

# 46<sup>th</sup> Annual Report

2020-21



## **Cooperative Development Foundation**

55-1-131, Sahavikasa Colony, Near Chintagattu Camp

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## Board of Trustees as on 31.03.2021

1. **Smt K Jayaprada** President  
President;  
Narsampet Association of Women's Thrift Cooperatives
2. **Smt A Revathi** Treasurer  
President;  
Kothakonda Association of Women's Thrift Cooperatives
3. **Smt K Dharmavathi**  
former President;  
Mandapalli Association of Women's Thrift Cooperatives
4. **Smt V Bhagyamma**  
President;  
Bollikunta Association of Women's Thrift Cooperatives
5. **Smt T Vajralu**  
President;  
Thimmapoor Association of Women's Thrift Cooperatives
6. **Smt J Devika**  
former President;  
Uduthagudem Women's Thrift Cooperative
7. **Smt B Thirupathamma**  
former President;  
Garnepalli Milk Collection Centre
8. **Smt G Kavitha**  
former President;  
Jeelgula Women's Thrift Cooperative
9. **Smt G Aruna**  
President;  
Husnabad Association of Women's Thrift Cooperatives
10. **Smt A Ramadevi**  
former President;  
Shankarapatnam Association of Women's Thrift Cooperatives
11. **Smt P Aruna**  
former President;  
Huzurabad Association of Women's Thrift Cooperatives

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# Cooperative Development Foundation

Hanamkonda, Telangana

## 46<sup>th</sup> Annual Report: 2020-21

(1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021)

In 1975, some volunteers, with an intention to strengthen the cooperative movement, formed Cooperative Development Foundation, (CDF) for the development of cooperative societies. CDF is popularly known as Sahavikasa. This has been registered under Andhra Pradesh Societies Registration Act 2001. Sahavikasa believes that cooperative societies are good instruments for the integrated development, i.e. Social and Economical development, of villages. A team of volunteers, not more than twelve, runs the Sahavikasa. It is a non-profit organisation.

### **Aim**

Sahavikasa works for the promotion of an environment in which cooperatives flourish as decentralised, democratic, self-help and mutual aid associations, effectively harnessing and fostering local resources - in consonance with the Statement of Cooperative Identity, as formulated by the International Cooperative Alliance (ICA) in 1995, affirmed by the United Nations (UN) in 2001 and the International Labour Organisation (ILO) in 2002.

### **Sahavikasa-Cooperative Act**

The concept of cooperation is an integral part of undivided families and traditional rural organisations in India. However, it gained official recognition in India after the introduction of Credit Cooperatives Act 1904 by the then earst while British Government.

Andhra Pradesh Cooperative Societies Act 1964 (APCS Act 1964) was introduced in united Andhra Pradesh. Prior to that, there were two cooperative laws in existence in the state which were introduced one by British Government and the other by the Nizam, prior to independence of India, as some part of the state was under Madras presidency and other part under Nizam's rule. Sahavikasa was strongly determined to

bring in a conducive external and internal environment for the cooperatives to flourish in. With a view to encourage self reliance, self governance and democracy in cooperatives, it requested the government to introduce changes in APCS Act 1964 as to reflect accountability in the Act. Sahavikasa drafted a Model Cooperative Bill on the request of Planning Commission of India. This became a basis for discussion by the Brahmaprakash Committee. AP Government introduced a Bill on the basis of the reports of the Brahmaprakash Committee (1991) and the Ramakrishnaiah Committee (1994). This Bill came into existence as Andhra Pradesh Mutually Aided Cooperative Societies Act 1995 (APMACS Act 1995). This Act can also be termed as a liberal or parallel law. The uniqueness of this Act is it is the first parallel law on the subject of cooperation in the whole of the world and the credit goes to Andhra Pradesh for its Promulgation. This act is also considered to promote practice of cooperative philosophy in its truest sense, to a large extent. CDF played a significant role in the drafting of this MACS Act.

Sahavikasa also encouraged those states in Indian Union, which were desirous of introducing a parallel cooperative law in their respective states, basing APMACS Act 1995 as a Model. For such states, Sahavikasa drafted Referential Bill 2001.

### **Sahavikasa - Cooperatives:**

In the view of Cooperative principles, the purpose of establishing cooperative organisations is the upliftment of their members' living standards - both economic and social, and provide equal opportunities to all, through these organisations. Women in rural areas, by nature are thrifty and have the habit of savings. Sahavikasa ushered the process of formation of thrift cooperatives and associations for women, so that they could come forward and take up the reins. Likewise, Sahavikasa promoted men's thrift cooperatives in all 553 cooperatives have been promoted in around 280 villages. All These cooperatives are commonly known as Swakrushi Cooperatives.

## **Sahavikasa's activities in fulfilment of its aim during 2020-21:**

- Promoted and encouraged Swakrushi cooperatives under MACS Act in its field work area in Telangana.
- Provided training to the representatives of other organisations belonging from the non-field work area - people those who came to study the Swakrushi Cooperative concept and methodology.

Briefly presented in this report are the activities carried out by different divisions in Sahavikasa and the performance of Swakrushi Cooperatives associated with Sahavikasa.

### **1. Thrift Cooperatives**

Women and men in rural areas in Warangal Urban & Rural, Karimnagar, Janagama, Siddipet districts have formed Thrift Cooperatives (TCs) with the help of Thrift Cooperatives Network Division (TCND) in Sahavikasa. TCND extends appropriate guidance and training to the TCs. The main intents of the TCs are as follows:

- To provide an opportunity in rural areas to make compulsory thrift, recurring deposit, fixed deposit and savings account.
- To obtain loans against compulsory thrift, recurring deposit and fixed deposit for financial needs.
- To lead an independent life in old age without support of others by saving one day's earnings in a month.

The financial year of the thrift cooperatives (TCs) and association of thrift cooperatives (ATCs) starts on 1 January and ends on 31 December. As on 31 December 2020, there were total of 553 thrift cooperatives (TCs) comprising 322 women's thrift cooperatives (WTCs) and 231 men's thrift cooperatives (MTCs). There was a total membership of 2,54,683 consisting of 1,48,732 women and 1,05,951 men. These TCs by having formed into 49 associations of thrift cooperatives comprising 28 associations of women's thrift cooperatives (AWTCs) and 21 associations of men's thrift cooperatives (AMTCs), they are extending services to their respective members.

## **Ordinary General Meetings (OGMs) in ATCs**

Board members of the respective ATCs shall conduct OGMs of ATCs by 30 November in accordance with the byelaws. As such all the ATCs out of 49 have not conducted their OGMs.

## **Annual General Meetings (AGMs) in TCs**

As on 31 December 2020 there were 553 TCs in 49 ATCs. In accordance with the byelaw TCs have to conduct their AGMs with in 3 months after completion of financial year. As on 31 March 2021, 551 TCs have conducted their AGMs. Remaining 2 TCs could not conduct their AGMs due to the following reasons:

1. No transactions were held in TCs.
2. Not discharged duties by the board members of TCs.
3. Not completed final accounts by the accountants of TCs.

Representatives from Sahavikasa participated in as much as 60 AGMs consisting that of 40 WTCs and 20 MTCs. They brought important points to the notice of members in annual reports submitted by the board members in TCs and ATCs. They explained about the methods of swakrushi thrift movement and self-fostering of insurance schemes.

## **Annual General Meetings (AGMs) in ATCs**

49 ATCs were conducted their AGMs by the end of 31 March 2021. Representatives from Sahavikasa participated in these AGMs. Elections for the vacancy for President were held by secret ballot in 3 AWTCs, 5 AMTCs total of 8 ATCs where there were more than 1 contestant. Like wise, elections for the vacancy for Vice-President were held by secret ballot in 5 ATCs consisting of 5 AMTCs where there were more than 1 contestant.

## **Elections**

Elections for vacancies for Board of Directors were held by secret ballot in 71 TCs consisting of 22 WTCs and 49 MTCs where there were more than 4 contestants as against 4 vacancies in accordance with the byelaws on rotational basis. In the same way, elections for the vacancy for President were held by secret ballot in 30 WTCs

and 53 MTCs total of 83 TCs where there were more than 1 contestant. Likewise, elections for the vacancy for Vice-President were held by secret ballot in 53 TCs consisting of 10 WTCs and 43 MTCs where there were more than 1 contestant.

Representatives from ATCs and representatives from Sahavikasa acted as election-officers in the elections of TCs and ATCs respectively by conducting the election process in a democratic way.

Interest Received from Members on Loans, Bonus Paid to Members by TCs

From the inception of TCs, members are gradually decreasing the rate of interest to be paid on loans on the basis of the own funds of the TCs. Likewise, bonus to be paid to members is also changing every year.

**Table showing the rate of interest on loan collected from members and percentage of bonus given to members in 2019 and 2020:**

Rate of interest on loan	2019							2020						
	No of TCs	Members	Percentage of Bonus					No of TCs	Members	Percentage of Bonus				
			0	1-5	6-8	9-11	12-14			0	1-5	6-8	9-11	12-14
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
18%	38	8,749	6	10	9	7	6	30	6,831	8	10	8	3	1
12%	506	2,40,368	13	116	216	151	10	476	2,19,530	10	132	179	130	25
9%	0	0	0	0	0	0	0	47	28,322	0	2	33	12	0
<b>Total</b>	<b>544</b>	<b>2,49,117</b>	<b>19</b>	<b>126</b>	<b>225</b>	<b>158</b>	<b>16</b>	<b>553</b>	<b>2,54,683</b>	<b>18</b>	<b>144</b>	<b>220</b>	<b>145</b>	<b>26</b>

- In 2019, 7% of TCs collected 18% interest on loan whereas it was decreased to 5% of TCs in 2020.
- In 2019, 93% of TCs collected 12% interest on loan whereas it was decreased to 86% of TCs in 2020.
- In 2020, 9% of TCs collected 9% interest on loan.

## Table showing the percentage of Interest given by ATCs to its respective TCs in 2019 and 2020:

Rate of Interest on Loan	2019						2020					
	Total ATCs	No of ATCs	Percentage of Interest				Total ATCs	No of ATCs	Percentage of Interest			
			2-3	4-6	7-9	10-12			2-3	4-6	7-9	10-12
1	2	3	4	5	6	7	8	9	10	11	12	13
11%	49	47	13	13	8	13	49	49	14	15	11	9

- In 2019, 47 ATCs out of 49 ATCs paid Interest to its respective TCs.
- In 2020, 49 ATCs out of 49 ATCs paid Interest to its respective TCs.
- ATCs are collecting 11% of interest on loan when TCs take loans. Whereas in 2020, 9 ATCs were able to give interest on compulsory thrift to its member TCs more than 10%. The reasons for this were:
  1. Utilised the funds in giving loans.
  2. Invested the unutilised funds in other organisations as fixed deposits.

## Trainings

Methods are formulated to solve the problems faced in cooperatives. These methods are termed as 'Swakrushi Methods'. Trainings are useful in developing the understanding on these methods. Keeping in view of this, Sahavikasa is extending trainings to the representatives of TCs and ATCs. Sahavikasa gave trainings to the representatives of swakrushi TCs and ATCs on computerisation of cooperatives' accounts, etc.



## **Insurance Schemes:**

As the members funds in swakrushi cooperatives are rising, the eligibility on loan is also increasing. ATCs are running Abhayanidhi Scheme and Group Fund Scheme to protect family members of the deceased member, guarantors and cooperatives from loss in cases where a member obtains loan and passes away before he/she fully repays the loan amount. These schemes are beneficial in recovering loan when a member dies.

## **Computerisation**

As on 31 December 2020 a total of 39 ATCs comprising 22 AWTCs and 17AMTCs got their accounts computerised. In these associations, there were total of 454 TCs consisting of 265 WTCs and 189 MTCs. Among these, total of 437 TCs consisting of 259 WTCs and 178 MTCs got their accounts computerised. A total of 396 TCs consisting of 235 WTCs and 161 MTCs purchased computers and got their accounts computerised and of the 41 TCs comprising 24 WTCs and 17 MTCs got their accounts computerised through their respective association's computers. And the remaining 17 TCs consisting of 6 WTCs and 11 MTCs accounts could not computerised.

To improve the transparency in the accounts of the computerized cooperatives, 39 ATCs comprising 22 AWTCs and 17 AMTCs were introduced computerized receipt printers. Among these, a total of 394 TCs consisting of 235 WTCs and 159 MTCs are issuing computerized receipts to the members on their transaction along with the dues payable. With this facility, members can know loan outstanding balances of their accounts and this also helps to control the forged loans.

Accounts can be correctly and timely maintained if the accounts are computerised in TCs and ATCs. Apart from this, progress of the cooperatives can easily be evaluated. With this evaluation, planning can be designed to run the cooperatives substantially.

## 2. Training Programmes

Training programmes are being conducted at Sahavikasa for representatives of cooperatives under Sahavikasa's field work area and visitors from Sahavikasa's non-field work area who come to study swakrushi cooperatives. During the year 2019-20, the training programmes, workshops and study visits were as follows:

<b>Division</b>	<b>Participants</b>	<b>Programmes</b>
1. Thrift Cooperatives	413	7
2. Paddy Cooperatives	0	0
3. Administration & Finance	127	6

Latest training equipment is being provided for convenience for those who conduct training programmes. During the year 2020-21 on an average of 1 programme were conducted per month and it was occupied for 1 day per month with 42 participants each.

## 3. Administrative Activities

During the year 2020-21, the Board of Trustees met 4 times, wherein the trustees gave advice and guidelines on Sahavikasa activities and took decisions. Manager met with Development Officers every month and shared activities of their respective divisions, discussed the remedial measures taken and gave advice and guidelines for carrying out Sahavikasa's activities meaningfully and expeditiously.

Sahavikasa conducted 'Annual Conventions of Swakrushi Cooperators' with all the presidents of thrift cooperatives and paddy cooperatives under Sahavikasa's field work area. In these conventions, the cooperators shared their experiences in carrying out the cooperatives.

## 4. Financial Activities

During the year 2020-21 of the total expenses of Sahavikasa met from its own activities.

Sahavikasa's expenditure during the year was Rs 95 lakhs was used for Sahavikasa's activities. During the year, Sahavikasa's income was Rs 99 lakhs and excess of income over expenditure was Rs 4 lakhs.

Monthly internal audit was done under supervision of Sahavikasa's Board of Trustee for ensuring transparency in accounting and in order to serve as a check for detecting errors. The annual statutory audit was done by CA Raju Koyyala, Chartered Accountant, Warangal. Financial returns were filed with the Department of Income Tax.

### Cooperative Development Foundation, Hanamkonda Concise Balance Sheet as on 31-03-2021

2019-20	Liabilities	2020-21	2019-20	Assets	2020-21
1	2	3	4	5	6
8,95,75,146	1. Capital Fund	8,75,09,163	2,01,40,126	1. Fixed Assets	2,13,81,926
5,70,00,000	2. Cooperative Revolving Fund	1,61,85,404	7,18,39,160	2. Investments & Deposits in Cooperatives	-
1,68,00,000	3. Cooperative Education Fund	1,68,00,000	10,35,33,446	3. Investments & Deposits in Banks & Other Institutions	14,10,83,446
3,83,35,052	4. Other Funds	3,87,79,268	49,83,764	4. Other Receivables	46,30,618
4,45,960	5. Payables	25,01,173	57,13,042	5. Cash & Bank balances	48,35,507
16,75,505	6. Loans	77,78,614			
23,77,875	7. Corpus Fund	23,77,875			
<b>20,62,09,538</b>	<b>Total</b>	<b>17,19,31,497</b>	<b>20,62,09,538</b>	<b>Total</b>	<b>17,19,31,497</b>

**Concise Income & Expenditure Statement: 2020-21**  
(From 01.04.2020 to 31.03.2021)

2019-20	Expenditure	2020-21	2019-20	Income	2020-21
1	2	3	4	5	6
63,45,799	1. Fieldwork, Training etc.	56,10,517	2,33,993	1. Contributions from visitors	-
25,18,193	2. Administration	34,96,513	42,88,314	2. Interest from Banks & Other Institutions	62,30,036
3,62,029	3. Depreciation	4,44,216	35,22,029	3. Miscellaneous Income	37,45,049
2,88,20,791	4. Excess of Income over expenditure	4,23,839	3,00,02,476	4. Profit on sale of Agri Land	-
			-	5. Excess of expenditure over income	-
<b>3,80,46,812</b>	<b>Total</b>	<b>99,75,085</b>	<b>3,80,46,812</b>	<b>Total</b>	<b>99,75,085</b>

**Note:** Audited, detailed statements of Receipts & Payments, Income & Expenditure and Balance Sheet will be made available immediately on request.

# Sahavikasa Staff

(as on 31.03.2021)

## Thrift Cooperatives Network Division

1. K Lakshman, Manager
2. G Rajasree, Development Officer
3. Ch Sumalatha, Development Officer
4. Ch Ravinder, Development Officer
5. P Naveen, Development Officer
6. P Kavitha, Development Officer
7. S Vijay Kumar, Computer Officer
8. G Swapna, Desk Officer
9. Ch Mohan Rao, Development Assistant
10. D Eshwar, Development Assistant
11. M Radhika, Development Assistant
12. N Manjula, Development Assistant
13. U Bhaskar, Development Assistant
14. A Jyothi, Development Assistant
15. L Sravanthi, Development Assistant
16. K Rajasri, Development Assistant
17. Ch Srinivas, Computer Assistant
18. G Kiran, Computer Assistant
19. D Thirupathi, Computer Assistant

## **Administration & Finance**

20. B Sumalatha, Accounts Officer
21. P Shobha Rani, Office Attendant
22. I Murali, Office Attendant/Driver
23. T Swaroopa, Office Attendant
24. M Lalitha, Office Attendant

## Statement on the Cooperative Identity

### Definition

A cooperative 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.

### Values

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

### Principles

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

**1<sup>st</sup> Principle: Voluntary and Open Membership:** Cooperatives are voluntary organisations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

**2<sup>nd</sup> Principle: Democratic Member Control:** Cooperatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote), and cooperatives at other levels are also organised in a democratic manner.

**3<sup>rd</sup> Principle: Member Economic Participation:** Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

**4<sup>th</sup> Principle: Autonomy and Independence:** Cooperatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

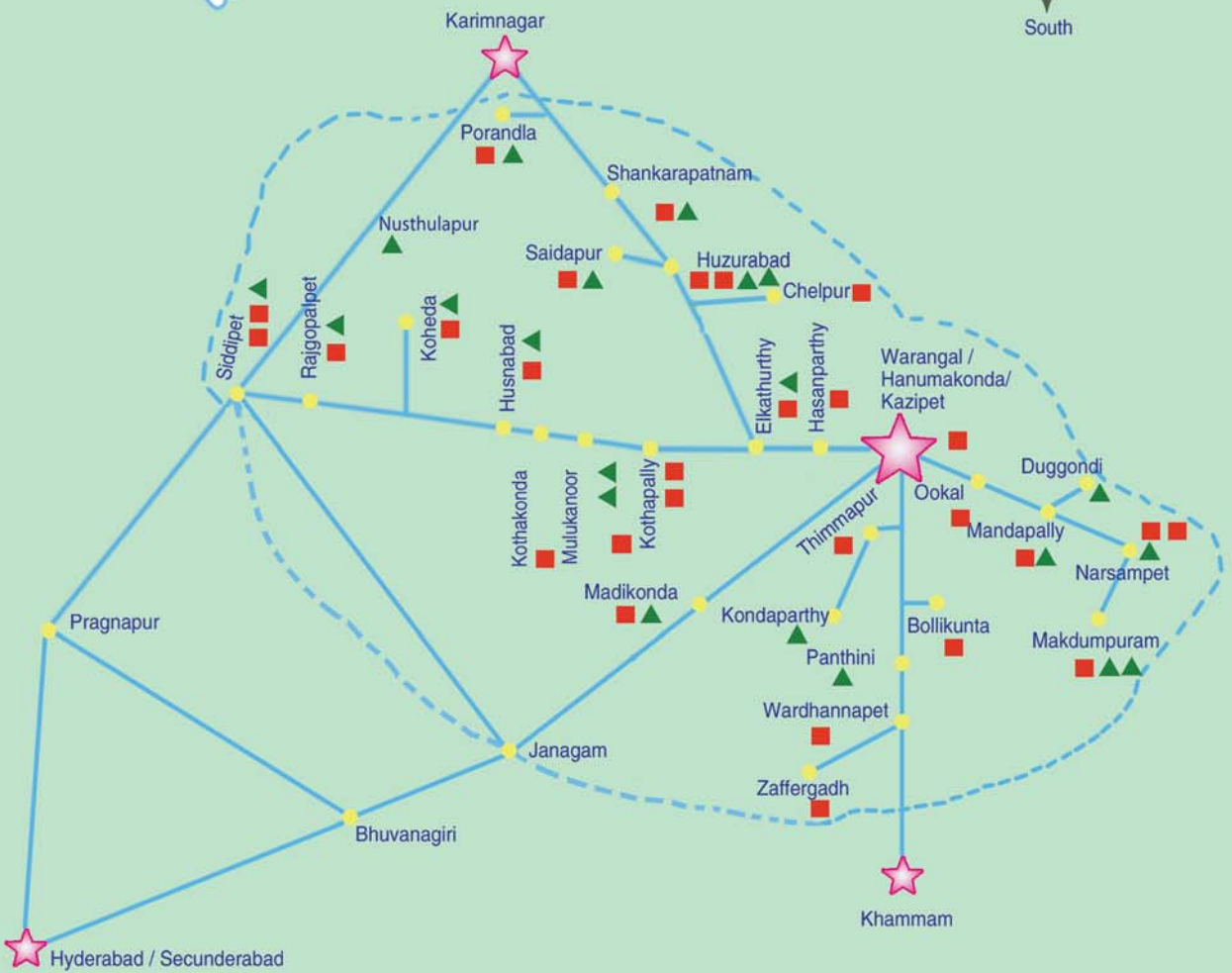
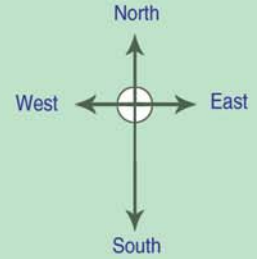
**5<sup>th</sup> Principle: Education, Training and Information:** Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public – particularly young people and opinion leaders - about the nature and benefits of cooperation.

**6<sup>th</sup> Principle: Cooperation among Cooperatives:** Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

**7<sup>th</sup> Principle: Concern for Community:** Cooperatives work for the sustainable development of their communities through policies approved by their members.

*[Approved by the 31<sup>st</sup> International Cooperative Congress and by the General Assembly of the International Cooperative Alliance, held at Manchester, England, on 20-23 September 1995]*

# Field work area of Swakrushi Cooperative Movement



- Association of Women's Thrift Cooperative - 28
- ▲ Association of Men's Thrift Cooperative - 21