be a precondition for membership.

iv. **Autonomy and Independence** Co-operatives are independent and autonomous organizations that are self-managed by their members. If a co-operative enters into any partnership or agreement with other organizations, including Government, or makes a bid to raise capital from external sources, it is always aligned with the democratic control entrusted to its members to ensure the autonomy of the Co-operative.

v. Education, Training and Information Co-operatives are also responsible for empowering their elected representatives, members and employees through training and education to enhance their productivity and contribution to the Co-operative. They also spread awareness among the common public especially young population and leaders regarding the benefits and advantages of Co-operation.

vi. Cooperation among Co-operatives Co-operatives deal with their members most efficiently through cooperation. They endeavor to make the co-operative movement stronger by engaging with local, regional, national and international co-operative bodies.

vii. Concern for the Community Co-operatives contribute to the sustainable growth of the local communities where they operate with the help of policies approved by members of the co-operative (RBI Occasional Papers). These afore-mentioned principles ought to be applied universally in order to set an example of honest, efficient and progressive co-operative activity. So, the utility of 6 these principles lies in the fact that they attempt to avoid duplication of efforts and opportunity, eliminate uneconomic competition, make proper utilization of resources and also help in exchange of ideas and experience.

Different Views on Co-operative Different Schools of Thought on Co-operative Many economists stress that cooperation is a means to an end, but their views concerning this and their accomplishments are divided. In this connection, there are mainly three schools of thoughts, viz. the “co-operative enterprise school”, “the co-operative common wealth school” (Gray et al., 1997, Bonner, 1961), the “socialist co-operative school”, and “Leader-Manager School”. According to the co-operative enterprise school, “co-operative is a voluntary association of independent economic units, which is organized and run by, and for its members, providing and or making goods, and services on cost to cost basis of their members.” The main objective underlying the organization of those institutions is to safeguard the economic progress of all the members. The preservation and protection of the economic freedom of small producers by helping them overcome economic scarcity through pooling of capital and other resources and therefore enabling them to reach the economies of large scale production. The second school of thought does not only convey the improvement of the economic condition of the members with the prevailing framework, but it also aims at disempowering the competitive, capitalist system and substituting it with an economic system depending on mutual cooperation. The third school believes that the co-operative movement can be a vital factor in advancing the society’s development. Leader-Manager School directly follows the case studies of success stories. There is reasonably a big school that subscribes to the proposition that charismatic leaders play a very vital role in bringing people together and organizing them for a common goal. Success stories of co-operatives, whose emergence and success are credited mostly to their alluring leaders, are abound in the literature (Datta and Kapoor, 1992; Shah, 1995). <https://www.slvrec.com/content/7-cooperative-principles> From Others Point of View As Pyarelal and Gandhi (1956) remark, “Harmonious relations would be restored among the people when poverty and ignorance has disappeared through their co-operative effort.” Allece et al. suggest that “cooperation is more natural than competition in the life of both man and animal.”(Flkru, 2008). Emerson views, “Cooperation has a more evolutionary strength in the

development of man than the unpleasant competitive struggle for existence". According to Montague, "Science points out the way to survival and happiness for all mankind through love and cooperation". According to E.R. Bowen "Cooperation is the universal instrument of creation" (quoted in Kumar & Saluja, 2013). It is clear from the above thoughts given by different prominent scholars that civilization cannot flourish if competition is not added to cooperation. Thus the co-operative spirit is the intrinsic and innate characteristic in human beings. Even economists find that cooperation is much better to competition. In 1848, Mill wrote in his Principle of Political Economy: "Cooperation is the noblest ideal. This transfers human life from a conflict of classes struggling for opposite interests to friendly rivalry in hunt of the common good of all (quoted in Mathur, 1999)". Charles Gide, renowned French economist, has specified "competition is basically a kind of welfare which means the victory of strong and devastation of the weak (quoted in Work Study Report on Co-operative Arbitration Courts, 2013, pp.3)" while cooperation means "nothing other than an economic system is designed to overcome capitalism by mutual aid" (quoted in Mathur, 1996, pp.2). The teachings of cooperation and association can be found in the writings of early philosophers such as Plato. Today, these are observed in the theories of modern thinkers and scholars. From Our Point of View It can be said that people open co-operative stores to meet a common man's demands and to save him/her from the exploitation of traders and assist in the upliftment of industrial workers. Marketing co-operatives are a way for customers to meet some of their needs as consumers without being exploited unfairly by traders. Co-operatives are very often for a limited group of people. Elinor Ostrom (who became the first woman to be bestowed the "Nobel Prize" in economic sciences) has defined in 1990 some "design principles" of successful local co-operative organizations seeking to maintain their "common-pool resource" (such as forests or fisheries), and the first of those principles is to have clearly defined geographical boundaries and to exclude external (and therefore unentitled) people from access to the local commonpool resource (Carson, 2013). Here, the idea can be contrasted of Gandhian cooperation i.e. the benefit for few people rather for all the people with referring the Idea of Elinor Ostrom. A "credit union" is another kind of co-operative organization which admits certain people -- but not others -- as members. Gandhiji's recommendation for distribution of food and fodder through multipurpose co-operative is relevant even today. It is seen in the form of public distribution system or rationing system. Besides the philosophical and common notion of co-operatives, this thesis concentrates mainly on what "co-operative" banks are actually doing, rather than on what they ought to do. It is also understood that in co-operative monitoring is not needed. Elinor Ostrom has shown that people who are really willing to cooperate on preventing "tragedies of the commons" are also willing to be monitored in regard to their uses of the commons. They are willing to limit their own productive uses of the commons if they know that the other members of the community are doing likewise. Everybody's incentive for production can be avoidable in working together with complementarily. From the above discussion it is also clear that Gandhiji's idea of a co-operative would be complementary in nature. Various people would be performing various different tasks in order to achieve a common goal. For example, in regard to

emphasize social and human welfare and aim at the abolition of the profit in the economy. The keynote of both co-operation and socialism is to oppose the individualism. The central theory of both stands on an economic theory of collective action as contrary to capitalism. Thus co-operation and socialism are closely related. Co-operation and Communism Like socialism, communism as an economic system could bestow the ownership and control of all capital consumption goods in the state. There would be neither ownership of private business. The aim is not private gain but the service to the community at the lowest cost. But the methods implemented under communism to attain these aim are completely different from socialism. Under socialism, the ownership and control of the economy is acquired gradually and through legislation. They are more or less evolutionary in their methods. But the methods adopted under communism are entirely revolutionary. They have faith in in radical changes. The appeal of communism is to par discounted, to pull down the rich and capitalistic class from their dignified and, secured position and to take up the means of production in their own hands. Thus there are some fundamental difference between cooperation and communism. Cooperation is an organization of the poor and week persons to raise themselves to a dignified position in the society by means of self-help and mutual help. Co-operation does not depend upon state help. It is predominantly based on voluntary association and voluntary aid. Its methods are evolutionary, while communism is revolutionary. Radical changes have no place in a co-operative association and communism but the methods are wholly different. Communism wants to do so by eliminating private possessions and capital itself but it is not so under co-operation. Under it private capital and property are to exist, but capital is not given the power to preserve the control of the co-operative associations. It is a liberal movement, idealistic in its objectives and practical in its application. There is no domain of economic activity to which the principles of co-operation cannot be applied. Co-operation has continuously been the child of necessity and has developed in different countries along different lines. The co-operatives have a harmonising power to restore the conflict of interest, which underlie most of our present day social problem. Cooperation generates centripetal forces and brings individual system, which creates centrifugal forces and sets man against man. Co-operation restrains the extravagances of capitalism, socialism and fascism and occupies in many decent middle position, it is neither traditional nor fundamental, but a liberal movement, idealistic in its objectives and practical in its solution. Co-operation is a huge movement, which stimulates voluntary association of individual who endeavor after the accomplishment of common economic ends they have in view and who bring in this blend a moral effort and progressively emerging realization of their moral obligation Co-operation offers an answer to many of the problems facing our country today. Co-operation at the Global Level The co-operative movement which has seen the light of the day in Europe has ranged all over the world. "Co-operation", Fauquet (1951) writes, is possibly more extensively scattered geographically than any other modem form of organisation". In 1937, there were 8, 10,000 co-operative societies of various types in 103 countries of the world. These societies had a membership of more than 143 million. This membership represented a like number of families, it would correspond to something like 30 per cent of all the families in the world. Since 1937, the

co-operative movement has grown by leaps and bounds throughout the world. Today, co-operatives are the most significant form of voluntary organization all over the world. In some countries, "they are the principal form of organization in agriculture, marketing and supply, provision of credit and distribution of consumer goods" (Mathur, 1992). 12 In Scandinavian countries, virtually all milk and livestock for slaughter are marketed through farmers' co-operatives. In Finland, admittedly a co-operative country par excellence, the total volume of business transacted in local co-operatives of all kinds, rural and urban, exceeds 30 per cent of the net national income. "The central fact of the story of Scandinavian co-operation is that the northern people have learnt to live together, to work, to play, to sing, to consume and even to think together"(Ibid, pp.4). In Great Britain which is the pioneer in the field of cooperation, the industrial revolution helped the co-operative movement to acquire popularity. In Russia, at the beginning of 19th century, "the consumer co-operatives played a significant role in stabilizing prices (Ibid, pp.147)."In Germany, the share of co-operatives is significant in cereals marketing and processing. Co-operatives also play a vital role in the supply of milk, wine production, vegetable marketing, supply of seeds and fertilizers and also in the distribution of pesticides and animal feeding stuffs. In Germany its inception is around 1940 for providing credit to the agriculturists (Natarajan, 1977). In Japan, every farmer is a member of a local multipurpose co-operative. At least half of all the agricultural production is marketed through the cooperative network and 30 per cent of total savings deposits from agriculture are placed in cooperative institutions (Mishra, 1989).

Introduction to Seva MACCS:

Mutually Aided Cooperative Credit Society Ltd – MACCS's Objectives are, to promote economic and social upliftment of its members through thrift, self-help and mutual aid in accordance with principles of cooperation and welfare. To provide financial and other services to the members at nominal services charges. No interest as such shall be levied on such loans and advances to members. Under takes such activities which develop education, skills, social and moral status of the member.

It has more than 30 branches in Telangana along with more than 53,000 members .

Membership: any person above 18 years of age who abide the bylaws of the society shall be made as the member.

A member has to do the following things:

Purchase a minimum amount of society shares.

Should pay the admission fee, open an account and shall pay annual regular fee.

All members shall have equal access to all the benefits from the society

Types of accounts: Daily deposits: Under this account member can save their money through daily deposits. A person appointed by the branch shall collect the amount at member doorstep.

Saving account: Under this account member can save money through saving account.

Term deposits: Member who want to serve there fellow members can deposit their amount for a period in multiple of six months.

Type of Loan: Demand loan: Member can take loan for the non-business activities by keeping gold as guarantee.

A nominal service charges will be collected from the loanies.

Cost plus loan: Under this scheme, Bank will provide the business commodities as per the requirement of the applicant to an extent of Rs 1,00,000(including a margin of profit) and collect the amount in easy installments.

All process and procedure followed are just like other banks.



SEVA MACCS @MAHABUBNAGAR:

It has been working effectively for last five years. Services have been spread out all over the district with 3484 members with a share capital of more than 10 lac

rupees, financing to nearly 2000 members. It leads to a great support to its members.



Telangana State Deputy CM Mahmood Ali inaugurating SEVA MACCS Branch

Study Objectives:

- 1. To study the importance of cooperative societies.**
- 2. To know the economic development through mutual cooperation.**

Chapter II. Literature Review

(Dighe,2014)Maharashtra Co-operative society Act, 1960.This act in a nutshell as follows,This Act consists of 14 chapters.Chapter I consists of Sections 1 and 2 relating to short title, extent and commencement of the Act and definitions.vChapter II consists of Sections 3 to 21A relating to the Registration of Society including classification of society, by-laws, name of society, amalgamation of society, de-registration of society, etc.Chapter III relating to the rights and liabilities, kinds, transfer, expulsion insolvency,, with incorporation, duties and privileges of the societies.Chapter V consists voting powers, restriction on holdings, shares, transfers, etc. Chapter IV deals with state aids to the societies etcand theirrelevantprovisions.Chapter VI ideals with property and funds of the societies.Chapter VII management of the societies.,Chapter VIII audit, inquiry, inspection and supervision.,Chapter IX deals with the settlement of disputes including recovery of the amount due to certain societies.,Chapter X deals with liquidation which includes winding-up, appointment of Liquidator, etc.Chapter X- Insured Co-operative Bank.,Chapter XI working of Co-operative Agriculture and Rural Multipurpose Development Bank.,Chapter XIII deals with Appeals, Review and Revision preferred to the Co-operative Appellate Court and the State Government.,Chapter XIII-A consists of one Section 154-A relating to the Maharashtra State Co-operative Council.,Chapter XIV relates to the miscellaneous provisions such as bar of jurisdiction of courts, notices in suits, rules, recovery of sums due to government, Registrar's powers to recover amounts by attachment and sale of property, delegation of power of Registrar to certain authorities and officers, etc. (GupteandDivekar, 1999)considering the fact that the co-operative movement through the MCS Act has been misused at a large scale by the politicians and the government and its office bearers, ShriDivekar opted to describe the said Act as "notorious act".In a span of about 39 years, 49 times the Act was amended.Surprisingly, though the Act was amended 49 times the Rules framed in the year 1961 were untouched.It was noted by ShriDivekar that the government had a consistent grip over the co-operative movement. So also, the provisions were politically abused by the government as well as the politicians.With the extensive diversification of co- operative movement in the fields of agriculture, industrial and commercial activities of varied and complex nature these co-operative societies particularly of large magnitude, have assumed a great political role as they have got not only a direct contact but a great political role as they have got not only a direct contact but great influence over the agriculturists and workers who constitute a vote bank and therefore the Government (whichever is the political party in power) is trying to maintain its hold over the societies in different ways for political benefits as is evident from the provisions of the Act.The Government has accepted the policy of participating in the share capital of the vantage societies as well as of giving financial aid to the Societies which besides some beneficial advantage has also the unwholesome effect of the Government being in a position to dictate to the societies.The main object of the co-operative movement in the State seems to be defeated.Due to growing influence of politics and politicians over the co- operative societies, the co-operative movement is losing its sanctity.Rightly said by ShriDivekar that the Registrar has been empowered with duties which are tantamount to Chief Executive, Administrative Officer in-charge, Executive Magistrate, Liquidator, Administrator, Auditor, Supervisor, Police Officer, Inspector, a Trustee, a Financial Advisor and a Moral Guide all rolled into one. The author exactly meant to say that except under the MCS Act no other Act contains so many powers given to an Authority.The provisions of the statute have been misused to gain favorable Orders from the State Government by treating the matters as special cases.Several matters disclosed substance in the contravention of unwarranted executive interferences.Regarding the resolutions, the author has rightly emphasized that the resolutions, directions and guidelines are issued at

varied intervals depending upon the changing exigencies and circumstances. However, there is no consistency in the same. There is no reasonable period of stability of such resolutions or notifications. Hence, the inconsistency and frequent changes tend to create uncertainty, instability and confusion. Under the scheme of the Co-operative Societies Act, stringent duties are cast on the supervisory officials, apart from investing them with the requisite powers to ensure clean and proper administration of societies. In this view therefore the solution lies in applying law with equal vigor not only against the wrong doers, viz. the office bearers of the society but also against those who have colluded i.e. the officials of the department. Co-operative movement is people's voluntary movement to be utilized for the normal needs of the people. This Act is reviewed as, the commentary by the author mentioned above is upto the mark and I agree with him. Apart from above the definitions given in the said Act are not in detail. The powers of Registrar are not elaborated in true sense even though the Registrar is empowered with vast powers and even though they are not law graduates. Even though the bye-laws are defined in Section 2, there is a mention in section 13 regarding the bye-laws, members are required to refer separate model byelaws. The model bye-laws are also not adopted universally but each society has to get it approved from the Registrar which leads to duplication of work. The provisions of bye-law itself should be removed from the MCS Act. The MCS Act should be adequate in itself. Another difficulty is that the term "federal society" is defined in the said Act. Nonetheless the model bye-laws are not applicable and each new federal society is required to prepare fresh bye-laws and register the same. Consequently, there is multiplicity of procedure. Many a times the requirements and provisions of law are not covered in the bye-laws drafted by each federal society and there are maximum chances of committing errors. Since all the terms are not defined it is required to refer the General Clauses Act, Statutory Interpretations, etc. Section 3 mentions about the Registrar and his subordinates. According to me all the quasi judicial authorities must be having must be a person holding a Law degree and some experience at bar. Further the system of promoting a junior officer to the post of Registrar should be totally eradicated. In the alternative, such officer should be promoted subject to acquiring a law degree and the expertise in the subject. A Registrar is a quasi judicial authority. The responsibility of such authority cannot be exercised by a person who is not having a Law degree. Since the Registrars duly appointed under this Act do not have Law degrees, it has become very difficult for the Advocates to argue on the legal technicalities of a matter. The Registrar is also required to have knowledge of the issues of registration of the documents, 7/12 extract, Property card etc. However, due to want of legal knowledge, the Registrar is powerless to consider the sanctity and veracity of the said documents. Apparently, a Civil Court has jurisdiction to decide the said issues and therefore the Registrar cannot deliver effective justice. In absence of Law education, the Registrars are not even trained to that effect. In the process few parties, the unprofessional agents, Registrars and their subordinates fall prey to the corruption. In my practice I have observed that any person authorized by the litigating party is permitted to appear before the Registrar. Consequently, there is a misuse of such power, which is leading unhealthy working atmosphere and the quality of litigation and practice has been deteriorated miserably. Since the show is run by such agents/authorized persons, the dignity of the attorneys appearing before the Registrar is diminishing. This is also one of the prominent reasons for increase in corruption. In case of registration of the society scrutiny of documents is not done properly. Since there are no specific provisions, the Registrar is mis-using his powers. strictly feel that the type of membership is inappropriate. Chapter 6 deals with property and funds of the society. Although upto certain extent provisions are required, Chapter 7 relates to the management of the societies. However, the societies, in fact, are mismanaged as the procedures framed under the said chapter are of no help. I have observed that since the post of the managing committee is a honorary post, it affects the input and output

negatively. There is no specific provision of appointing of a manager compulsorily or mandatorily, in case of large societies. The provisions such as reservation of seats on the committees for weaker sections, women, etc. are discriminatory in nature and therefore require to be deleted. I have come across several cases where the meetings are not held in consonance of provisions of law. The limitation period also deserves to be reduced. Further, the Co-operative Court should have exclusive jurisdiction over the society disputes. The recovery of arrears also requires evidence and hence recovery proceedings under section 101 should also be adjudicated by the Co-operative Court. Chapter 10 and 10-A deals with the liquidation and winding up of a society. The proceedings of liquidation involve multiple procedures and formalities. It would be therefore appropriate to repeal the provisions of liquidation and winding up and simplicitor dissolve the society itself. Chapter 11-A deals with the elections of committees and officers of certain societies. A common election programme or procedure is required to be followed to avoid complications. The powers of the State Government to adjudicate any matter by way of appeal, review or revision should be curtailed. It is pertinent to note that the Minister of Co-operation in most of the cases do not have any legal background, least to say, a degree but they are conferred revisionary powers. I have personally noticed that the ministers are mostly busy with their respective portfolios and are unable to adjudicate the matters. At the time of election the ministers are not available for conducting matters and in case of urgency, a litigant has to face several difficulties. Chapter 13-A relates to the Multi-State Co-operative Council. This concept is beyond my understanding. Practically, I have never seen any Council function. This chapter deserves to be repealed being redundant. Many of the provisions are required to be redrafted to suit the needs of the societies in modern era. So far as MCS Rules, 1961 are concerned the same are not in consonance with Act. The Rules are also very complicated and do not serve the ends of justice. The Rules are vague and ambiguous and hence require to be redrafted in a lucid manner to suit today's needs of the societies and the members. (Dighe, and Gupte, 2011) This commentary is the eleventh edition of "The MCS Act, 1960 published in the year 2011". According to the authors, the Co-operative Movement represents a new spirit of association, self-reliance and harmony animating the impulse towards the economic betterment, upward striving and better living. The authors state that the co-operation by itself is not a separate activity but a method by which several activities of the individual and group are organized taking the people and the country to the goal namely the establishment of Commonwealth. Section 88 is also discussed with the aid of a High Court judgment reg. Tejas Construction, Chalisgaon vs. Vandan Kohade. The Hon'ble High Court had interpreted Section 88 as inquiry by invoking provisions of Section 88 cannot be proceeded against person who has nothing to do with the management of the society. Also the powers of the Registrar to assess the damages against the delinquents have been confirmed. A verdict given by the Hon'ble Supreme Court in Pundalik vs. District Deputy Registrar, Chandrapore is discussed in relation to Section 73-FFF wherein it was held that once it is found that the person has committed default, he shall cease to be a member of the committee and his seat shall fall vacant. Section 74 was discussed regarding the powers and jurisdiction of the Registrar being exercising statutory power. So far as the allied laws incorporated by the author are concerned, I am of the strict view that except a consolidated MCS Act with consolidated Rules there should be no other law which a member of a society, a society, an Advocate or any other person should be required to look into. This will save time, energy and efforts required to find out a suitable provision in a given situation. (Dighe, 2011) This book is based on amendments w.e.f. 14.1.2011 – MAH. Act no. 2 of 2011. The amendment relates to the section 73(1AB) by virtue of which the members of the managing committee were required to execute a bond within 45 days from assuming the office in case of housing societies 15 days in case of other societies. In case of failure to execute such bond any such member would be deemed

to have vacated his office as the member of the committee. In certain cases especially in case of redevelopment of society such bond was required to control the illegal activity if any committed by any such member. However by virtue of Maharashtra Ordinance no. VI of 2013 the said provisions are deleted. Therefore, there is no major to check the Civities/illegalities of the committees members. The acceptance of bonds on behalf of each member of a committee was working at par with penal provision. (Digne,2013) This book is based on the 97th amendments to the Constitution of India. The review of this book is as follows. The types of members are not framed properly. So far as the insertion of active member is concerned, again, the definition is so vague. It neither makes any sense nor does it confer any right in specie. By these amendments communication of any correspondence by the Registrar and/or his office bearers is mandatory but no provision for ascertaining acknowledgement or receipt is made. Its helping manipulation. Generally, active members are less in number as compared to non active members. In most of the cases, the flats are purchased for the purpose of investments or a member does not reside in the premises as he is gainfully employed elsewhere or maybe a senior citizen. Therefore, it is practically not possible that active members would be available all the time. Consequently, such an active member would lose his right. Therefore, this provision is unconstitutional and against principles of natural justice. The establishment of State Co-operative Election Authority is absolutely not of any help as the purpose of election authority is not served. Further, any person found guilty of discharging his function under the State Co-operative Election Authority shall be punished with a fine upto Rs. 500/- only that means any person would commit or omit to discharge his official duty and by paying fine of Rs. 500/- is scot free. Section 78 is deleted in to qua the regular societies and is made applicable only to aided societies. Thereby leaving no provisions/measures/checks on the illegalities which may be committed by non aided societies. (Jain and Bhat,2014) This book is based on the amendments of 2014 as amended by Maharashtra Act No. 40 of 2014 w.e.f. 23.12.2014. A vast amendment is carried out in the MCS Act after the 97th amendment of 2013. By virtue of these amendments the MCS Rules, 1961 are amended which are by just way of either adding a term or deleting a term. MCS Election to Committee Rules, 2014 are introduced. (Majumdar,2002) consumers protection [amendment] act, The book consists of the provisions amended till August 2009. It was specifically enacted that a co-operative society is out of preview of Consumer Protection Act. However, Hon'ble Supreme Court in Secretary, TCA Credit Society v/s M. Lalitha [2004] 1 SCC 305: held that "As per Section 3 of the Act, as already stated above, the provisions of the Act shall be in addition to and not in derogation to any other provisions of any other law for the time being in force. Having due regard to the scheme of the Act and purpose sought to be achieved to protect the interest of the consumers, better the provisions are to be interpreted broadly, positively and purposefully in the context of the present case to give meaning to additional/extended jurisdiction, particularly when Section 3 seeks to provide remedy under the Act in addition to other remedies provided under other Acts unless there is clear bar." Consequently, the Co-operative Court and the Consumer Court land up having parallel jurisdiction in a few cases. Apparently, the said matters would be barred by the principles of res-judicata and confusion. (Jain and Bhatt,2008) "maharashtra ownership flats [regulation of the promotion of construction, sale, management and transfer] act, [1963] as amended in year" I have referred the said Act. An amendment was carried out in the year 2008, whereby provisions of deemed conveyance of Co-operative housing society were inserted. The said Act is enacted to cure malpractices and difficulty relation to the promotion of construction, sale, management and transfer of flats taken on ownership basis. The provisions mainly relate to regularize the construction by the builder / promoter and to grant conveyance in favor of the society. It was noticed by the State Government that after carrying out the development and redevelopment by the concerned builder/promoter, the title of the land is not

conveyed in favor of the society. Consequently, for want of title the society is unable to enjoy the benefits of ownership of land. Also in case the builder/promoter fails to register the society, the society members can approach the concerned registrar u/s 10[1] by way of application and get the society registered. A specific provision is inserted regarding FSI in almost all cases the builder attempts to take liberty and deny conveyance in favour of the society. I reiterate here that the provisions of MOFA should be incorporated in the MCS Act as it becomes very difficult to refer various provisions and various Laws in respect of one matter. The Registrar is again burdened with the duties concerning MOFA in addition to the duties under the MCS Act. Further, in maximum cases the Registrar is mis-using his powers. For egs. One of the District Deputy Registrar has directed the parties approaching him for deemed conveyance to obtain NOC from adjacent societies especially when the number of societies are more sanctioned in one sanction plan. Although there is no provision in law. To obtain NOC is practically impossible as none of the societies are ready to record the same. It is observed that many times due to lack of knowledge of the civil law of the Competent Authorities they are incompetent to perform their judicial duties. Hence at times they are unable to take appropriate decisions in consonance of law. Therefore it is in the interest of justice I am of the view that the duties of the Registrar should be minimized unless his competency is ascertained and a proper Authority having legal knowledge and experience in the legal background should be assigned the duties under MOFA as well as MCS, Act. (Memane, 2011) The paper of this author has revealed the importance of the co-operative society in Agriculture economy and its growing awareness, its benefits which are useful for the progress and development. This paper is also evaluating the objective of the society which is limited to its village and the proportion of loan issued and loan outstanding which is indicating the good progress of co-operative society in village. (Pomeroy, 2005) This paper was an initiative of the activity of, Action for neighborhood Change, from Canada. This paper is influencing the revitalizing of their respective neighborhood. This study has focused on the objects which are considered while selecting a house as per the requirements and priorities of life. This study has also explored the deindustrialization and deurbanisation which has led to decline in the neighborhood. A key function of the ANC is an inclusive regeneration. This paper is beneficial in respect of factors which can be helpful for the development of standard of living of all segments of people. For eg. The paper has revealed information regarding, housing schemes, slum clearance, public housing, development of condominium. (Cooper, 2013) This author has narrated the benefits of co-operatives and their beneficiary ie member. The few of the advantages of the co-operatives are democracy, co-operation among member for the member, focus on their benefits, local in nature, community connected, cost effective, ect. Apart from this the author has very well described the differentiation of co-operatives with the Companies and Association. In addition to the above societies, he has given detail information about the consumer co-operative society in Australia who are dealing with the consumer products like food, clothing, newspaper, departmental stores, art galleries. Producer co-operatives and Agricultural co-operatives are also playing important role in Australia. (Dixon, 2012) The major aim of this author is to dispel the fear of land law in England and update the rules and principals of land law. This book is relevant because every society is constructed on land. Hence the relevant provisions of international law may give some guidelines to improve few aspects in a country like India. The provisions of equitable rights, and real property. The term fee simple estate (freehold) mentioned in the article, this type of land ownership, right of ownership is with the owner. Leasehold estate comprises a right to use and enjoy the land exclusively as owner for a specified period. In this article the term fee tail is also explained as, 'an interest permitting its owner the use of land for the duration of his life. The paperless conveyancing is also introduced in the book which is good concept in the modern era. (Dovey, 2012) This book is authored by him, through the University of

Melbourne in which the aspects of settlement and upgradation of slum is elaborated. The idea of redevelopment of Dharavi was to utilize the FSI and TDR and to utilize state land. The enclosures, elevators and other amenities are not maintained. A lot of illegal construction is carried out. Cluster based replacement is being exposed. This book is very useful to draw a conclusion what step can be taken to improve the prevailing system to reduce the slum from the country. (Haaf,2001) This book is published in Canada, on new generation co-operatives and the Law in Saskatchewan. The basic aim of this paper is to describe the difference between the new legislated act "The new generation co-operative Act" and "the Co-operatives". The agricultural system is having drastic change in institutional structure, regulations, globalization of agricultural markets. Considering the present demand in the market, this Act can be called as an effective vehicle for Agricultural producers. It has a unique character, of fair opportunity to grow and food value chain. This is an effective tool of future development of the Saskatchewan. (Wanyama,2009) this paper is published in Africa which reveals the state of Co-operatives in their country. The co-operative in Africa are diversifying their activities in response to their members in two states, era of state control and liberalization. This research paper is based on the 11 countries. In overview of this paper, it is revealed that, the co-operative in Africa is not their own motivation but it is an outburst of colonial government. It was evident from the field that, though the African co-operatives were financially unstable, it has survived in Africa. (Mehta,2008) In this book the author has done case studies with respect to denied in possession, M.K.Gupta, vs Lukhnow Development Authority, Lack of infrastructure in housing policy, in another case, The Ghaziabad development Authority did not provide the essential infrastructure facilities, Extra interest demanded by bank for issuing NOC, Exceptional delay in allotment of registered house, Non allotment of house even after 22 years, Change in the rules of bank was not intimated to the consumer etc. (Patra, 2013) In this paper the focus is on evolution of the role of co-operatives in Indian rural area, in rural development and assess their problems and future prospects as agents of change, transformation and prosperity. In overview, it is observed that, it is based on promoting certain values and principals like, voluntary and open membership, democratic management, member's participation in economy, autonomy and independent body, co-operative in nature, concern for the community etc. The Government is expected to have strong willingness to improve the cooperatives in order to withstand the global recession. (N. and N.,2010) this paper is written by the author stating the effective role of all types of banks. One of the bank is a co-operative bank which is relevant as far as present study is concerned. Though these banks are registered under the co-operative society bank, it is required to note that it is working under the guide line of the Reserve Bank of India. The three major factors are described in the paper: customer needs are met, organizational goals are attended, and process is compatible in with ecosystem. It is also revealed by this writing that the planning and implementation is important in banking mainly because funds of general public is involved. (Mills, Swaebrick,2011) In England the concept of social housing is established. There are 18 million local authority owned homes in social housing sector. There are two substantial changes in the final two decades in Thatcher Government, decline of council housing and right to buy scheme which enabled to buy their securities. This article provides the different aspect the change of housing policy from the public ownership to the individual ownership to protect the public interest and benefit of the public of Rochdale in the decades to come. (Bapat,2011) The objective of the author is to study the safety measures of co-operative society in Kalyan Dombivalimunicipalpty. It is suggested in this paper that, surveillance camera, fire controlling devices, proper protection covering electrical meter box, 24 hrs security, proper parking facility, grill for balcony, should be installed in society., terrace security measures should be taken to keep members in peaceful environment. (Oladejo, and Moruf, 2013) United nations General Assembly declared 2012 as a co-

operative year. Co-operative is considered as a good solution to a economic problems. According to Onyewaku , co-operative is an informal market, perform the role of capital market, The co- operatives has benefits like gradual building of capital, substantial contribution to the commercial growth, it provides market for the members produce, enjoyment of soft loans from the government, slandered of member is increasing, It would also help in industrial growth. (V.,2011)The aim of this paper is to identify the micro enterprises in co-operatives. This micro enterprises are leading in promoting women entrepreneurship, keep the market available for them, development of their business, encourage decent employment, promote self help organization ect. These types of co-operatives are usually deals in producer, consumer, worker co-operatives. (Saroaha, and Yadav, 2013)The adequate and good quality housing is an essential element of the country. The co-operatives are providing basic necessity of like housing, banking, employment, agricultural development, basic consumer products. This is leading to the supply of goods, trade, financial services and construction. This research study has given information about the comparative analysis of the HDFC and LIC Housing finance Ltd. and one developed city of Merrut. (Dubhashi,2007)in this abstract of thesis of Dr. Dubahshi the research is being done on the topic of "The investigation of risk Analysis and Risk management in selected branches of C-operative banks in Pune" is discussed. The research methodology followed by her was qualitative and quantitative in nature for assessing impact of risk on decisions. Testing was done through Alpha reliability Coefficients. Result indicates the difference between theory and the practical, more bankers cover only credit risk. (Mohrir,2010)this research paper is giving overview of role of co-operation system. This system is helpful in preventing the exploitation of members because it is democratic in nature. The objective of the researcher is to study socio economic effect of co-operative movement. This also reveals the marketing structure of Maharashtra. And the study of role of co-operative society in Agriculture. (Agbo, and Ugwuoke, 2013)This article reveals the topic of Multipurpose co-operative society (FMCS) of Nigeria. With the help of the government, the significant role is played by this society though the membership was limited. The study has shown that the competency of the committee should be assured before appointment in FMCS. Apart from other common features of the co-operatives education, training and information is a special feature of this society. This society has also satisfied the different needs of the society. The objective of the study is to deal with characteristics, services to members, services to farmers, and effective performance. Therecommendations of the Government, through agencies, enhancement of the share capital, and membership. (Rao, and Prasad,2013)This article is giving overview of the consumer co-operative stores, cooperative credit society of the company of most hazardous operations, coal mining. The employees of such companies deserve the quality housing. They also should be provided consumer stores, and the co-operative credit society. (Patel,2014)research Scholar Mr. Patel has conducted research on selected c-operative society of Gujrat to analyze the comparative financial efficiency of performance. This study has revealed the advantages and disadvantages of co-operatives. The disadvantages are mentioned in this study are limited resources, inefficient management, lack of secrecy, absence of motivation which need to be worked out. In this study comparative chart of Asia pacific and European countries are also given. This study has also revealed information regarding different types of societies and even for the selected co-operative society in Valsad district. The importance and the significant functions of co-operative Banking society in India is also studied by this scholar. (Goyel,2012)The assumption in this research work is on the gradual change in the co-operative of governance literature. The focus of this paper is to provide additional rigour to the intellectual framework on the topic. In social exchange in study of co-operation is stressed. It is evident that individuals are diverse from engaging in social exchange. This exchange will give positive effect on economic gains.

(Hussain,2014)This research is based on the issue of effective rural development, build economic self reliance,and development vehicle. The main object of the co-operative study is to produce goods and deliver services to satisfy legitimate needs of members. It is an essential tool for development of economically underdeveloped.Co-operative organizations in the world an instrument of social and economic transformation. The Nigerian societies have inadequate government to the observation.,lack of member's commitment. (L.Z.,2015)This decision taken by this author,for conducting a study on meeting is to focus importance of common decision.

Chapter III: Methodology

This study is based on descriptive, and simple random methodology. The data is collected from primary and secondary sources, and Mahabubnagar cum Narayanpet districts taken as area of the study. Data also shown through graphs wherever required.

Primary Data

The primary data is collected through discussions.

Secondary data

The Secondary data is collected from published Articles and reports etc.

Sampling

Simple random sampling method used.

Target Population

Members of SEVA MACCS, Mahabubnagar.

Total Population

3484 Members

Area (Place)

Mahabubnagar and Narayanpet Branches

Scope of the study

Mahabubnagar and Narayanpet districts have great potential in terms of business. There is much more to be done for small vendors.

Gaps filled by the study

By providing interest free loan facility is itself a unique so far, in the form of SEVA MACCS.

Limitations of the study

The study conducted in limited area, limited time and using limited resources.

Chapter IV: Results and Analysis

ANNUAL REPORT

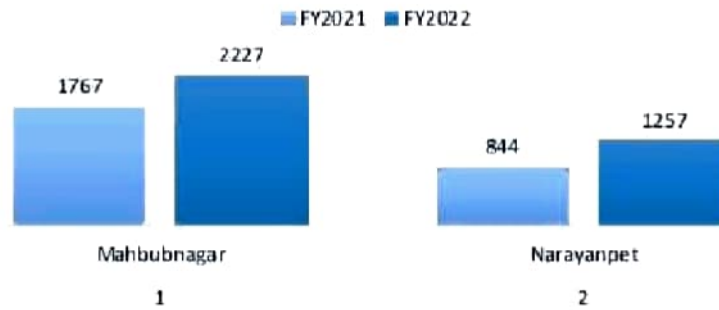
BRANCHES (FY)

No. of Branches



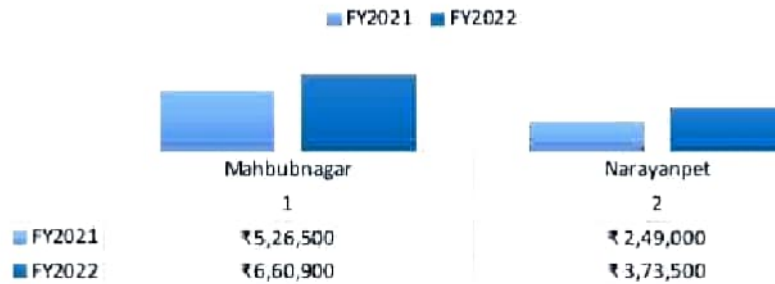
MEMBERS

No. of Members



NET BALANCES - SHARE CAPITAL, RESERVES, SURPLUS & DEPOSITS

Share Capital



Reserves

FY2021 FY2022



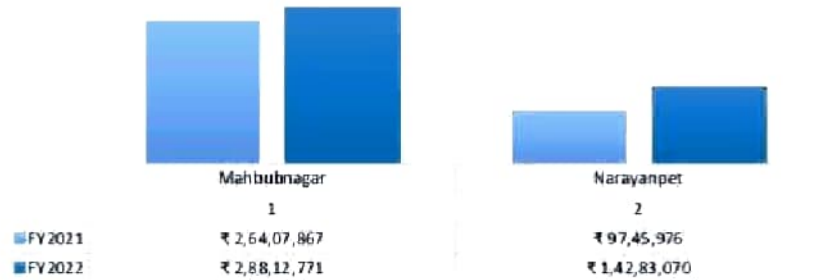
Surplus / Deficit

FY2021 FY2022



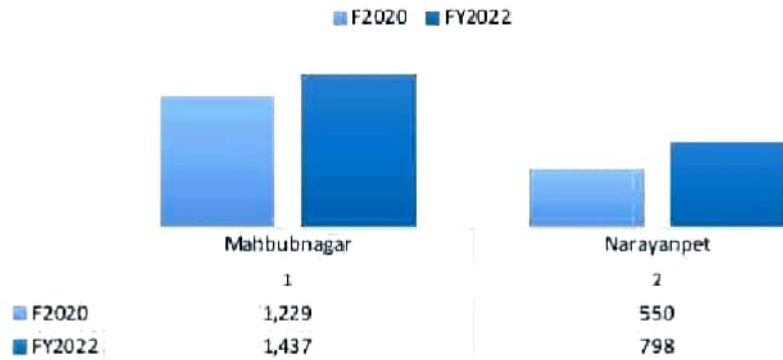
Deposits

FY2021 FY2022

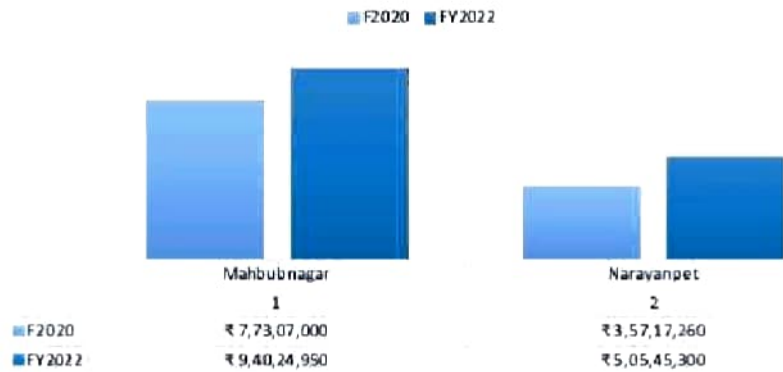


FINANCING

No. of Financings



Amount Financed



Financing Outstanding Balances

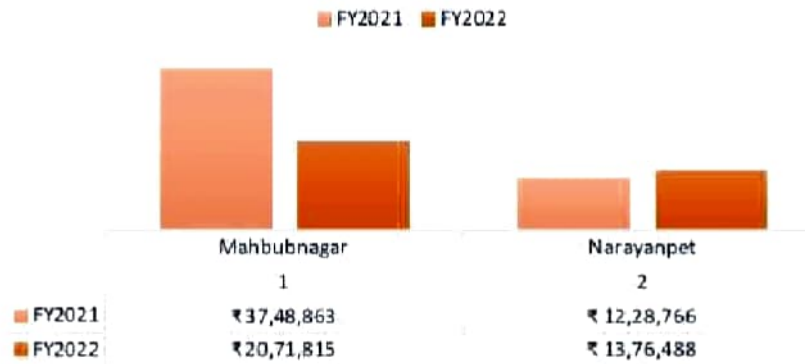


INCOME, EXPENDITURE & GROSS PROFIT/LOSS

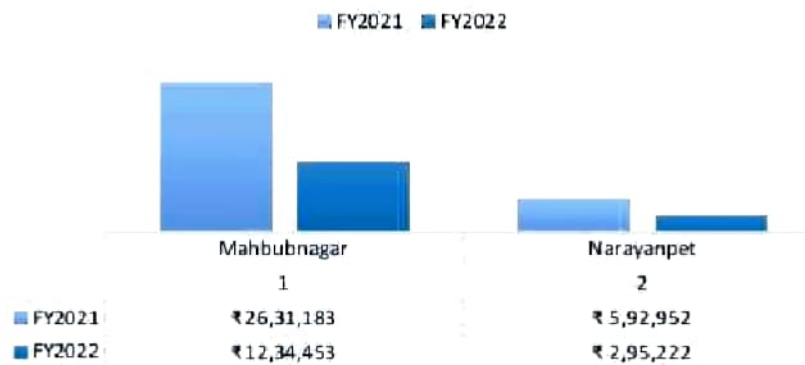
Income



Expenditure



Profit / Loss



TOTALS

	FY2021	FY2022		
Members	2611	3484	↑	33%
Share Capital	₹ 7,75,500	₹ 10,34,400	↑	33%
Surplus/ Deficit	₹ 32,24,136	₹ 47,53,811	↑	47%
Reserves	₹ 8,450	₹ 8,450	↑	0%
Deposits	₹ 3,61,53,843	₹ 4,30,95,841	↑	19%
No. of Financings	1779	2235	↑	26%
Amount Financed	₹ 11,30,24,260	₹ 14,45,70,250	↑	28%
Financing Outstanding	₹ 3,15,56,070	₹ 3,64,98,145	↑	16%
Income	₹ 82,01,765	₹ 49,77,978	↓	-39%
Expenditure	₹ 49,77,629	₹ 34,48,303	↓	-31%
Profit / Loss	₹ 32,24,136	₹ 15,29,675	↓	-53%

Chapter V: Findings and Suggestions

Findings:

- During financial year 2021 – 22 memberships and share capital increased equally 33%, which indicates the excellent response of small vendors towards SEVA MACCS Mahabubnagar.
- Surplus increased with 47% is really a great achievement.
- Amount financed increased 28% and deposits are increased with 19%, it means SEVA MACCS Mahabubnagar has given preference to finance the loans than collecting deposits during tough time of Covid19, by this, small vendors benefitted a lot.
- Apart from 3484 members 2235 loans have been financed, it shows majority of the members availing the loan opportunity.
- Showing the outstanding financing is increased to 16%, a slight concern for SEVA MACCS.
- After deducting the expenditure from income, SEVA MACCS is in the position of gaining the profit of 15,29, 675 rupees, it seems an outstanding achievement.

Suggestions:

- There is a need to expand such services all over areas of uncovered districts.
- Proper utilization of the surplus amount.
- There is a need to make easy alternate channels to improve the deposits.
- Try to decrease the number of defaulter through proper counseling and providing them business guidance if required.

Chapter VI: References

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producing khadi, the work of the carpenter and the blacksmith would be needed to make the charka, and then the spinning and weaving would be done by spinners and weavers. Here the work of blacksmith and carpenter is complementary to the work of weaving. In present world, this kind of complementarily work is rare. However, in co-operative sectors, the similar kind of people are working for the welfare of the society and to achieve a common goal. In the world as it is today, co-operative undertakings involve less craftsmanship and more marketing, banking etc. Co-operation: Progress and Perspectives Co-operation has a specific approach to the issues of economic life. Co-operation approach involves masses and is never isolated from the social and moral aspect. So co-operative thought has wrecked novel ground in the traditional social thought in which, as Knight (1964) has witnessed, "Individualism, has been seriously overstressed to the neglect of the social side of mind, of thinking and the appreciate and moral life". It does not look upon man as an "economic man" of the, classical school of economics. The importance is laid continuously on human values. Thus the co-operative thought conforms to the latest trend in economics. The issues of economic development in fact are the development of human behavior. Marshall(1890) has stressed this aspect long ago, when he defines economics, as "So it is on the one side a study of wealth and on the other, a more vital side, a part of study of human"(quoted in Mamoria & Saxena,1967). From this point of view co-operative ideology has a great significance. Co-operation is an applied economic system of managing business based on all that in human nature. It is a happy golden mean between socialism and capitalism. While pressing the instinct of self-interest, it organizes on a higher plan on the basis of group effort. Co-operation stands for distributed justice and recognizes the claim in the distribution of wealth of all concerned in the making of the profits. Capitalism grabs the profit for the capitalists, communism recognises no capitalist class and subjects the whole nation to regimentation under state capital with a bureaucracy in changes, harder to control or influence than any capitalist or set of capitalist. It is a system which works in such a way that while each agent of production receives the basic minimum as his right, the surplus profit is distributed proportionately among land, capital, and labor. Co-operation correctly understood means working together towards a common end. This working together must be for the mutual benefit and not to satisfy any sense of benefaction. In the words of Fauguet,(1951) "The primary aim of the co-operative society or institution is to develop the economic situations of its members, by virtue of its methods and of the equalities which it demands, and it achieves a high aim. The objective of co-operation is to improve men-men instilled with the spirit of mutual aid and self-help, in order that individually, they can rise to a full personal life and social life"(Ibid.,pp.85). This approach is lacking in the current organization of societies. 10 The standard of living indicated by co-operation would necessarily be comparatively simpler than standard of living under condition of competition. But it is perfectly certain that average structure in co-operative will give to every individual reasonable share in the production while competitive economy promises all goods thing to the strongest only. Co-operation and Socialism The co-operative movement and the socialist movement is instigated as a result in contradiction of the rise of the capitalist system. In fact, some of the fundamental values of co-operation and socialism are the same. Both the systems