

Annual Report 2004



DHAN Foundation
Madurai

Overview of the Year 2003-2004

The year was one of growth and consolidation for the DHAN Collective of institutions. The Kalanjiam Foundation has emerged as a major resource centre in the Asian region for microfinance and enabling model of federation. It has been invited to national and international forums as a resource institution to share its experience. Each year the programme organises number of capacity building programmes for Bankers, NGOs, donors and government officials on this theme.

The Vayalagam Tankfed Agriculture Development Programme was successful in collaboration with a number of government agencies and others for tank development. Similarly it was able to create new partnerships with a number of academic and research institutions for research studies and policy advocacy initiatives. The programme played a significant role as a resource centre for small scale water resources. It has been invited as a resource institution at state and national level planning forums of the government for its inputs related to the theme.

The People Academy was launched in December 2003 to build the capacity of the field associates and the leaders through innovative and relevant education programmes to build their capacity, motivations and attitudes for development work. All the four new themes in DHAN Foundation have set up an advisory council with eminent persons in the field to guide the teams working on it. They have made significant contribution in helping the teams to set the pace and momentum for the new themes.

DHAN Foundation initiated work on the concept of facilitating philanthropy for development through the community, public and corporates. It organised an event 'Development Dialogue: Building partnership' to provide other stakeholder in development an opportunity to explore partnerships with DHAN Foundation on areas of mutual interest. The focus of the annual retreat was on "Revisiting the Mission" as part of the future search process which will culminate in the next retreat.

Kalanjiam Community Banking Programme

Building Peoples Organisation

The Kalanjiam Community Banking Programme expanded its reach to ten more locations during the year. It is now working in 85 locations in the states of TamilNadu, AndhraPradesh, Karnataka and the Union territory of Pondicherry. The programme could reach out to 210,856 poor women covering 4,554 villages and slums in 22 districts. During the year, the programme has promoted 3,156 groups and added 46,304 members. Several approaches were tried out this year for expansion; each of them has brought in new learnings to the programme.

Financial Services to the poor

During the year the Kalanjiam have mobilized Rs.942 lakhs as savings taking the cumulative savings to Rs.3,777 lakhs. Loans were issued to the members for various purposes and the current loan outstanding with them is Rs. 8,639 lakhs. This year also the SHG Bank linkage performance was excellent. The groups mobilised

Rs. 2,537 lakhs, which is almost double the figure of the previous year. Eighteen federations have been linked with apex banks to mobilise bulk loans for housing and income generation activities. These federations have mobilised bulk loans to the tune of Rs 203 lakhs during the year, taking the cumulative amount to Rs. 1,873 lakhs.

The programme gave attention to intensify the insurance coverage to the members. Totally 85,374 persons were covered under the social security schemes offered by the federations. LIC of India, ICICI Prudential and AMP Sanmar were the major partners supporting the life coverage of Kalanjiam members. The United India Insurance and New India Assurance offered non-life products like 'livestock'. Due to the scale advantage, the programme could negotiate the lowest possible premiums and pass on the benefits to federations.





During the year, the advanced federations tried out many experimentations on livelihood promotion for the members. DHAN Business Development Services provided support for design and implementation of such experiments. Back yard poultry, vermicompost, palm leaf products and urban-rural linkages are some of them. Soyabean marketing experiment at Indervelly tribal location is worth mentioning.

Computerisation of group level accounting system and MIS of the Kalanjiam programme has taken place in a full swing. Multi user software 'Dhanam' has been developed and successfully tested. As a result of computerisation, group level auditing work has been simplified and time taken has reduced significantly.

Civic Intervention

Among 40 federations promoted by the programme, six federations that are more than nine years old have taken up a number of health initiatives during the year. Health baseline has been created for all the members. Based on the study findings location specific interventions have been designed. Also studies were conducted on some of the identified issues such as reproductive and child health, de-addiction etc. A separate health cell with a pool of experts has been created at programme level.

Education was another important agenda taken by these federations. They have initiated independent and people managed remedial tuition centres. Kalanjiam and clusters were encouraged to participate in parent-teachers associations, in addition to providing infrastructure support to the schools from their common fund.

Provision of housing and related infrastructure was given due attention. During the year, 260 new houses were constructed and 345 upgradation works were done worth of Rs 151.40 lakh. Cumulatively, 1,141 new houses have been constructed and 4,606 upgradation works have been undertaken. The total loan amount mobilized from the apex institutions was Rs 841.96 lakhs.

The Madurai Vattara Kalanjiam (MVK) federation was successful in relocating 374 of its members who lost their due to eviction of encroachments by the Madurai Municipal Corporation. A new settlement has been created with the loan support of HDFC and it was named 'Kalanjiam Nagar' and the first phase of the work has been completed. In the efforts to reduce the drudgery of women, 658 LPG gas connections were arranged at reasonable price to Urban Kalanjiam members along with safety maintenance training.

Capacity Building and Policy Advocacy

Senior members of the programme participated in many national and international workshops, seminars and conferences as resource persons to share the experiences of the Community Banking programme. These events provided an opportunity for them to gain a larger perspective on the sector both at national and global level and build linkages with other institutions involved in the development sector.

Being one of the largest microfinance programmes in Asia, The programme team was invited to share its experience at micro credit summit at Dhaka. Eleven professionals participated in the summit to learn from the



experience of others and to share the experience of Kalanjiam Community Banking.

As a Microfinance Resource Centre, the Programme has organised six NGO's trainings, in which 110 participants from various parts of the country have participated. The practitioners from the field shared their experiences during the training and field exposures were organised to let them interact with the community.

The importance of promoting an educational institution to respond to the growing capacity building needs for the field workers and the community leaders due to upscaling was felt. 'People Academy' has been promoted with the purpose of developing the human resource of field functionaries and people leaders.

Research and Documentation

Need based studies were conducted in different areas. An intensive impact assessment study was carried out on the impact of Kalanjiam Community



materials highlighting the concepts and field experiences of Kalanjiam Community Banking were prepared and used during the micro credit summit at Bangladesh, where it had helped position the enabling model of Kalanjiam Programme among the international participants.

Banking on the poor. A booklet has also been published. An intern from American India foundation (AIF) has taken up a study on "Leucorrhoea and associated factors in Southern Tamil Nadu", the findings were useful in designing health programme in Kalanjiam federations. Also a study on 'Feasibility of Debt Consolidation Loan (DCL) for Hard Core Poor' was undertaken in collaboration with International Labour Organisation (ILO). The study was primarily intended to understand the issue of indebtedness of poor and find ways and means to address it.

In addition, a few publications and audiovisual products were prepared to support advocacy initiatives of the programme. A package of IEC

Vayalagam Tankfed Agriculture Development Programme

Tank Conservation and Development

The focus of the Vayalagam Tankfed Agriculture Development Programme is the development and conservation of the tank resources to stabilise the livelihoods of the farmers dependent on them. The programme is presently reaching out to nearly 40,000 farmers through 759 people organisations (namely Tank Associations, Water shed associations Dry land Farmers Associations and Tank Cascade Associations). Their operations are spread over 19 districts in three states.



The programme could reach out to another 8,000 members through 203

vayalagams and 23 watershed associations. The programme could implement work worth Rs116 lakhs, which includes a contribution of Rs.29 lakhs from the farmers during the year. The team could complete all the tank development works worth 32.7 lakhs in the Gulf of Mannar Bio reserve Region with the support from UNDP. The severe drought for the third consecutive year had a major impact on the agriculture development initiatives. Nine farm field schools were organised in four districts.

The programme has redefined its operational unit from a district to a block and has defined the focus areas for each such as basin development, tank cascade development and tank based watershed development. The 34 locations where the teams are working have been defined as three regions with a regional coordinator to provide the requisite support to them.



Building Partnerships

The programme is being implemented with the collaboration of a number of central, state and district supported schemes such as the National Watershed Development Programme in Rainfed Areas (NWDPR), Andhra Pradesh Rural Livelihoods Programme (APRLP), Jala samrudhi Yojana (JSY). A new collaboration with NABARD to renovate drinking water ponds in Ramnad is being finalised as a bankable scheme. A partnership with a corporate foundation, district development agency and DHAN Foundation for the rehabilitation of small water bodies is getting finalized in one district in TamilNadu. A pilot post harvest technology initiative is being undertaken with McGill University, Canada and TamilNadu Agricultural University in seven locations for selected crops.

A pilot project has been initiated in collaboration with Anna University to demonstrate a model on harvesting surface water for drinking. This project is a follow up to the research project on ooranis done earlier in collaboration with IWMI, Colombo. The rehabilitation works in 10 cascades was undertaken with the support from CAPART. A pilot project on tanks in tribal areas was implemented with support of OXFAM-GB India. Three watersheds are being implemented with the support of NABARD out of the 45 watersheds undertaken. The Punganur tank based watershed model has been adopted by the district administration and a government order has been passed to this effect in the district.

The micro finance activities in the tank associations were further intensified. Currently there are 752 groups with a savings of Rs 47 lakhs. They were successful in mobilising Rs 90 lakhs as loans from other institutions such as banks. The endowment programme or tank association at different levels continued with the

support of Sir Ratan Tata Trust, Mumbai and Novib, the Netherlands. About 148 associations received a support of Rs 11 lakhs against a contribution of a similar amount by them.

Capacity Building and Policy Advocacy

The programme office provides strategic support to the locations, facilitates resource mobilization, capacity building of staff and policy advocacy initiatives. A number of need based capacity building programmes were organized for the professionals, field associates and people both members and leaders. The team organized a programme on community based natural resource management and micro finance for a team from Srilanka for CARE International. Two programmes were offered for NGOs of OXFAM-APPS network. A workshop on traditional technologies on irrigation system was organized for staff, farmers, scholars and members of Tamil Nadu Archaeological society. The team offered an advanced certificate course on soil conservation and watershed management for students of the 5-year programme on Rural Development studies in one of the colleges in Madurai.

The Policy Seminars on Traditional Technology and Tankfed Agriculture were convened at Chennai wherein the farmers participated and shared their grassroots experience. The Resolutions passed in these seminars are being followed up with the respective Government departments in order to bring out policy changes. The team participated in the national consultation on preparation of legal draft for community managed tank institutions in Karnataka organized by National Law School India University, Bangalore.

The Principal Scientific Advisor Dr.R.Chidambaram and his team invited selected government departments, academic institutions and NGOs including DHAN Foundation for a



discussion of Rural Technology Action Group (RuTAG) concept. A presentation was made by the team on the Science and Technology interventions in rural areas. In Tamil Nadu, DHAN Foundation has been taking up Policy advocacy efforts through eminent members of Conservation Council for Small Scale Water Resources (COCOSWR). The council met during July 29, 2003 in Chennai. The issues related to Water Security for the State, Tamil Nadu Ground Water Bill, and Usufruct Right as Customary Rights, Grassroots Actions at Peria-Aruvi Reservoir systems were taken up for discussion.

DHAN Foundation's tank programme staff took part in few international and national workshops and presented the vayalagam approach of livelihood promotion through integrated natural resources development, capacity building and net working. DHAN Foundation also represented in the 7th World Water Week and 7th Consulting partners meeting of Global Water Partnership in Stockholm, Sweden. Two team leaders went on exposure to observe micro-finance sector in Bangladesh. A paper was presented at International Symposium at Killikulam. The team made paper presentations at the 10th National Water Convention in Bhubaneswar, Rain water Harvesting and Water Management workshop at IIT, Mumbai, IWMI-Tata water Policy annual partners meet, Seminar on Assessment and Management of Water Resources organised by Society of Geoscientists and Allied Technologists, Bhubaneswar, Science and Technology for Water



Security organised by M.S. Swaminathan Research Foundation, Chennai etc.

The State Planning Commission has commissioned DHAN Foundation team to prepare a report on Water Security through Micro-watersheds development in the State. The first draft has been submitted to them. The team associated with Tarun Bharat Singh in its national level Jal Sammalen yatra and hosted a public meeting. The Novib commissioned DHAN Foundation to do a study on tanks and ponds across the country along with an external consultant. The study was completed and the research team in collaboration with the tank programme team convened a two days workshop based on it.

Research and Documentation

A research study to bring out historical perspectives on tanks and their location is currently being undertaken by the programme. A workshop on the ancient technology and means of collating information related to tank technologies from inscriptions was organised. A monograph on irrigation news from inscriptions was prepared and released during the workshop. The papers presented during the workshop have been compiled and published. The team in collaboration with the Institute of Remote Sensing, Chennai undertook a project on the application of Remote Sensing and GIS Technique.

New Themes

Tata –Dhan Academy

Tata-Dhan Academy was initiated to build human resources for the development sector, especially the non-government, not-for-profit sub-sector. The Academy aims at achieving the identity and standards of an international institute enjoying global recognition as a *centre of excellence* in the field of education with which it is concerned.

The Programme in Development Management (PDM) is presently a 15-month education programme to induct and groom young graduates as development professionals. The principles underpinning the curriculum are: (a) professionals for grass roots action (b) emphasis on attitude building and (c) experiential learning. Twelve students of the third batch have graduated successfully and were placed in various thematic



programs of DHAN Foundation. The classes for the fourth batch of PDM commenced in August 2003. The work for the admission to the fifth batch of PDM was initiated.

The faculty members have initiated the course review process. They carried out necessary changes in framing objectives, dividing the course into four to five modules and worked out session details within the modules. Efforts were taken by the faculty and the students to apply the concepts and acquire appropriate skills such as using research and analytical tools and techniques, written communication, besides gaining in-depth knowledge on issues like poverty, sustainable livelihood and social change.

The focus of research during the year was on building a team of research associates, develop relevant cases for teaching and identify research

themes. The emphasis was on development of cases. A workshop on case research facilitated by Prof K R S Murthy served as a critical input for case development. A faculty member has initiated a research project titled “Social Ecology of Marine Fishing in Gulf of Mannar”. Two research studies have been initiated as part of postgraduate theses of two students of TNAU, Coimbatore. The first occasional paper written by Dr V S Vyas, one of the Advisory Council members of the Academy, on “*Weakening Roots of Democracy and the Role of Civil Society*” has been brought as an internal publication.

Faculty Induction and Development

One new faculty member has been inducted into the faculty team. There are 11 faculty members to handle different courses for PDM and guide students in carrying out assignments of fieldwork and development practice segments. Three faculty members attended faculty development programmes at Indian Institute of Management, Ahmedabad. It has given them an exposure to various teaching methods in general and case analysis and classroom facilitation in particular. Faculty members who coordinated DMPs spent time with the resource persons to broaden their perspective and learning.

Short Duration Development Management Programmes

Short duration Development Management Programmes (DMPs) is one of the core activities of the Academy. The Academy conducted four programmes during the year. The four DMPs, totaling 11 weeks, were attended by 74 participants. All the four were partly sponsored by different development agencies. Out of 74 participants, 23 participants were from DHAN Foundation and the rest from other institutions.



They are Development Management Appreciation Programme for middle level practitioners involved in the development sector. ART of Upscaling Microfinance an international programme targeted at senior level decision makers dealing with microfinance in the developing countries. A three-day programme, LEAD: Future Search (LEAD - Leadership Education in Agriculture Development) for the faculty and officers holding positions as deans and directors at the Tamil Nadu Agricultural University (TNAU). The third Social Development Research Capacity Building programme for three weeks was offered by the Academy with the sponsorship of Department for International Development.

Field Campus Locations

The three field campus locations were initiated in Tamilnadu and Karnataka with ten of the PDM graduates who have passed out of the Academy. The objective is to build an integrated complex of innovative thematic development projects with a focus on building People's Organisations to address the challenges of poverty and development. The teams have promoted 250 kalanjams with a total membership of 3250 women, 42 tank farmers' associations with about 700 members, and 50 dry-land farmers' associations with nearly 1500 members. They are implementing five watershed development programmes. The field executives organized regular review and planning meets facilitated by the faculty members.



Institution Building

Two Advisory Council Meetings were held in which the major suggestions offered were on preparation of position paper on PDM, Faculty Development and Development Management Programmes. The four subcommittees had separate meetings and came out with number of suggestions to further the work on various activities of the Academy. The faculty council meetings were organised regularly in addition to special meetings to finalise admissions, DMPs, and field assignments for the students. Alumni Association was launched and three general body meetings have been organised.

Campus Development

The work on the new campus for the Academy has been initiated. Three faculty council meetings with the architect helped finalise the design for the campus. In the existing campus, the computer and accommodation facilities have been expanded to meet the needs of the PDM students and the DMP participants.

Information Technology for the Poor

DHAN Foundation conscious of the technological change and poor being left out in the whole process, has initiated the theme on IT for poor by making Information Technology accessible to poor by developing relevant schemes through research and pilot activities. The team offered a number of services to the community through the different components of the project.

Progress

The community colleges programme was initiated at three places to provide quality computer education to students of poor families at

affordable fees. A total of 251 students completed different courses during the year in the three centers. They also act as the hub and capacity building resource centers for the village level ICT kiosks in the respective places.

DHAN foundation has set up 36 village Internet Centers under the SARI project in villages of Melur and Kottampatti blocks in Madurai



district. These centers offer a variety of Information and Communication services, which include computer training, e-mail and browsing, job work, etc. The special services offered by the centers include sending applications for obtaining birth and death certificates, sending queries to Aravind eye hospital about eye problems, sending queries about health problems to specialist doctors, queries about crops and animals, etc. Computer education is one of the most widely used services. Currently the centres are able to cover only 30% of the costs.

DHAN Foundation has set up 25 adult literacy centers in villages of Alanganallur and Kottampatti blocks. Each center has a computer with ALP software developed by TCS and is run by a facilitator. Illiterate adults of the village learn to read and write Tamil with the help of the software. A total of 169 adults completed the reading course while 79 have completed the writing course. Currently 138 adults are doing the reading course while 34 are doing the writing course.

The team has a System Design and Development Center. The content developed include different educational content deployed in several high schools which are covered under the SARI project, e-commerce software installed in village Internet centers, web design, software for microfinance self help groups. The team also provides software and hardware support and training to the professionals working in the other programmes of DHAN Foundation.

There are 8 ICT groups in Melur and Kottampatti villages. They were able to earn Rs.30,000 during



the year by undertaking various ICT related works. The team is taking efforts to link up with the external markets to increase the kiosks and ICT groups' incomes.

There are five professionals working in this theme. The computer training centres, kiosk operators, ALP centre facilitators are from among the people. Capacity building events for these workers are being organised at regular intervals through specific trainings and meetings. An advisory committee has been constituted with seven eminent persons from the fields of Information Technology and development to guide the theme and the team. The first meeting of the advisory committee was held in December 2003. The team got a lot of new ideas and suggestions for the theme advancement.

The team organised a workshop of user's and experts to understand from the perspective of the user's. There were four modules on need/demand assessment, content development, areas for experimentation and capacity building. The team members attended several workshops and seminars on the theme of 'IT and poor' both at the national and international levels. Visitors from many organisations both national and international came to see the work done by the team.

During the year the team could collaborate with Center for Development of Advanced Computing (C-DAC) for developing content for our programme. A discussion has been initiated with ICRISAT for collaboration in weather forecasting using Internet. The discussions are ongoing with the District Collector in Thoothukudi to set up the village internet centres.

Rainfed Farming Development

DHAN Foundation initiated a new theme 'Rainfed Farming Development in October, 2002. The rainfed farming development theme is in the explorative stage. During this phase it aims to understand the issues of rainfed farming that results in its decline in the selected locations, identification of specific interventions and consolidation of interventions for bringing them forward to pilot project stage. The experimentation on rainfed farming was taken up in two locations with two different soil conditions namely black and red soils. These two soil conditions fairly represent the major rainfed soils in Southern India. They are Thirumangalam in Madurai district and Natrampalli in Vellore district.

Progress

The rainfed farming development theme has evolved a people organisation model for piloting. Uzhavar kuzhu (Farmers groups) have been formed with 15 to 20 farmers who have lands at close proximity as members. 126 Uzhavar kuzhus have been promoted with 2039 members with both men and women. Kalanjams are formed with landless agriculture labourers and for tenant farmers. 16 Kalanjams have been promoted with 249 members. The team has promoted twelve watershed associations.

Situation specific and need-based interventions were attempted on experimental basis. These attempts were centred on the local best practices and indigenous technology. Focus was given on individual farm that too with small and marginal farm holdings; where the vulnerability is very high. Landless farmers are given central focus, providing them access to lands is one of the key purposes of the theme. The team has evolved several areas for observation and experimentation. The resources for the work have been mobilised through the NWDPR (National Watershed Development Project for Rainfed Areas) programme. Observation studies have been taken up with 123 farming families.

Experimentation on technologies suggested by the agricultural universities and the indigenous ones were attempted to find the suitability for the selected locations. The areas in which experiments were taken up are improved agronomic practices, plant protection measure, crop improvement and farm mechanization. The farmers were trained to observe the performance of each experiment. Farmers could see positive results in some of the experiments. They are interested to follow them in the coming seasons.

The team has built good relationships with District Nodal Agency (Department of Agriculture). The team could undertake entry point activities like deepening of drinking water wells and construction of hand operated bore wells to solve the drinking water problems in the villages in collaboration with them. Drought proofing works were undertaken with the grant support from NOVIB, the Netherlands in both the locations. The teams gained a lot of learning which was very useful to define the intervention areas for the theme.

An Advisory board has been constituted with eminent persons with experience in this field at time of initiation of the theme. The advisory board met once and the theme related progress including the observation and the experimentation studies were shared with them to get their feedback and suggestions. Several capacity building events were organised for the team members to build their knowledge and skills on community mobilisation and technical aspects.

The team undertook and completed two research studies namely a) Factors responsible for cropping pattern change in Thirumangalam Taluk of Madurai district and b) An analysis of conversion of dryland into garden land in Natrampalli block of Vellore district. These two studies were useful in understanding the context of the locations in more detail.

Working with Panchayats

DHAN Foundation initiated the new theme on “Democratising the Panchayat” the year 2003. Though the 73rd constitutional amendment focused on promotion and active functioning of the Panchayat Raj Institutions as a third layer of government, Panchayats have till now, failed to emerge as a third layer of government not even up to the minimum expected level. The first year of experimentation was in 12 Panchayats in three districts. The main objectives of the new theme in the experimentation phase are i) Promoting and strengthening of village level institutions as functional groups in the Panchayat to ensure people’s participation ii) Sustaining the Panchayat institutions to access resources and reduce its dependence on the State and iii) Integrating the existing traditional systems with the Panchayats to enhance the participation of the people and achieve synergy.

Progress

The Panchayat experimentation covers 12 Panchayats in three blocks of three Districts. These Panchayats have 60 hamlets, of which, 53 hamlets were covered during the year. Various functional groups have been promoted in these hamlets covering nearly 7,000 families with a population of 45,546.

The main focus of the new theme during the year was on promotion of functional groups. So far 133 functional groups have been promoted. In addition, 189 Kalanjiam SHGs are functioning already in these Panchayats. These SHGs are also treated as functional groups for the Panchayat programme.

Small activities such as establishing village library, livestock programme, providing games / sports materials, and agriculture implements was introduced in 92 functional groups to make them vibrant and active. The formation of working groups at hamlet level was also taken up simultaneously. So far, 10 working groups have been promoted. These working groups are formed with the office bearers of the functional groups at hamlet level. These working groups work for the development of the village and they conduct the village level Gramasabha meetings.

Entry programmes were implemented in most of



the hamlets. These activities were instrumental in helping the programme team in building trust among the people in the selected Panchayats. The majority of the activities undertaken related to the immediate needs of the members such as creation of common infrastructure, sanitation facilities and access to water.

Capacity building efforts were taken up in an intensive manner for different categories of village people such as household members, ward members, functional group office bearers, Panchayat Presidents etc. The exposure visits for the Panchayat Presidents to well performing Panchayats was very effective in motivating them to develop their own Panchayats in a better way. The State Institute of Rural Development (SIRD), Tamilnadu, has identified the Panchayat Programme team of DHAN Foundation as one of the resource centres for conducting off campus training programmes. The team organized a three-day programme in collaboration with them for SC/ST women District Councilors, which was well received by them.

The local resource mobilization for implementation of development programmes was taken up in all the Panchayats. More than Rs 55 lakhs was mobilized during this year to implement development programmes in these 12 panchayats through various government sponsored programmes. The people contributed Rs. 1.36 lakhs for the work. The team took steps to ensure that the Gramsabha meetings were organized regularly in these twelve Panchayats. The participation of the people increased and improvements could be seen in the conduct of the meeting. All the functional group members were motivated to actively participate in the meetings.

As a new theme, Panchayat programme has taken off well towards creating its’ own identity, building relationship with District administrations, building rapport with other institutions which are working in Panchayat and creating wide range of awareness and motivation on panchayat functions among the public. Secondly, Panchayat theme has been able to create adequate interface mechanism with advanced programmes like



Kalanjiam Community Banking Programme. It leads to convergence of people’s strength towards specific objectives.

Centres for Integration

Centre for Human Resource Development

Constant and continuous efforts were taken to position the DHAN Foundation in the various academic institutions. These efforts were successful in around 20 colleges. The selected candidates had undergone an exposure visit for a week to the field programmes. It helped them to understand the need for professionals for development work and critically evaluate themselves and assess their suitability for this kind of work. The team could place about 43 young professionals as Development Associates of whom the majority were postgraduates. Each associates' batch is guided by a senior DHANite, who would ensure a facilitating environment for the associates by designing and organising capacity building events for them.

A one-year development apprenticeship programme was offered to eight batches during the year, of whom, four have graduated to the next level. Regular capacity building events such as Induction Programme, Village Study Workshop, Building People Organisation workshop, Apprentices meet and Appraisals were organised based on the need and time.

Twenty-seven apprentices graduated as Project Executives during the year. The 12 students who passed out of Tata-Dhan Academy were placed as project executives in DHAN Foundation. Nine professionals with prior work experience were taken as Project Executives.

Placement talks for recruiting programme support staff were organized with reputed Arts and Science colleges. The selection process was standardized with focus to recruit candidates with high capacity and interest to work at grassroots. The team was successful in placing 46 support staff, majority of them were postgraduates.

Many ongoing professional development programmes were organised during the year. A Programme on Vision Building for people organisations was organised for three days for team leaders. The steps for undertaking a visioning exercise and Future search processes for people organisations was undertaken. A Workshop on Institution Building was organised for two days based on experience of Rabo Bank groups and International Advisory Services. The Project executives, Team Leaders and Programme

leaders participated in a number of workshops and seminars both at the national and international related to their themes.

Centre for Development Communication

The Research and Documentation Resource Centre set up within DHAN Foundation is making a transition as Centre for Development Communication. This is mainly to focus more on the development communication aspects.

The audiovisual unit brought out a number of audio and video products for the use of field programmes and the organisation. A film titled 'Restoring Livelihoods', which highlights the impact of tank based watershed programme at Punganur was prepared. The unit also brought out a film 'Gurthimpu-Our Identity' to capture the impact of SPMS federation on urban poverty. Also it has made edited volumes of four films based on the cultural team's tour to create awareness on select development issues in the regional languages. Three audiocassettes in Tamil, Telugu and Kannada have been prepared for supporting the expansion campaigns of field programmes.

The design and multi media unit provided support to the programmes to publish their materials in booklets, journals, newsletters and monograph series. As a premier product this unit has compiled, edited and published the annual report of DHAN Foundation. The unit also designed a set of New Year products. The monthly calendar on water theme was well received by everyone. A package of IEC materials such as posters, banners, stickers and other display materials were prepared for use at the micro credit summit at Bangladesh. This unit provided design support for preparing information brochures for various capacity building events organised by the programmes, Tata-Dhan Academy, INAFI etc.

The centre organised village study workshop for five batches of apprentices. And coordinated need based studies and documentation for the field programmes. Students from Bharathidasan Institute of Management, Xavier Institute of Rural Management were guided for taking up short duration studies in the field of microfinance and water.

The centre has presently taken up the responsibility of facilitating philanthropy cell in

DHAN Foundation. The team organized an event 'Development Dialogue: Building partnerships' for bringing stakeholders such as donors, bankers together. It was a four-day event organised for funding agencies. The purpose was to provide them an exposure to the work DHAN Foundation is involved in and a platform to share their reflections on it and explore common grounds for deeper engagement in the future.

Centre for Research

The central office has initiated a specialized center for research to work on issues common to the sector and DHAN Foundation. The team undertook a study on the impact of the Kalanjiam programme. The methodology went through several rigorous reviews before it was finalized. The study has been completed and has been brought out as a publication. This study was taken up on behalf of Sir Ratan Tata Trust, Mumbai. A lot of interesting and useful insights into the programme were gained as a result of it.

Another study on the assessment of Tank programs in the country was undertaken on behalf of the Dutch donor NOVIB. As a follow-up, a workshop was conducted during November at Madurai, and was attended by Oxfam organisations in India apart from Government officials, Researchers and NGOs from other states. The study on Tank Customary rights has been to map the customs, practices, laws related to tank management in Tamilnadu. Six village tank level cases to study usufructs, water use, encroachments; a sub-basin study to understand the riparian rights and introducing new development projects in a smaller basin; and a basin level study to assess dam building on the existing tank systems were also done as part of the project.

A joint project to produce an electronic atlas of Tanks and Ponds for the Gundar basin covering more than 500 sq.km spread in five districts with around 2500 tanks was planned. This was done jointly with the support of the data provided by IRS, Chennai. The first atlas on the Palar Basin has been completed.

Central Office

The central office plays the integration role across themes, geographic locations, functions etc through innovative integrating mechanisms and events. It provides strategic support to the new thematic institutions promoted and help them to establish themselves. The Central Office also takes

the responsibility for resource mobilization and its management, strategic planning, policy advocacy at higher levels, legal compliances etc. It has set up specialized centers for Human Resource Development, Development Communication, and Research etc. for the above activities as well the different themes and thematic institutions.

The DHAN Foundation has a number of integrating mechanisms that besides bringing in a common culture, vision among all the members also builds the leadership capacity. Some of them are the strategic forum, the consultative forum, the retreat, task forces and working groups for specific purposes. They contribute to the institution building processes and collective leadership.

The VI Annual Retreat was organized at Puttaparthi in Andhra Pradesh. Nearly 300 DHANites participated in the event. The focus of the retreat was on Revisiting the Mission as part of the Future search Process of DHAN Foundation. It was an opportunity for all DHANites to revisit the Mission, vision, purpose and values in the present context and redefine them through an intensive year long future search process that was set in motion at the end of the retreat. It would culminate at the next retreat.

The Consultative forum met twice during the year. It did a review of all the programmes of the DHAN Collective. The consultative forum members as part of the various Working groups set up during the Retreat for the future search process met at frequent intervals to take forward the future search process. The strategic forum met several times during the year. The major area of focus during the year was on resource mobilization efforts as all the major funding to the foundation were coming to a close at the end of the year. Nurturing support to the new themes and collaboration with external agencies were the other areas that were given high importance.

Acknowledgement

Our sincere thanks are to Sir Ratan Tata Trust, Mumbai, Ford Foundation, New Delhi, Novib, the Netherlands, for their continued support to our work over the years. Our thanks are also due to CAPART, New Delhi, and the District Rural Development Agencies of the districts in Tamil Nadu, Andhra Pradesh, Karnataka and Pondicherry where we are working. ICICI Bank, HDFC, NABARD, HUDCO, SIDBI, Pandyan Grama Bank, Canara Bank and other commercial banks for their support during the year. We thank all the academic and research institutions that have collaborated with us during the year

DHAN Foundation at a Glance <i>(Cumulative Figures)</i>	March 2003	March 2004
Reach		
No. of Families	1,96,659	2,62,903
No. of Primary Groups	11,100	15,091
No. of Clusters	850	982
No. of Federations	38	46
No. of Villages	3,889	5,054
No. of Districts	23	29
Staff		
No. of Professionals	192	235
No. of Programme Staff	121	145
No. of People Functionaries	1,383	1,651
Finances (Rs. in lakhs)		
a. Programme Funds		
People	3,670	5,259
Banks	5,260	8,000
Government and Donors (for the year)	97	87
Sub Total	9,027	13,346
b. Programme Management (for the year)		
People	460	567
Government	123	118
Donors	574	722
Sub Total	1,157	1,407
Grand Total	10,184	14,753

STATUS OF KALANJAM COMMUNITY BANKING PROGRAMME (Cumulative figures)			
SI. No.	Particulars	March '03	Mar '04
1	Spread of the programme		
	a) No. of States	4	4
	b) No. of Districts	20	22
	c) No. of Blocks	75	85
	d) No. of Kalanjams	10,544	13,700
	e) No. of Clusters	779	888
	f) No. of Federations	32	40
	g) No. of Members	1,64,552	2,10,856
	h) No. of villages	3,489	4,554
2	Finance (Rs.in lakhs)		
	a) Total own funds	3,646.33	5,171.75
	b) Savings	2,834.75	3,776.79
	c) Reserves & Surplus	811.58	1,394.95
3	SHG Bank Linkage		
	a) No. of branches involved	137	180
	b) No. of banks involved	24	29
	c) No. of groups linked	8,851	12,969
	d) No. of loans	11,535	17,857
	e) Amount mobilized	3,590.33	6,126.99
4	Apex Bank Linkage		
	a) No. of federations	17	18
	b) Amount mobilized	1,670.22	1,872.71
5	SGSY Linkage with DRDA		
	a) Revolving Fund Assistance	-	-
	b) Economic Activity Assistance	-	-
6	Loan outstanding with members	5,524.80	8,638.80
(* It includes SGSY linkage also)			

STATUS OF VAYALAGAM AGRICULTURE DEVELOPMENT PROGRAMME (Cumulative figures)			
SI No.	Particulars	As on March '03	As on March '04
1	Spread of the programme		
	a) No. of States	4	4
	b) No. of Districts	16	19
	c) No. of Vayalagams	556	759
	Watershed Associations	13	36
	Dryland Farmers Associations	58	58
	d) No. of Federations	6	6
	e) No. of Members of the Associations	32,107	40,084
	f) Command area benefited (in ha.)	10,554	24,054
2	Value of Physical works implemented during 2003-2004 (Rs.in lakhs)		
	a) Through Farmers' Contribution	24	29
	b) Through Govt. and Donor agencies	97	87
	c) Tank Endowments made	13	22
	i. Through Farmers' Contribution	6	11
	ii. Through SRTT Endowment Grant Support	7	11

Financial Statements

FORM NO.10B

Audit report under section 12 A(b) of the Income Tax Act, 1961 in the case
of charitable or religious trusts or institutions

We have examined the consolidated Balance Sheet of DHAN (Development of Humane Action) Foundation, 18, Pillayar Koil Street, S.S.Colony, Madurai – 625 010, Tamilnadu, India (Permanent Account Number: AAA TD 2591 B) as at 31 March 2004 and the consolidated Income and Expenditure Account for the year ended on that date which are in agreement with the books of account maintained by the said trust.

This financial statement is the responsibility of the trust's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit subject to non confirmation of balances of certain advances, deposits and loans recoverable, bank balances, donor balances and current liabilities. In our opinion, proper books of account have been kept by the head office and branches of the trust so far as appears from our examination of the books.

In our opinion and to the best of our information and according to the information given to us, the said accounts give a true and fair view:

- i) in the case of the consolidated Balance Sheet of the state of affairs of the above named trust as at 31 March 2004 and
- ii) in the case of the consolidated income and expenditure account of the excess of income over expenditure of its accounting year ending on 31 March 2004.

The prescribed particulars are annexed hereto.

for SUNANDA & SHESHADRI,
Chartered Accountants,

Sd/-

K.SHESHADRI,

Partner.

Membership No.20956

Place : Madurai
Date : 11 July 2004

DHAN (Development of Humane Action) Foundation

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2004

(in Rupees)

	Schedule		March 31, 2003
ASSETS			
FIXED ASSETS			
Written off as per contra	1	37,514,584	25,809,530
INVESTMENTS	2	45,670,616	46,443,773
CURRENT ASSETS, LOANS AND ADVANCES			
Current Assets	3	28,929,718	20,981,093
Loans and Advances	4	4,310,408	3,754,478
Total		116,425,326	96,988,874
LIABILITIES			
CORPUS AND CAPITAL FUND	5	45,241,449	41,439,503
SPECIFIED FUNDS	6	27,793,662	27,482,035
CURRENT LIABILITIES	7	5,875,631	2,257,806
FIXED ASSETS WRITTEN OFF AS PER CONTRA	1	37,514,584	25,809,530
Total		116,425,326	96,988,874
Notes on Accounts	12		

Schedules 1 to 7 & 12 form an integral part of the Balance Sheet

Sd/-
Chairman

Sd/-
Treasurer

As per our Report of even date
for Sunanda & Sheshadri
Chartered Accountants

Sd/-
Executive Director

Sd/-
K.SHESHADRI
Partner

Madurai
Dated: July 11, 2004

DHAN (Development of Humane Action) Foundation

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2004**

(in Rupees)

	Schedule		March 31, 2003
INCOME :			
Grants Received	8	84,535,236	69,466,967
Techno Managerial Services Receipts (TMS)		3,498,596	3,560,640
Other Receipts	9	4,954,940	3,257,287
Total		92,988,772	76,284,894
EXPENDITURE:			
Community Banking Programme			
Programme Implementation and Administration	10	33,579,029	33,853,053
Capital Expenditure	1	5,276,039	2,608,529
Tank fed Agriculture Programme			
Programme Implementation and Administration	10	22,469,559	11,464,363
Capital Expenditure	1	1,059,679	279,635
Other Programmes			
Programme Implementation and Administration	10	17,880,405	13,598,803
Capital Expenditure	1	1,761,371	1,924,097
Central office Administration			
Administration	10	1,922,797	1,096,624
Capital Expenditure	1	4,225,745	1,732,061
Excess of income over expenditure		4,814,148	9,727,729
Total		92,988,772	76,248,894
Appropriation of Excess of Income over Expenditure	11	4,814,148	9,727,729
Notes on Accounts	12		

Schedules 1 & 8 to 12 form an integral part of the Income and Expenditure account

Sd/-
Chairman

Sd/-
Treasurer

As per our Report of even date
for Sunanda & Sheshadri
Chartered Accountants

Sd/-
Executive Director

Sd/-
K.SHESHADRI
Partner

Madurai
Dated: July 11, 2004

DHAN (Development of Humane Action) Foundation

**SCHEDULES TO CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2004**

Schedule 1 : Fixed Assets

Community Banking Programme

(in Rupees)

Particulars	C	O	S	T
	As at Apr 1, 2003	Addition	Deletion	As at Mar 31, 2004
Freehold Land	678,901	1,358,415	-	2,037,316
Building	1,206,692	-	-	1,206,692
Building (Work-in Progress)	307,452	1,258,921	-	1,566,373
Furniture and Fixtures	841,188	202,561	-	1,043,749
Office Equipments	274,090	141,336	-	415,426
Professional Equipments	4,473,065	1,390,574	-	5,863,639
Electrical Fittings	287,559	60,576	-	348,135
Vehicles	2,286,755	470,550	-	2,757,305
Staff Vehicles	948,601	368,919	511,386	806,134
Plant & Machinery	61,249	24,187	-	85,436
Total I	11,365,552	5,276,039	511,386	16,130,205
Tank Fed Agriculture Programme				
Land	176,689	-	-	176,689
Furniture and Fixtures	241,558	40,044	-	281,602
Office Equipments	36,867	130,861	-	167,728
Professional Equipments	777,160	515,287	-	1,292,447
Electrical Fittings	81,368	11,370	-	92,738
Vehicles	1,242,551	-	-	1,242,551
Staff Vehicles	191,675	360,617	64,390	487,902
Plant & Machinery	1,323,300	1,500	-	1,324,800
Total II	4,071,168	1,059,679	64,390	5,066,457
Other Programmes				
Freehold Land	1,395,703	157,002	-	1,552,705
Land work in Progress	-	62,512	-	62,512
Furniture and Fixtures	417,476	39,010	-	456,486
Office Equipments	102,737	56,433	-	456,486
Professional Equipments	2,876,257	1,231,387	-	4,107,644
Electrical Fittings	133,526	20,428	-	153,954
Vehicle	522,200	14,795	-	536,995
Staff Vehicles	87,415	171,878	42,004	217,289
Plant & Machinery	113,000	7,926	-	120,926
Total III	5,648,314	1,761,371	42,004	7,367,681
Central Office				
Freehold Land	3,999,645	3,699,986	-	7,699,631
Furniture and Fixtures	166,880	63,747	-	230,627
Office Equipments	45,650	32,331	-	77,981
Professional Equipments	485,100	377,701	-	862,801
Electrical Fittings	27,221	51,980	-	79,201
Total IV	* 4,724,496	4,225,745	-	8,950,241
Total (I+II+III+IV)	25,809,530	12,322,834	617,780	37,514,584

* Central Office - Free hold land includes Rs. 20,94,344 funded out of Corpus

Madurai
Dated: July 11, 2004

Sd/-
Chairman

Sd/-
Treasurer

Sd/-
Executive Director

DHAN (Development of Humane Action) Foundation

**SCHEDULES TO CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2004**

(in Rupees)

March 31, 2003

Schedule 2 : Investments

Ford Foundation Corpus Deposits with :			
Post Office - KVP Scheme	14,300,000		14,300,000
Housing & Urban Development Corporation Ltd	7,500,000		7,500,000
Housing Development Financial Corporation	7,500,000		7,500,000
Industrial Development Bank of India	200,000		-
Madras Fertilizers Limited	631,956		-
Fixed Deposits with Canara Bank	143,773	30,275,729	143,773
Corpus and other Deposits with :			
Andhra Pradesh Power Finance Corporation Ltd	1,000,000		1,000,000
Housing & Urban Development Corporation Ltd	500,000		500,000
Housing & Urban Development Corporation Ltd	2,416,624		-
Pradesiya Industrial and Investment Cop. of UP Ltd	464,333		-
Tamil Nadu Industrial Development Corporation	513,430	4,894,887	-
Sir RataTata Trust Expendable Field Campus corpus			
- Fund Deposited with :			
Fixed Deposits with Pandian Grama Bank	9,000,000		14,000,000
Post Office - KVP Scheme	1,500,000	10,500,000	1,500,000
Total		45,670,616	46,443,773

Schedule 3 : Current Assets

Bank Balances			
In Savings accounts	17,689,216		11,041,009
In Fixed Deposits	11,131,980	28,821,196	9800,111
Cheques in Transit		108,522	139,973
Total		28,929,718	20,981,093

Schedule 4 : Loans and Advances

Advances Recoverable:			
Project Advances to staff		166,020	365,603
Deposits		1,964,558	1,807,910
Other Advances Recoverable		2,179,830	1,580,965
Total		4,310,408	3,754,478

Sd/-
Chairman

Sd/-
Executive Director

Sd/-
Treasurer

Madurai
Dated: July 11, 2004

DHAN (Development of Humane Action) Foundation

SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2004

Particulars	Opening balances / (Application) as on Apr 1, 2003	Receipt during the year	Appropriation from Income and Expenditure account	Surplus / (Deficit) during the year	Total	Application not included in Income and Expenditure account (Revolving fund (advances))	(in Rupees)
							Closing Balance / (Application) as on March 31, 2004
Schedule 5 : Corpus and Capital Fund							
Corpus Fund							
Ford Foundation	29,443,773	-	-	1,070,017	30,513,790	-	30,513,790
Others	-	300,000	-	-	300,000	-	300,000
DHAN Own	3,823,324	-	1,680,311	-	5,503,635	-	5,503,635
Less: Application - purchase of land	(2,094,344)	-	-	-	(2,094,344)	-	(2,094,344)
	1,728,980	-	-	-	-	-	3,409,291
Capital Fund	10,266,750	-	-	751,618	11,018,368	-	11,018,368
Total	41,439,503	300,000	1,680,311	1,821,635	45,241,449	-	45,241,449
Schedule 6: Specified Fund							
Donors' Account	10,067,547	-	-	4,767,928	14,835,475	2,140,275	12,695,200
Sir Ratan Tata Trust Expendable Field Campus Corpus Fund	15,500,000	-	224,545 (Interest)	(2,629,671)	13,094,874	200,000	12,894,874
Sir Ratan Tata Trust Fund for Corpus grants to Tank Farmers Organisations	1,050,600	-	-	(1,050,600)	-	-	-
Sir Ratan Tata Trust Revolving Fund	200,000	-	-	-	200,000	-	200,000
Revolving fund returns	282,000	1,339,700	-	-	1,621,700	-	1,621,700
Book Fund	165,998	-	-	-	165,998	-	165,998
Vehicle Fund	215,890	-	-	-	215,890	-	215,890
Total	27,482,035	1,339,700	224,545	1,087,657	30,133,937	2,340,275	27,793,662

Sd/-
Chairman

Sd/-
Executive Director

Sd/-
Treasurer

Madurai
Dated: July 11, 2004

DHAN (Development of Humane Action) Foundation

SCHEDULES TO CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AS AT MARCH 31, 2004

(in Rupees)

		March 31, 2003
Schedule 7 : Current Liabilities		
On Government Programmes	1,570,133	1,441,811
Others	4,305,496	815,995
Total	5,875,631	2,257,806
Schedule 8 : Grants Received		
Grants Received from Foreign Agencies		
Novib - The Netherlands	13,872,924	17,289,080
Ford Foundation - New Delhi	9,432,241	9,121,531
Oxfam Trust (India)	799,000	-
Rabobank Foundation	1,435,066	-
Institute of International Education	872,696	-
Others	-	1,774,000
	36,939,539	
Grants received from Indian Agencies		
Sir Ratan Tata Trust	20,183,000	24,600,000
Ministry of Rural Development / UNDP	8,255,910	9,701,275
Institute of Water Studies - Chennai	56,640	188,800
National Bank for Agriculture and Rural Development	1,027,049	2,558,066
Drought Prone Area Programme (DPAP)-Chittoor	120,000	356,966
Industrial Credit Investment Corporation of India(ICICI)	13,438,000	1,200,000
Department of Agriculture NWDPR - Watershed	1,287,800	956,250
Swasakthi - Karnataka	249,866	111,903
Jala Samvardhane Yojana Sangha - GoK	708,969	462,087
District Rural Development Agency - GoTN	670,000	-
Housing Development Finance Corporation	600,000	-
Andhrapradesh Rural Livelihoods Projects	298,463	-
State Planning Commission - Go TN	200,000	-
Kalanjiam Movement	500,000	7,134
Others	-	4,245,321
	47,595,697	
Total	84,535,236	69,466,967
Schedule 9 : Other Receipts		
Interest from Banks, etc.,	908,073	978,735
Interest from corpus Investment	1,571,580	350,722
Other Receipts	2,475,287	1,927,830
Total	4,954,940	3,257,287

Sd/-
Chairman

Sd/-
Executive Director

Sd/-
Treasurer

Madurai
Dated: July 11, 2004

DHAN (Development of Humane Action) Foundation

SCHEDULES TO CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AS AT MARCH 31, 2004

Schedule 10 : Programme Implementation and Administration

(in Rupees)

Activity / Expenditure / Items	Community Banking Programme	Tanked Agriculture Programme	Other Programmes	Central Office administration	Total	March 31, 2003
Volunteer Allowances and Travel	4,103,342	1,985,410	1,127,721	-	7,216,473	6,630,348
Training / Expenses on Volunteers, Groups and Members & Federations & Civic Programmes	3,477,491	238,110	1,069,052	-	4,784,653	5,844,511
Support for Income generation by members	2,344,214	340,000	51,400	-	2,735,614	1,440,000
Crop Production & Water Management Training	-	579,354	20,197	-	599,551	258,025
Drinking Water Ponds Programme	-	7,005,822	-	-	7,005,822	1,144,497
Sir Ratan Tata Trust Endowment Grants to Tank Farmers Associations	-	1,052,400	-	-	1,052,400	620,000
Others Endowment Grants to Tank Farmers Associations	-	300,000	-	-	300,000	-
Small Grants assistance	-	788,500	-	-	788,500	205,000
Convention, Workshop and Meeting	-	-	810,486	4,747	815,233	3,920,914
Employees remuneration and benefits	13,792,179	5,536,351	7,539,157	694,858	27,562,545	20,825,185
Professional / Consultancy Charges	2,114,540	590,404	1,056,027	576,204	4,337,175	3,223,472
Travel / Conveyance	3,640,686	2,085,665	2,074,816	282,872	8,084,039	7,428,190
Vehicle maintenance	705,944	342,416	203,140	33,627	1,285,127	1,301,306
Books and Audio Visual Expenses	254,916	247,019	375,247	3,259	880,441	416,952
Printing and Stationery	913,599	584,355	1,205,333	57,403	2,760,690	2,239,520
Communication	645,435	240,729	499,393	111,510	1,497,067	1,085,223
Rent, Water, Electricity and Maintenance	1,432,009	454,186	1,405,078	99,253	3,390,526	2,221,342
Miscellaneous Expenses	154,674	98,838	76,220	59,064	388,796	986,168
Advertisement Expenses	-	-	367,138	-	367,138	221,190
Total	33,579,029	22,469,559	17,880,405	1,922,797	75,851,790	60,012,843
Previous year	33,853,053	11,464,363	13,598,803	1,096,624	60,012,843	

Sd/-
Chairman

Sd/-
Executive Director

Sd/-
Treasurer

Madurai

Dated: July 11, 2004

DHAN (Development of Humane Action) Foundation**SCHEDULES TO CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT AS AT MARCH 31, 2004**

(in Rupees)

March 31, 2003**Schedule 11 : Appropriation of Excess of Income over Expenditure**

Excess of Income over Expenditure / (expenditure over income)	4,814,148	9,727,729
Transfer to :		
Corpus fund from TMS Receipts	1,500,000	1,000,000
DHAN Corpus fund from Interest Income	180,311	180,311
Sir Ratan Tata Trust Expendable Field Campus		
- corpus from Interest Income	224,545	
Ford Foundation Corpus fund from Interest Income	170,411	170,411
Vehicle Fund	-	215,890
Balance carried to Balance sheet		
Donor's account		
Sir Ratan Tata Trust Fund for Corpus grants to		
- Tank Farmers Organisations Surplus / (Deficit)	(1,050,600)	(502,275)
Sir Ratan Tata Trust Expendable Field Campus corpus		
- Fund Surplus / Deficit)	(2,629,671)	
Others - Surplus / (Deficit)	4,767,928	5,186,431
Capital Fund - Surplus	751,618	3,476,961
Total	4,814,148	9,727,729

Sd/-
ChairmanSd/-
Executive DirectorSd/-
TreasurerMadurai
Dated: July 11, 2004

**Schedules to Consolidated Balance Sheet & Income and Expenditure account
for the year ended March 31, 2004**

Schedule 12 Notes on accounts:

1. The guiding principles that are fundamental to the institution are:
 - 1.1. High quality human resources will be engaged in grassroots work. The focus of the work will be on enabling rather than delivering through direct action.
 - 1.2. Value collaboration with mainstream institutions and government to demonstrate new and effective ways of development intervention and to build viable linkages between people and mainstream.
 - 1.3. Promoting people's organisations at various levels, with focus on one particular theme for sustainability.
 - 1.4. The strategy for growth is towards enriching the themes and retain subsectoral focus.
2. In pursuance of its objects and based on the guiding principles set out in para 1 above the trust:
 - 2.1 Undertakes projects and facilitates government and private local institution sponsored projects for promotion, renovation and maintenance of irrigation systems, and of natural resources, by land treatment, watershed management, afforestation, waste land development and management and also housing / housing finance for the needy.
 - 2.2 Promotes women's mutual credit and savings groups, associations of such groups and federations of such associations to enhance the savings and borrowing power of the poor to promote income generation activities for their livelihood.
 - 2.3 Works with the poor through locally active groups, informal and otherwise, in the accomplishment of its objectives.
 - 2.4 Provides technical and management assistance to similar voluntary agencies, institutions, government departments and funding agencies involved in development work in India. The reimbursement of cost / services in the form of fees are accounted under the head Techno Managerial service receipts & other receipts.
3. In the course of implementing the development projects the trust facilitates the mobilisation of substantial resources from various rural development schemes of the government and banks and through participants' own contribution, which are directly channeled to the participants. These have no monetary impact on the accounts of the trust. This is in keeping with the Trust's policy of progressively strengthening the capability of the weaker sections to deal effectively with development agencies and to manage development activities themselves. The administrative overheads incurred on account of the technical / managerial support extended are charged as expenditure of the trust.
4. In the case of informal savings and credit groups and other income generation activities flowing therefrom, the trust provides inter alia revolving fund grants & working capital loans, as per the mandate of the donors to the beneficiaries and the same are separately accounted for through the Balance Sheet, held in trust and administered. All other grants, including capital grants, are taken as revenue receipts of the trust in the year of receipt.
5. The trust follows cash basis of accounting.
6. Fixed assets are written off in the year of acquisition as an expenditure in the income and expenditure account and the cost of such assets are shown as contra on both the assets and liabilities side of the Balance Sheet. Fixed assets written off on transfer, sale, obsolescence etc are deleted from the cost on both the assets and liabilities side.

7. Fixed Assets include Rs.30,46,703/- (previous year Rs.16,20,605/-) consisting of Motor Vehicle Rs.1,78,008/-, (previous year Rs.1,42,459/-), Furniture and Fixtures Rs.1,31,888/- (Previous year Rs.98,248/-) Office equipments Rs.96,751/- (previous year Rs.15,210) Electrical fittings Rs.11,538/- (Previous year 5,288/-) Professional equipments Rs.80,218/- (previous year Rs.36,100/-) Plant & Machinery Rs.13,23,300 (previous year Rs.13,23,300/-) and Land & Building Rs.12,25,000/- (previous year Rs.Nil) being assets acquired out of grants received from the United Nations Development Programme (UNDP), for a programme titled 'Promotion of alternative livelihoods for the poor in the biosphere of Gulf of Mannar' through the Ministry of Rural Development, Government of India (executing agency) and the M.S. Swaminathan Research Foundation, Chennai (implementing agency). These assets remain the property of UNDP and disposal / transfer would take place at the end of the project.
8. Fixed assets (Central Office) includes Rs.7,242,381/- being cost of free hold land, the original documents of which are yet to be received from the registering authority after registration pending resolution of the quantum of stamp duty payable.
9. Consequent to the enrolment of the employees under the government provident fund scheme (Government scheme), the funds of the DHAN Foundation Staff Provident Fund, a recognised provident fund trust (Staff provident fund) had to be transferred to the government scheme. To provide liquidity to the staff provident fund to do so, some of their investments in Housing & Urban Development Corporation Ltd (deposits) Rs.24,16,624/-, Pradeshiya Industrial and Investment Cop. of UP Ltd (bonds) Rs.4,64,833/-, Tamil Nadu Industrial Development Corporation (bonds) Rs.5,13,430/-, Industrial Development Bank of India (bonds) Rs.2,00,000/- and Madras Fertilizer Ltd. (Deposit) Rs.6,31,956/- were acquired for consideration by the trust. The process of transferring these investments (included in schedule 2) in trust's name is in progress.

The Staff Provident Fund had sought premature redemption from Pradeshiya Industrial and Investment Cop. of UP Ltd (PICUP) consequent to an option given by the latter following a reduction in the contracted coupon rate. PICUP has stated that premature redemption will be made after funds are available. The interest at the rate due (including that at reduced rate) for the year has not been received from PICUP. However corresponding investment is shown at cost.
10. Current Liabilities - Others - in schedule 7 includes Rs.28,81,457 being a demand loan from a bank against fixed deposit with the bank.
11. Amount realised on sale of manuals & programme related literature are transferred to a separate book fund to publish / acquire further literature / manuals.
10. Previous years figures have been regrouped / reclassified wherever necessary.
11. Consolidated accounts mean and represent the consolidation of the accounts relating to foreign and local contributions.

Sd/-
Chairman

Sd/-
Executive Director

Sd/-
Treasurer

Madurai
Dated: July 11, 2004

Mr. Girish Ganshyam Sohani

Mr. Girish Ganshyam Sohani, an MBA from IIM(A), is currently the Executive Vice-President of BAIF, Pune, a pioneering rural development agency in the country. He has over two decades experience of working in BAIF in various multi-disciplinary projects related to natural resources management, renewable energy, tribal rehabilitation etc. He is involved in strategic planning for BAIF and its associate organisations and is also on their Board. He is a member of several expert / advisory committees, notably on bio-gas technology, constituted by the Central/State Governments, rural infrastructure, monitoring and evaluation of development projects etc. He has authored a number of articles and papers on development themes. He has presented papers in various national and international forums on development.

Mr. Girish Ganshyam Sohani

Chairman
11A, Vasant Vihar Housing Society
Near Sangam Press
Karve Road
Kothrud
Pune - 411 029
Maharashtra

Mr. B.T. Bangera

Vice Chairman
48, Viswanathapuram Main Road
Viswanathapuram
Madurai - 625 014
Tamil Nadu

Mr. B.T. Bangera, an MBA from IIM(A), is currently the Managing Director of M/s Hi-Tech Arai Ltd., an Indo-Japanese joint venture at Madurai. He has over 30 years rich experience of working in senior management positions in reputed companies in India. He has been an office-bearer in the Management Associations and Confederation of Indian Industries at different levels. He is keenly interested in education and is a member on the Board of Governors and Board of Studies of a number of management and engineering institutions.

Mr. B.T. Bangera

Mr. R.D. Thulsiraj

Mr. R.D. Thulsiraj, an MBA from IIM(C), is currently the Executive Director of LAICO-Aravind Eye Care System. For almost 20 years he has been the Administrator of the Aravind Eye Hospitals. Through his work he continues to ensure that Aravind's valuable service, training and research facilities positively impact the effectiveness of eye-care programmes around the world. He is also the South East Asia Regional Chair for the IAPB (International Agency for the Prevention of Blindness). He had served with Seva Foundation's (an NGO based in USA) Board for more than 15 years while assisting the development of Seva's sight programmes. He has a large number of published papers to his credit. He has made paper presentations at numerous international conferences related to eye care.

Mr. R.D. Thulsiraj

Treasurer
Plot.No.319,
Anna Nagar
Madurai - 625 020
Tamil Nadu

Dr. Nirmala Murthy

Dr. Nirmala Murthy

House No. 355
Banashankari 3rd Stage
1st E Cross, VIth Block
II Phase
Bangalore - 560 085
Karnataka

Dr. Nirmala Murthy

Ms. Shanti Jagannathan

Ms. Shanti Jagannathan, a development economist, is currently Development Advisor with the European Commission. She has experience of over a decade of work in human and social development programmes in India, Nepal and Bhutan. She has designed, negotiated and managed a number of EC-financed projects and programmes in education, human resource development and training, health, natural resource management, democracy and human rights, women's empowerment and gender issues. She has undertaken research studies and written extensively in the fields of education, international financing and economic and trade co-operation between India and the European Union. She has been a member of different panels for evaluating NGO proposals. She has presented papers at many international conferences related to development.

Ms. Shanti Jagannathan
3-1/1461, Vasant Kunj
New Delhi - 110 070

Mr. Sanjoy Das Gupta

Mr. Sanjoy Das Gupta

1/C 4th Block
Sector 6
H.S.R. Layout
Koramangala
Bangalore - 560 034
Karnataka

Mr. Sanjoy Das Gupta is an IT Specialist and an IAS Officer. He is currently Advisor to the Government of Andhra Pradesh on their Rural Livelihood Project, Chairman, Southern Region to the Electronics and Computer Software, Export Promotion Council and Strategic Advisor to ICICI Infotech. He is also IT Advisor to the IT Technology Park of Beijing. He has been a pioneer in designing, teaching and researching on rural informatics and relevant applications for rural development since early eighties. He has made significant contribution to IT Development in Karnataka during his tenure as IT Secretary. He is a member of several National Committees of the Government. He has been a visiting professor in Universities in several countries. He has a continuing interest on tank irrigation systems in India and has done innovative projects related to them in Karnataka, particularly with remote sensing applications.

Ms. K. Noorjehan

Ms. K. Noorjehan is currently the Chief Postmaster-General, Haryana Postal Circle. She has over 30 years of experience in various capacities in the Postal Department and has served in different parts of the country. She has made significant contribution in increasing the efficiency of the Postal Department wherever she was posted. She was instrumental to the speedy computerisation of postal operations in the Southern Region, and in creating own infrastructure for several post offices. She is interested in women development, especially the poor and the disadvantaged.

Ms. K. Noorjehan
Chief Postmaster General
107, The Mall
Mall Road
Ambala Cantt.
Ambala - 133 001
Haryana



DHAN Foundation

(Development of Humane Action)

18, Pillaiyar Koil Street, S.S. Colony, Madurai - 625 016. Tamil Nadu, INDIA.

Tel.: + 91 - 452 - 2610794, 2610805, Fax: + 91 - 452 - 2602247

Email: ghan@md3.vsnl.net.in, Website: <http://www.dhan.org>