

# Strategies of Cooperative Society for Flourishing of Business

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**Abstract -** A company's "corporate social responsibility" (CSR) refers to the methods it uses to conduct business in a manner that is ethical, considerate of the needs of the community, and conducive to its growth. Villages are the life of India and it is very important for the development of the rural areas in every field especially in agriculture sector which is the livelihood of India. Cooperative banks are playing a major role in the well being of the rural banks along bringing financial stability. One of the main societies in India which has been Asia's second largest co-operative bank which supports its farmers by providing loans helps in marketing of the crops and also provides welfare schemes to the agrarian committee. This study aims to know the social responsibility activities of the Mulkanoor society in the development of the rural people who are the share holders of the society. The study is descriptive in nature and for this study secondary data is mainly used.

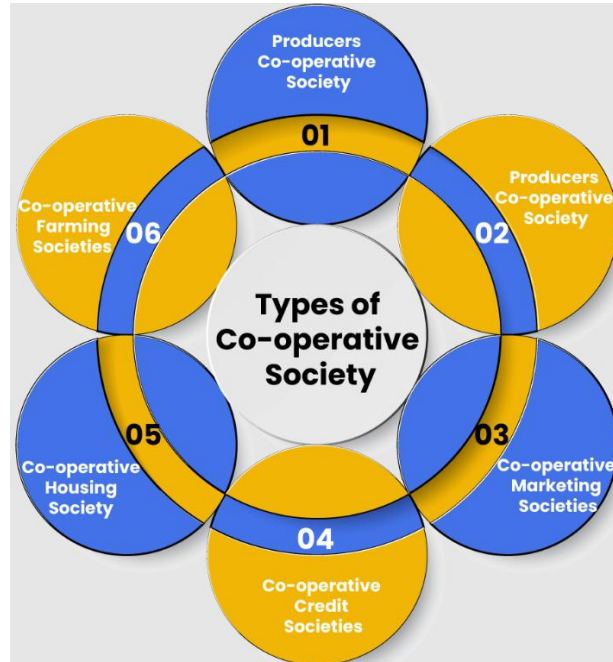
**Keywords -** Corporate social responsibility, Cooperative banks, Mulkanoor society, rural development, welfare schemes.

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## INTRODUCTION

Cooperative society can be defined as a group of people with collective responsibilities and common objective of self help and development of the needy are pooled together to form a business enterprise which seeks to solve the socio-economic problems of the members and provide them the necessary goods as well as services. Cooperatives are self-help organisations under democratic management that adhere to high standards of integrity, transparency, and social responsibility in all of their operations.

A co-operative bank is a financial institution run by a co-operative society. An organisation that operates in many states must comply with the central legislation. In other circumstances, they are subject to the laws of their respective states. As a co-operative banker, you are entitled to certain of the banking rules and Reserve Bank of India Acts because of the Banking Laws Act, 1965. The government is in charge of policy development and oversight, including statutory audits, while the Reserve Bank of India (RBI) is in charge of operational matters such as licensing, licence to conduct foreign currency trading, and inspection.



## Evolution of Co-operative Movement:

In 1844, the English co-operative movement had its start. Initially, it was a consumer-driven movement. A tiny group of weavers who were being exploited by the capitalists organised a modest organisation. They came to the conclusion that the only way to get out of this jam is to work together. As a consequence, 28 flannel weavers formed the

Rochdale co-operative organisation and established a retail business in Rochdale. The current cooperative movement got its start as a result of the success of this early cooperative community. Modern cooperative movement was brought to life by Robert Owen who was a co-founder. Sir Frederick Nicholson, a British diplomat sent to Europe to study cooperative societies, recommended that the cooperative movement be brought to India in 1904. Non-credit cooperative societies were created in 1912 after the government approved the Cooperative Society Act of 1904 for credit cooperative organisations.

### Mulkanoor Cooperative Society:

Mulkanoor Cooperative Society was established on July 27, 1956, under the Hyderabad Cooperative Societies Act 1952, by the Municipal Corporation of Hyderabad. After then, the society was registered under the Andhra Pradesh Mutually Aided Cooperative Societies Act of 1995. The major goal of the Society was to remove money lenders by providing timely financing at a lower rate of interest to assist farmers enhance their productivity and prevent farmers from moving to other places in search of jobs.



### Corporate Social responsibility (CSR):

The term "Corporate social responsibility" (CSR) refers to a set of initiatives designed to help companies better connect with the communities in which they do business. Also, it's a means for businesses to contribute back to the community some lawful aid and other offerings that are owed to relevant stakeholders. Concern for human rights, preserving shareholder interests, investment reporting and supply chain monitoring and the provision of physical infrastructure are only few of the topics covered by corporate social responsibility (CSR), which is a kind based on the idea that businesses and society are intertwined and, as a result, must cooperate and support one another. Businesses must play a part in shaping society's future and making a positive impact on the way society is developed.

## IMPORTANCE OF THE STUDY

These days the corporate social responsibility plays a major role regarding the social issues in the developing countries. CSR is can also be said as the emerging corporate creed in which the cooperative societies are also making their mark in the development of the rural areas which can also making the organization to be sustainable by promoting good corporate image , engender support and bringing profits to the organization. Hence this study is trying to focus on the different CSR activities conducted by the Mulkanoor society which helped the society.

## REVIEW OF LITERATURE

A.K. Dubey, A. K. Singh, R.K. Singh, Lakhan Singh, M. Pathak , V.K. Dubey (2009), in there study explained about the cooperative societies for sustaining of the rural people livelihood. Fabiana and Davi (2012) in their study explained about the importance of Corporate Social Responsibility of the Cooperatives towards their loyal members. T.V.G. Shastry (2017) in his study explained about the role of cooperative banks in rural development through agricultural credit which was studied in the area of Warangal district central cooperative banks. Challuri Babu (2018) in his study explained about the Women's cooperative dairy of mulkanoor as a case study.

## OBJECTIVES OF THE STUDY

1. To study different services in which the Mulkanoor cooperative society embracing the Corporate Social Responsibility.
2. To check the performance based on the financial indicators of the society.
3. To derive conclusion on Mulkanoor cooperative in flourishing its credibility through CSR.

## METHODOLOGY

The data collected in this study is mainly based on the secondary data which includes articles, journals, reports as well as records of the society selected.

## SERVICES ELICITING THE CSR IN MULKANOOR COOPERATIVE SOCIETY

- **Inputs Supply:** Cooperative society perform the 1) Sale of Fertilizers, Pesticides, Seeds at village sale points 2) Sale of Electrical Pump sets and its Accessories, Sprayers, Pipe lines 3) Technical Services to farmers by our Agricultural Officers.
- **Procurement:** Warehouses constructed at villages and purchases members' agriculture produce paddy, cotton, and paddy seed with at Minimum Support Price (MSP) or Market Price whichever is high.

- **Extension services:** As an extension service cooperatives perform activities like 1) Soil testing lab facility. 2) Advice and suggestions on crop management & pest control. 3) Awareness meetings to farmers by eminent scientists / specialists. 4) Farmers visits to progressive farmers fields for better crop practices
- **Value addition:** As a value addition the societies also owns 1) Para Boiled rice mill with Japanese SATAKE rice technology which has about 4 tonne per hour capacity. 2) 35 Cotton ginning machines with bale pressing units 3) 5 seed processing units with 2 tonnes per hour capacity each.
- **Services for Consumer:** Members and non-members alike profit from the co-retail op's outlets. The sale of fabric, rice, broken rice, and bran are only a few of the many operations carried out by cooperatives. Under the self-employment programme, Bharat Petroleum's LPG cooking gas is supplied by women and rural youth who operate their own businesses selling fuel and diesel.
- **Insurance services:** The cooperatives provided a facility to the members where Life insurance is linked with member crop loan by paying premium to insurance co. under Janashree Bhima Yojana and Group Insurance Scheme by society funds. Claim benefit will be credited to the crop loan of the deceased member. Scholarships are also provided under the Janashree Bhima Yojana – member's children studying intermediate will be paid Rs. 1200/- each to a maximum of two children. Janatha Accidental group policy – premium paid to insurance co. from the society funds. Any member dies accidentally, benefit will be paid to his legal Heirs. Accidental Insurance on sale of fertilizers – Member who purchased the IFFCO fertilizer bags and dies of accidentally within one year from the date of purchase. An amount of Rs 4000/- per bag maximum of 25 bags i.e. Rs. 1, 00,000/- will be paid to his legal heirs. Insurance is also provided on the animals like Sheep's and also on the machines like Tractors as well as Harvesters, Paddy Plantation Machines are under this scheme. Promoting life insurance among members from the interest received on Shares and Deposits.
- **Scheme for the well-being of its members:** There is a minimum deposit of Rs. 2000/- and a maximum deposit of Rs. 4000/- for members of the society, based on the amount of cultivable land they own. After a member dies, the organisation will pay out 12.5 times their deposit amount to their surviving family members. There have been 1827 dead members for whom the cooperative has given out a total of Rs. 265.78 lakhs since 1996.
- **Expenses for Funeral:** The deceased's family is now receiving Rs. 3000/- in cash and 50Kg of rice in lieu of flowers. Since 1996, the cooperative has disbursed Rs 51.45 lakh in honour of 2133 members who have passed away or whose spouses have passed away.
- **Scholarships:** Scholarships have been awarded to deserving students in the 7th and 10th grades by the organisation. Between 1996 and 2010, the organisation spent Rs. 2.90 lakhs on 260 children. Under the Janasree Bheema Yojana plan of the Life Insurance Corporation, the cooperative is providing scholarships to up to two members' children who are enrolled in intermediate education (LIC). From 2005 to 2016, the government spent Rs. 94.14 million on 8422 pupils. Professional degree courses such as medicine, engineering, agriculture, veterinary medicine, and B Pharmacy will pay member children Rs. 11,000/-, while courses such as these would pay member children Rs. 8500/-.
- **Camps for Animals' Health:** With the help of government veterinarians, the organisation is holding Animal Health Camps around the community and dispensing free medications to those in need. Since 1996, the Society has spent Rs. 9.69 lakhs on the delivery of medications.
- **Health Camps for Member:** A number of our members have been sent to sharat laser eye hospital, (SLEH) Hanamkonda, for cataract surgery as a result of the cooperative's eye camps. Cataract surgery was provided free of charge to approximately 1117 members and spouses. According to the overall cost for the surgery, the cooperative has paid 60 per cent of it. The hospital was responsible for the remaining 60%, or Rs. 40.22 lakhs, totaling Rs. 60.31 lakhs.

In 2014, a cooperative organisation and SLEH collaborated to construct a vision centre in the mulkanoor retail complex. The centre has seen almost 5,000 patients. As a consultation charge, they are collecting Rs. 30/-. Members' son Dr. Suresh chikatla, a DNB Specialist, supports a free spinal cord and knee joint pain camp in 2015. A total of 424 people came to the camp to be examined, and the patients were given appropriate counsel and prescriptions. Members and employees of the cooperative organisation may also take advantage of physiotherapy and yoga camps.

## PERFORMANCE OF MULKANOOR COOPERATIVE SOCIETY

The performance can be depicted based on the financial indicators and the membership growth in the society.

**Table 1: Key Financial indicators of Mulkanoor Cooperative Rural credit & Marketing Society**

Indicators	FY2018	FY2019	FY2020
Total income (Rs. Crore)	28.1	33.3	33.3
Profit after tax (Rs crore)	6.0	6.2	6.3
Net worth (Rs. Crores)	43.4	46.9	51.1
Loan Book (Rs. Crores)	110.9	118.8	121.4
Total assets (Rs. Crores)	296.5	308.8	301.4
Return on Assets (%)	2.1%	2.0%	2.1%
Return on net worth (%)	14.4%	13.7%	13.0%

Source: Company, ICRA research; All ratios as per ICRA calculations

#### Growth in members and share capital of Mulkanoor cooperative society:

As of 2014-15, there were 7547 members of the Mulkunoor Cooperative Society's main membership. Bheemavarapally mandal has 14 villages in which the society does business. Cooperative members, as well as their share capital, may be found in the following table.

**Table 2: Growth in members and share capital of Mulkanoor cooperative society**

S.No	Years	Total membership	Share capital
1	2005-06	6202	238.05
2	2006-07	6251	280.01
3	2007-08	6410	344.23
4	2008-09	6934	420.37

5	2009-10	7246	482.76
6	2010-11	7356	584.9
7	2011-12	7349	719.5
8	2012-13	7432	814.88
9	2013-14	7462	1000.23
10	2014-15	7547	1170.45

Source: Data from the audit reports

#### CONCLUSION

To address our growing population's need for food, housing, and work in the nation, the Mulkanoor cooperative society is a role model and the cooperative societies in India must be strengthened on the same lines. With the cooperation of Cooperative societies and community development organisations, investment in corporate social responsibility initiatives may be effectively optimised.

Cooperative societies need to work more closely with community development organisations in order to take advantage of this trend. Contiguous community development organisations are ideal for delivering corporate social responsibility programmes.

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