

# **Culture Building for Nurturing Institutions**



**Annual Report 2005**

**DHAN Foundation**

# **Annual Report 2005**



**DHAN Foundation**  
Madurai

## Contents

Overview	1
Kalanjiam Community Banking Programme	2
Vayalagam Tankfed Agriculture Development	4
New Themes	6
Tata – Dhan Academy	6
Information Technology for Poor	7
Rainfed Farming Development	8
Working with Panchayats	9
Centres	11

# Annual Report 2005

## OVERVIEW

The year 2004-2005 was a year of growth and advancement for the DHAN collective of institutions. Kalanjiam Foundation, the first thematic institution of the DHAN collective could create an identity for itself. It was successful in getting significant funding support for the first phase of three years for upscaling the Kalanjiam Community Banking Programme from Sir Ratan Tata Trust and Sir Dorabji Tata Trust, Mumbai. The Vayalagam Tankfed Agriculture Development programme focussed on consolidation of its work and advocacy efforts at different levels. Both the programmes continued to play a significant role as a resource centre for micro finance and water at various levels.

The year saw the opening up of new partnerships with corporates such as PHILIPS and ICICI Bank for the creation and access to better health services for the poor. The new frontier of providing promotional costs of reaching out to poor opened up by ICICI Bank earlier gained acceptance among other bankers. SIDBI, ABN-AMRO and Canara Bank have come forward and provided funds for this purpose.

The four new themes in DHAN – Tata Dhan Academy, Information Technology for Poor, Rainfed Farming Development and Working with Panchayats were focussed on the thrust areas of the respective themes and were able to build on from their experiences and learnings in the nurturing phase.

The Tsunami disaster propelled DHAN Foundation to intensify its work in the coastal areas much earlier than originally planned. DHAN Foundation has committed to work for long term in these coastal areas to help to rebuild the lives and livelihoods of the affected communities. It also helped to open up partnerships with several new funding agencies involved in working in these areas.

DHAN Foundation could initiate its work in two new states in North India - Madhya Pradesh and Orissa. This is a beginning to take forward the 'Enabling Model' of DHAN's work to areas that are highly under developed and where a significant impact can be made in the lives of the poor.

The People Academy, People Mutuals and DHAN Business Development Services helped to intensify the work of the programmes. The People Academy provided the capacity building support for the people functionaries and leaders. The People Mutuals helped the programmes to negotiate and avail the best possible offer from the insurance companies for life insurance cover to the members and their spouses. The DHAN Business Development Services provided support to the programmes in enhancing the livelihoods of their members.

The corpus support from Sir Dorabji Tata Trust, Mumbai gave strength and stability to DHAN Foundation to nurture new development innovations. NOVIB, The Netherlands has provided support for the next four years for DHAN Foundation. They have also committed to provide support to work in the Tsunami affected areas in the long term.

## **Kalanjiam Community Banking Programme**

DHAN Foundation initiated the Kalanjiam Community Banking Programme in 1990. Over the last one and a half decade these efforts resulted in developing an 'enabling model' of microfinance with emphasis on member ownership, self help and mutuality. The primary purpose of this model is to empower the women and address poverty by going beyond 'microfinance'. Promotion of nested institutions (groups, clusters and federations) is the core aspect of this model with greater emphasis on sustainability through establishing linkage with the mainstream and covering the costs of operations. In order to upscale this experience and to reach at least a million poor over next one decade, DHAN Foundation has promoted 'Kalanjiam Foundation', a thematic institution on community banking.

### **Reaching Out to Poor**

The outreach was extended to another 47,072 poor families in 2,654 groups spread over 18 locations. Currently the programme covers about 2,57,928 poor women spread over 103 locations covering 5,604 villages/slums in 25 districts of Tamil Nadu, Andhra Pradesh, Karnataka, Madhya Pradesh, Orissa and Union territory of Pondicherry. The process and systems for reaching in new locations through existing federations and regions, new regions etc. were well established. The contribution of people leaders from the federation and Kalanjiam Movement were effective particularly in seeding the Kalanjiam concept among the poor women.

## **FINANCIAL SERVICES**

### **Savings**

Savings is the major source of internal lending. It helps to build the ownership of the members in the groups and also help them to experience the concept of mutuality and self help. The savings also helps them to leverage loan funds from the banks to meet their credit needs. The savings made by members is of two types. The regular savings which is cannot be withdrawn as when the member chooses to and savings for specific purposes that can be withdrawn after a period of time. The Kalanjiam groups had mobilized Rs.1145 lakhs as their savings during the year. The older groups took a policy decision to return a part of the savings back to the members as their savings had accumulated to a large amount over the years. This evoked a positive response from the members. It led to an overall increase in the savings rate. The groups also practice differential savings where the members are allowed to save as much as they can rather than a fixed sum every month.

### **Credit**

The savings of the members form the major source of funds for on lending to the members. The Kalanjiams borrow from the local bank branches to meet the credit needs of their members. The federations facilitate the linkage with the banks. They also access funds from the apex financial institutions for funds for special purposes such as housing, business promotion etc. The programme emphasizes on direct bank linkage and branch based intensive linkage to make it viable and profitable for both the bank and the federation. Regulated Online Credit has been provided by a few branches to the Kalanjiams based on their performance. The meetings of federation – branch committees and bank-wise steering committee have helped intensify the SHG linkages. The Kalanjiams are currently working

with 32 commercial and regional rural banks through 192 branches. About Rs.3,937.96 lakhs has been mobilised as loans by the Kalanjams through the banks. The total loans generated through the apex institutions are Rs.2,002 lakhs.

### **Insurance**

As on March 2005, 1.57 lakhs members including their spouses have been covered under insurance across the locations. Health cover was made available for 5,181 members under community based insurance scheme in Kadamalaikundu federation. The federations could obtain scholarships for girl children studying in classes VIII to XII through the insurance cover from Life Insurance Corporation of India (LIC) under the Jana Shree Bhima Yojana. The People Mutuals played a facilitating role of building and strengthening linkages between the insurance companies and the federations. Negotiations with the insurance companies by People Mutuals helped to provide the best possible cover at competitive prices based on scale advantage available at the Kalanjams.

### **Strengthening Business Development Services**

The programme provided support to the federations through Business Development Services team to set up primary producer companies for hand-made paper, pesticide-free chillies, bio energy, medicinal plants and provisions. They also provided support for marketing tie-up with relevant agencies. It helped create marketing linkage for the federations for milk. The vermicomposting activity, kurolier backyard poultry programme, kitchen gardening etc. were continued for the benefit of members involved.

### **Support for Civic initiatives of the Federations**

The programme launched the Reproductive and Child Project in ten federations with the support from ICICI Bank to the tune of Rs.157 lakhs. The project is aimed at reducing the birth of low weight babies, improving post-natal care for women, neonatal care and reducing unnecessary health expenditure on reproductive health problems.

Philips India has launched a pilot initiative 'DISHA – Distance Health Care Advancement' in partnership with DHAN Foundation, ISRO, Apollo Hospitals in Theni district. The emphasis is on providing health care in rural areas at the door steps of the people. A micronutrient promotion programme has been initiated as a joint venture with Dr. M.S. Swaminathan Research Foundation, Chennai to address the micro nutrient deficiency of women and children. The federations have taken several initiatives to address the health needs of their members.

The federations at Alanganallur, Palamedu and Kottampatti continue to run the computer aided Adult Literacy Programme. This service is provided in collaboration with the team working on the theme "Information Technology for Poor".

The federations have identified improvement of housing as one of the important needs of members in order to improve their standard of living. So far, 1,141 new houses were constructed and 4,691 houses were up graded. The programmes support the federations in accessing loan funds, getting technical expertise, etc. There is a high demand for access to electricity from the Kalanjiam members. The programme has helped the federations to

design a credit product to meet this need. The federation at Tirupati was able to mobilise a loan of Rs.150 lakhs from National Housing Bank with the support from the programme.

### **Research and documentation**

The Programme brought out two publications during the year "Mutuality for Social Security – The experience of Kadamalai Federation" and the second edition of the book "Impact of Kalanjiam Community Banking Programme". A Study on the Impact of the Micro Finance on Urban Poverty, A study on Pattern of Health Expenditure, A case study of Gangai Federation, A research study on Community based health insurance and access to health care services are underway.

### **Policy Advocacy**

A network among the people's organisations called INFOS was initiated by the DHAN Collective. This network aims at sharing a common mission of contributing towards the eradication of poverty through building strong people institutions and empowering the women Self Help Groups. A meeting was organised by INFOS for evolving the operational strategy for people leaders of federations across the country. There were 67 participants in the meeting. A Workshop on Debt Swap for sharing experience about Debt Consolidation was organized by INAFI-India in which the programme shared its experiences. The programme shared its experience in community based insurance in an international conference in Zurich.

### **Programme Management**

The Programme operates through 15 regions for decentralisation. During last year new regions namely Virudhunagar, Mandya, Hyderabad and Ratlam were initiated. Senior executives were placed to coordinate the Programme activities. Identification of new locations for the Programme, guiding the younger colleagues placed in the new locations through demonstration, creating an identity for the organisation in the district administration and bankers in the region etc. are the primary roles played by these regions at the initial stage. The young and advanced region gave major emphasis on computerisation of the group level accounts and MIS. The advanced regions were successful in ensuring online accounts and audit during the reporting period. The regions continued to provide handholding support to the locations. Exchange visits took place between the regions, which facilitated cross learning among the professionals. Monthly review of functional areas and Financial Responsibility Centres (FRCs) of the Programme Office has been regularised. At regional level emphasis is given on individual review of the locations and it has proved effective in sharing the information and addressing the operational issues. Computerisation through DHANAM software gained momentum during the year. Initiatives were undertaken to enhance the utility of the software and many of those efforts have started yielding good results. Coordination of activities related to computerisation has been decentralised at regional level.

### **Vayalagam Tankfed Agriculture Development**

DHAN Foundation initiated the Vayalagam Tankfed Agriculture Development Programme in the year 1992 for the conservation and development of these tanks to stabilise the livelihoods of the poor farmers who are dependent on the tanks. In order to realize this

objective, if formed Vayalagams at the village level, Cascade Vayalagams based on their hydrologic linkages in a watershed / cascade and Federation of Vayalagams at the Block level. The programme also focuses on networking at state level in Tamil Nadu, Andhra Pradesh, Karnataka and Pondicherry for policy advocacy, allocation of financial resources and usufruct rights turn over of operation and maintenance of tank systems to farming communities.

### **Community Organisation**

The programme is operating in 29 blocks of 18 districts in 4 states. The field operations are organized into four regions. During the year, 92 Vayalagams have been promoted with 17,737 members. The programme covers 57,821 farmers in 851 Vayalagams covering 751 villages. The programme follows a cascade of tanks approach and cascade level associations are formed to intensify the work at this level. Thirty-three Cascade Vayalagams were promoted during the year. Works on the promotion of four block level federations were taken up during the year.

### **Conservation and Development activities**

The programme team undertook various initiatives to raise resources for the tank- based watershed works. They worked in collaboration with various agencies both government and funding agencies. The team is implementing the tank based watersheds programme in twelve blocks with the support of the NWDPRP programme of the government in Tamil Nadu, DPAP, APRLP, ITDA in Andhra Pradesh and JSYS in Karnataka. It is also working in collaboration with CAPART, NABARD, OXFAM-GB and few other agencies as well. The team could raise Rs.170 lakhs during the year and executed works worth Rs.164 lakhs. It includes a contribution of 25% by the farmers. In several places the people themselves undertook regular maintenance works with 100% own contribution.

### **Tankfed Agriculture interventions**

As part of improving tankfed agriculture 33 Vayalagam Agriculture Development Centres are functioning in 8 locations to provide extension services to the farmers. Paddy seed farm was set up in two locations at an extent of 40 acres and 45,000 Kg of seed was produced. Kitchen garden seeds, seeds of paddy, groundnut, maize, and cotton and fertilizers including vermi-compost were the other agricultural inputs supplied to the farmers. Tree plantation works were taken up in four locations under NWDPRP and NABARD watersheds.

### **Microfinance groups (MFGs)**

There are 1252 MFGs with membership of 19,470 among which 511 MFGs were promoted during the year. The cumulative savings was Rs.156.48 lakh and credit generated was about Rs.445.69 lakhs. About 65 –70% of the loan was used for agricultural purposes. Apart from this pisciculture activity and backyard poultry were initiated in few locations to generate supplementary income.

### **Policy Advocacy**

The professionals in tank programme participated in different national, international workshops and seminars. They were invited as resource persons for many workshops conducted all over India, which helped positioning DHAN Foundation. The programme



team organized several exposure visits on the goal, purpose and activities of the programme to many visitors who had come to learn from DHAN's experience.

DHAN Foundation is a member of working group constituted by Planning Commission, Government of India, on Minor irrigation for formulation of the tenth plan (2002-2007). It also prepared guidelines for Way forward drinking water Oorani project and role of NGO with Centre for Water Resources and Centre for Environmental Sciences. In the effort to shape the perspectives of small-scale water resource development especially surface water in the country two road shows were organized in the year one in North India and other in South India.

## **NEW THEMES**

### **Tata – Dhan Academy**

The Tata – Dhan Academy was initiated to build human resources for the development sector. The earlier experiences of DHAN and other agencies revealed that high quality human resources are required to initiate and sustain development among the disadvantaged communities. The Academy aims at achieving the identity and standards of an international centre of excellence. The main objectives of the Academy are to groom young graduates as development professionals through specially designed education programmes, create a knowledge centre for development and enable the development practitioners to use the knowledge and also disseminate the same to other relevant actors.

### **Progress**

The focus during the year was on refining the flagship Programme in Development Management (PDM), faculty development, positioning the short duration Development Management Programmes and new campus development. The PDM was redesigned to an 18 month programme from the earlier 15 month design. The new design consists of five terms with five classroom segments, two field work segments and two development practice segments. The curriculum was organised into five disciplines. They are Basics of Development, Technology of Development, Management for Development, Leadership Development and Institution Building and Communication for Development.

The advisory Committee set up for the Academy provided valuable guidance to the faculty team in refining the PDM and other thrust areas of the Academy. Five new courses were added and three electives were included to encourage specialisation in the fourth and fifth terms. Fifteen students graduated from the fourth batch of PDM and all of them were placed in the various programmes of DHAN Foundation. The admissions process for the fifth batch of PDM was completed, and thirteen students are undergoing the course currently.

Three new faculty members were inducted in the Academy from among the experienced staff in DHAN Foundation. The faculty members made visits to several reputed educational institutions both within and outside the country to build contacts and learn from their experiences. The institutions visited include CDS, Trivandrum; IIM-Bangalore; TAPMI, Manipal; AIM, Manila; ISS and Wageningen University, the Netherlands. The faculty members attended various training programmes organised both in house and those organised jointly with other resource agencies. The focus of research by the faculty during the year was on case research for use in preparation of teaching materials.

The academy offered two Development Management Programmes during the year. The Art of Upscaling Microfinance was designed for senior decision makers and practitioners from the Microfinance Institutions, Banks, Donor Organisations, Government Agencies, NGOs, Development Finance Institutions and International Organisations that recognise the potential and importance of scaling up microfinance programmes and addressing poverty. Twenty two people from nine different countries participated in the full programme, while twelve participants attended only the short courses on selected themes. This programme was offered for the second time by the Academy.

The second was LEAD programme with the focus on human resource development, leadership development, visioning process, future search and institution building for Heads of Departments from the Tamil Nadu Agricultural University with thirty three participants.

During the year, intensive campus development works were undertaken. A six member team was constituted comprising two engineers, two liaison officers, one horticulturist and one support staff. The works like design and site development, electricity connection, water supply, landscaping etc. are in progress.

### **Information Technology for Poor**

DHAN Foundation conscious of the technological change and the poor being left out in the whole process has initiated the theme IT for poor for making Information Technology accessible to the poor by developing schemes through relevant and pilot activities. The team has made many efforts through the professionals to take the technology to the poor. The theme is in operation in 58 villages of six blocks in four districts.

The significant works done by this programme in the year in the selected villages are community college programme, village internet centres, system design and development centre, adult education programme and promotion of people organizations for poverty reduction.

The Community college programme offers computer courses at affordable cost. 171 students have completed different courses from three centres. The 38 Village Internet Centres have provided a new life to the programme in the year. The services like video conferencing in Eye care, Agriculture, Legal consultation, Education etc with the experts are more promising and received appreciation from all the users. The poor get suggestions from doctors of Aravind Eye Hospitals. Similarly an experienced lawyer provides consultation to the poor people who cannot afford to pay lawyer fees on alternate Thursdays. In education so far three sessions were held with a mathematics teacher. This has made the technology really available to the villagers.

There are 13 Adult Literacy Centres in Alanganallur Block. All these centres have computers with software developed by TCS and are run by a facilitator. Illiterate adults of the villages learn to read and write with the help of the software.

The System Design and Development Centre have developed many updated softwares for services like agriculture, education and animal husbandry. Students at the village internet centres, Kalanjiam members, school students and other villagers were benefited by these softwares. The software developed on package of practices of Paddy and Neerkattis were used by other programmes. Data Management System package for Panchayat Raj institutions

was also prepared. A team of nine Village Internet Centre operators was formed and different members of the team are trained in different softwares. The team also provided both software and hardware support to the other programmes based on their need and demand.

The Community Organization phase being in the experimental stage, the programme has made the shift from the formation of ICT groups with youth of poor families to the formation of sectoral ICT groups with poor farmers, agricultural labourers, poor women and poor students.

### **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 at understanding the issues of rainfed farming in selected locations in which a decline has been observed and identifying 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 teams at both locations were intensively involved in evolving concrete intervention areas, evolving a suitable community organization model and strengthening them. The teams organised the community into farmer groups including both men and women called as Uzhavar Kuzhus. The groups are formed from among dry land farmers, garden land farmers and farmers who are practicing both dryland and gardenland farming. The groups consist of men, women and in some cases both men and women. About 159 farmer groups with 2610 members were formed. In addition there are 12 watershed associations and 300 SHGs of men, women and mixed SHGs. The groups saved over Rs.12.93 lakhs and loans to the tune of Rs.76.22 lakhs was disbursed through them.

The interventions taken up by the team focused on the following areas; land development, agricultural interventions through inputs, implements and practices, livestock development and experimenting on ways to reduce the vulnerability of the rainfed farmers in addition to the watershed works.

Activities taken under land development includes in situ soil moisture conservation like land levelling, bund formation, farm ponds, vegetative barriers, construction of waste weirs, silt application, summer ploughing etc. which received welcome from the farmers. The farmers were also encouraged to use organic fertilizers. Many training programmes were organized for the farmers in this regard and model compost pits were also dug. As a result many farmers are ready to use and produce organic manure. Introduction of trees and live fence in the farm was newly experimented.

Introduction of new agricultural implements for ploughing and weeding, clearing *Cynadon dactylon* with JCB, introduction of new crop varieties, training in package of practices of common crops and ensuring practicing it in the field to certain extent are some of the

interventions in crop production enhancement. Efforts were also taken for crop diversification.

Livestock development was also given importance. Goat rearing, Rabbit rearing, backyard poultry bird rearing etc were promoted. Rearing of Tellicherry goats was newly experimented. Insurance cover for livestock was undertaken in many places. New fodder crops and increasing area under fodder varieties was tried. Supply of kitchen garden seeds, pisciculture etc. were of the activities that gave supplementary income. Deficit Rainfall Insurance was one initiative through which many farmers received compensation for crop failure.

### **Working with Panchayats**

DHAN Foundation initiated another new theme “Democratising the Panchayat” in the year 2003. Though the 73<sup>rd</sup> 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 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 was extended another three Panchayats covering 17 villages / hamlets taking the total Panchayats covered to 15 and villages to 65. The people in the selected Panchayats who are above 18 years old were organized into 194 Panchayat Development Groups (PDGs). About 203 Kalanjiam groups are already functioning in these Panchayats.

The Village Development Committees were promoted at village level with all the Panchayat Development Groups as members. This committee is instrumental for integrating the PDGs at the hamlet level and to work for the development of the village. Working Groups were promoted at Panchayat level to undertake specific activities and give space for the village experts to participate in the Panchayat activities. The Panchayat Act has given provision to promote up to seven working groups consisting two ward members and 2 -3 other relevant persons in each working group.

The Panchayat experimentation took several new initiatives to intensify its work. Significant among them are preparation of micro plan for 11 out of 12 Panchayats for development of the Panchayat, efforts to generate own source of fund to Panchayat by introducing income generating activities like goat rearing, updating the voters lists and preparation of songs related to the Panchayat concept to create awareness among the public. Many community initiatives were taken up both at village and Panchayat level. The team helped to ensure that Grama Sabha meetings were conducted regularly in all the Panchayats.

An advisory committee was set up to guide and help the team set the future direction of the theme. The team had launched a Diploma in Panchayat Management as a distance

education programme in collaboration with the People Academy. The team was involved in preparation of the study materials for the course. A publication “Panchayat – 100 Questions” was brought out in Tamil as a reference handbook.

### **Interventions in Tsunami affected areas**

In India tsunami hit the coastal parts of South India, particularly in the states of Tamil Nadu and Andhra Pradesh. According to official reports nearly 9,775 people are killed by the tsunami in India of which 7,932 deaths were reported from the coastal villages of Nagapattinam, Cuddalore, Chennai, Kancheepuram and Kanyakumari districts of Tamil Nadu.

Disaster mitigation measures in terms of immediate relief and restoration by the Government, NGOs, Corporate agencies and individuals were undertaken in a big way. Although a lot is being done, the extent of the tragedy is such that there is a greater need for many players to work together to rebuild the affected communities and restore their livelihoods. This need had made DHAN Foundation to intervene in the tsunami relief and rehabilitation activities.

There was a spontaneous response from the members and leaders of federations of ‘Kalanjams’ and ‘Vayalagams’ promoted by DHAN Foundation. They mobilised truck loads of relief materials containing rice, grocery items, clothes, bedding items etc. DHAN Foundation ensured the involvement of the community in the process of identification of beneficiaries, their needs and in the distribution of relief materials.

Five teams with senior staff of DHAN Foundation undertook an assessment of the situation RADAR (Rapid Disaster Assessment for Reconstruction) in the major tsunami affected areas of Cuddalore, Nagapattinam, Kancheepuram, Pondicherry and Ramanathapuram in order to decide the nature of the intervention that DHAN Foundation should take up. Based upon their report the intervention strategy was formulated.

DHAN Foundation has taken up tsunami relief, restoration and rehabilitation works in 10 affected districts in Tamil Nadu and Andhra Pradesh. DHAN Foundation is committed to work with these communities on a long-term basis and help them rebuild their lives and livelihoods in collaboration with other agencies. The aim is to create access to basic services for the community while retaining its focus on rebuilding the livelihoods of the community. This initiative is expected to reach out to about 40-50 thousand families in the selected regions and promote around 20-25 federations. They would include fishermen, farmers and women.

The initiatives of DHAN Foundation in disaster-affected areas would be undertaken in three distinct phases. The first phase was on strengthening and supporting the relief operations involving the local community and is almost over. The affected communities in each of the selected areas were organised to take care of the immediate relief measures and to help the families return to some semblance of normalcy. This helped ensure that the most vulnerable among them such as widows, children, aged, disabled were not left out. The affected community played an active role in accessing the required relief materials and ensuring its equitable distribution.

The work on the second phase of Restoring Livelihoods through collective action was also initiated simultaneously. Some work on the third phase of Restoring Habitats was also taken up such as provision of temporary shelters, repair of houses, etc. This work would continue for another 2-3 years. This phase would help the community to come to terms with its losses and begin to rebuild their lives. New themes like Panchayat, Rainfed Farming and IT were also introduced as a part of the tsunami initiatives in the locations of affected districts.

A central coordination cell has been setup and is operating from Madurai and Chennai. A pool of resource persons are involved to provide guidance and support the work. Tata - Dhan Academy students as a part of their field assignment had done studies in the tsunami affected areas. The regular tsunami area co-ordination and review meetings for discussing and brain storming on various issues related to tsunami operations and reviewing the activities of the teams were organised. The location team with the inputs received in the meeting would prepare an action plan and work accordingly.

Two policy level round table meetings were convened in Chennai to discuss about the policy level intervention. DHAN Foundation has developed two policy papers for enabling livelihood restoration in the tsunami-affected areas. They are 'Enabling Convergence at the Grassroots' and 'Restoring Livelihoods: Sectoral and Conservation Perspective'. Two policy dialogues were convened in Chennai for shaping the perspectives on Enabling Livelihood Restoration. The policy level issues and possible interventions were discussed in detail.

The scale of the devastation experienced by the people would require long term and continuous support to restore their livelihoods and habitats. The People Organizations promoted would provide the base on which this support can be provided and also for taking care of the needs of the community on their own without depending on others in due course. Thus investing on building the capacity of the community to handle its needs with a lot of support initially will build the self-reliance of the community and also its preparedness to manage any other disaster in the future.

## **CENTRES FOR INTEGRATION**

### **Centre for Human Resource Development**

The Centre for Human Resource Development took continuous and constant efforts to position DHAN Foundation in various academic institutions. HRD activities during the year include selection and recruitment, organizing events such as placement, training, annual appraisal, foundation day celebrations and retreat.

The centre took systematic and focused efforts to meet the manpower needs of the organization. The team placed 110 professionals at different levels such as development associates, apprentices, executives, research associates etc. This was more than double the plan for the year in order to respond to the demands of the programmes and the work in the Tsunami affected areas. The team also placed 91 support staff mainly accountants and administration staff during the year.

The team facilitated the conduct of the Annual Appraisal for all staff in which the 360 degrees feedback mechanism was tried out. Induction and programme orientation meeting were organized. Induction programme and programme orientation was organized for all the new professionals. Training programme in inception report preparation, technical training

and poverty were organized for Development Associates. Village study programmes, field visits, exposure visits to other locations and other need-based trainings were organized for Development Apprentices. For Project Executives few training programmes were organised to increase the knowledge and skill related to specific areas.

The team leaders were sent for exposure visits and workshops within and outside the country and this helped them to broaden and gain comprehensive view of the current thinking related to their themes in the sector. A three-day laboratory on enhancing leadership competencies through motivation was organized with external resource person. They could attend many training programmes either as participants or as resource persons and at the same time position the image of the institution. Specific training programmes were organised for the support staff based on their job responsibilities.

### **Centre for Development Communication**

The centre has set up an Audio-Visual Communication Unit, Information and Communication Resource Unit and Facilitating Philanthropy Unit to focus on its work related to Development Communication.

The Audio-Visual communication unit got equipped with required infrastructure to produce good quality films. The team has released the film 'Oru Oorula Oru Oorani' to highlight the issue of drinking water being faced by the families in districts like Ramanathapuram. The preparatory works for the film on Mutuality for Social Security has been completed and is ready for shooting. The team has also come out with 10 songs for People Mutuals to create awareness and educate the members on the concept of mutuality. Preparatory works for conducting a course on Photography and Videography for members' children was completed. The team also organised a communication workshop for ORBIS International with focus on communication strategies for eye care.

This unit has supported all the programmes to design their Publications, Brochures, Newsletters and Posters etc. New Year products like calendars, greetings etc., were also designed. Efforts were taken to standardize the DHAN website. The works for Community banking and Tata-Dhan Academy was completed and preparation of content for other programmes and themes is in progress. Updates of tsunami relief works, advertisement about PDM course, need of faculty for T-DA and trainings conducted by Academy like DMAP, LEAD, SDRC and ART were also uploaded in the website. The team organized a number of press meets with the print media, which was successful in positioning DHAN Foundation.

The work on facilitating philanthropy to support development initiatives taken by DHAN Foundation is coordinated by this unit. The team took efforts to support the Kalanjiam and Vayalagam programme through matching grants for the Kalanjiam and Vayalagam Jyothi and Kalanjia Dhanam Programmes. One oorani in Vilathikulam was renovated with the help of a group of NRIs. The team organized second 'Development Dialogue: Building partnerships', for bringing academicians, corporates, banks and Government agencies together. The purpose was to provide them an exposure to the work of DHAN Foundation and to explore possibilities for collaboration in future. Basic works for launch of new philanthropy products like referral schools, rural tourism, marketing artisan products was also done. Efforts were made to promote the concept of Friends of DHAN abroad.

## **Centre for Policy and Planning**

DHAN Foundation's experience of dealing with a different approach and deeper understanding about various dimensions of grass root developments have made the organisation to take up policy influencing and consultation at various levels for improving livelihood of poor.

The Centre for Policy and Planning was started with the following objectives; to disseminate the field programme practices in grass root action for policy advocacy and policy changes with mainstream collaborators and the institution for the benefit of the poor, to facilitate development/ policy dialogues with the collaborators and partners on the relevant issues related with poverty and to provide strategic guidance and direction to DHAN's programmes by reviewing its corporate plan.

The centre has identified areas for its policy advocacy efforts. In microfinance the identified areas are savings for poor, linkage, insurance service, housing, microfinance and urban development, microfinance and health, microfinance and water, microfinance and income generation, microfinance and coastal area developments, microfinance and tribal etc.

In water the identified areas are water and usufructs rights, women and water, ground water, water and landless etc. In new themes such as Rainfed Farming, Working with Panchayats and Information Technology for Poor areas have been identified to conduct workshops. The centre also provided support in gender policy for the programmes, undertaking studies on issues, conducting inhouse workshops etc.

## **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 Centres for Human Resource Development and Development Communication for the above activities as well as the different themes and thematic institutions.

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, Consultative Forum, retreat, task forces and working groups for specific purposes. They contribute to the institution building processes and collective leadership.

The seventh Annual Retreat was organized at Dharmasthala in Karnataka. Nearly 300 DHANites participated in the event. The focus of the Retreat was on 'Revisiting the Mission' with the working groups set up for this purpose sharing their reports. It provided an opportunity for all the staff to contribute their thoughts and ideas. The Consultative Forum met twice during the year. It reviewed all the programmes of DHAN collective. The Strategic Forum met several times during the year. The major area of focus during the year was on resource mobilization, nurturing support to the new themes and collaboration with external agencies.



## **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. Sir Dorabji Tata Trust, Mercy Corps, ACTED, ADECCO extended their support during the year. 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 and also 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. We gratefully acknowledge all the donors who responded swiftly to our appeal to support the tsunami affected community.

<b>DHAN Foundation at a Glance</b> (Cumulative Figures)		
<b>Reach</b>	<b>March '04</b>	<b>March '05</b>
No. of Families	2,62,903	3,26,158
No. of Primary Groups	15,091	17,700
No. of Clusters	982	1,101
No. of Federations	46	55
No. of Villages	5,054	6,451
No. of Districts	29	35
<b>Staff</b>		
No. of Professionals	235	287
No. of Programme Staff	145	208
No. of People Functionaries	1,651	2,156
<b>Finances (Rs. in lakhs)</b>		
a. Programme funds		
People	5,259	6,940
Banks	8,000	12,230
Government and Donors (for the Year)	87	340
<b>Sub Total</b>	<b>13,346</b>	<b>19,510</b>
b. Programme Management (for the year)		
People	567	418
Government	118	44
Donors	722	1,624
<b>Sub Total</b>	<b>1,407</b>	<b>2,086</b>
<b>Grand Total</b>	<b>14,753</b>	<b>21,596</b>

<b>Status of Kalanjiam Community Banking Programme</b> (Cumulative Figures)			
<b>Sl. No.</b>	<b>Particulars</b>	<b>March'04</b>	<b>March'05</b>
<b>1</b>	<b>Spread of the programme</b>		
	a) No. of States	4	6
	b) No. of Districts	22	25
	c) No. of Blocks	85	103
	d) No. of Kalanjiams	13,700	16,354
	e) No. of Clusters	888	1,013
	f) No. of Federations	40	47
	g) No. of Members	2,10,856	2,57,928
	h) No. of Villages	4,554	5,604
<b>2</b>	<b>Finance (Rs.in Lakhs)</b>		
	a) Total own funds	5,171.75	6,726.56
	b) Savings	3,776.79	4,921.80
	c) Reserves & Surplus	1,394.95	1,804.76
<b>3</b>	<b>SHG Bank Linkage</b>		
	a) No. of branches involved	180	192
	b) No. of banks involved	29	32
	c) No. of groups linked	12,969	13,904
	d) No. of loans	17,857	27211
	e) Amount mobilized	6,126.99	10,064.95
<b>4</b>	<b>Apex Bank Linkage</b>		
	a) No. of federations	18	25
	b) Amount Mobilized	1872.71	2002.00
<b>5</b>	<b>Loan outstanding with members</b>	<b>8,638.80</b>	<b>11,146.99</b>

<b>Status of Vayalagam Agriculture Development Programme</b> (Cumulative Figures)			
<b>Sl. No.</b>	<b>Particulars</b>	<b>March '04</b>	<b>March '05</b>
<b>1</b>	<b>Spread of the programme</b>		
	a) No. of States	4	4
	b) No. of Districts	17	18
	c) No. of Vayalagams	759	851
	Watershed Associations	36	48
	Dryland Farmers Associations	58	58
	d) No. of Federations	6	8
	e) No. of Members in Associations	40,084	57,821
	f) Command area benefited (in ha.)	24,054	43,882
<b>2</b>	<b>Value of Physical works implemented during 2004-2005 (Rs. In lakhs)</b>		
	a) Through Farmers' Contribution		
	b) Through Govt. and Donor agencies	29	44
	c) Tank Endowments made	87	120
	i. Through Farmers' Contribution	22	-
	ii. Through SRTT Endowment Grant	11	-
	Support	11	-

FORM NO. 10 B

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 2005 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.

*Sunanda & Sheshadri*

Chartered Accountants

'TRIDIPA' Ground Floor, 46/2, I Cross, Someshwarapur,  
Extension, Ulsoor, BANGALORE - 560 008  
Phone : 91 - 80 - 25364740 / 25368228 Fax : 91 - 80 - 25367711

: 2 :

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 2005 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 2005.

The prescribed particulars are annexed hereto.

for SUNANDA & SHESHADRI,  
Chartered Accountants,

Sd/-

K.SHESHADRI,  
Partner.

Place : Madurai  
Date : 23 July 2005

# DHAN (Development of Humane Action) Foundation

## CONSOLIDATED BALANCE SHEET

As at March 31, 2005 As at March 31, 2004			
	Schedule	( in Rupees)	
ASSETS			
FIXED ASSETS			
Written off as per contra	1	45,315,045	37,514,584
INVESTMENTS	2	62,026,792	45,670,616
CURRENT ASSETS, LOANS AND ADVANCES			
Current Assets	3	63,928,308	28,929,718
Loans and Advances	4	5,244,314	4,310,408
Total		<u>176,514,459</u>	<u>116,425,326</u>
LIABILITIES			
CORPUS AND CAPITAL FUND	5	65,697,698	45,241,449
SPECIFIED FUNDS	6	63,156,806	27,793,662
CURRENT LIABILITIES	7	2,344,910	5,875,631
FIXED ASSETS WRITTEN OFF AS PER CONTRA	1	45,315,045	37,514,584
Total		<u>176,514,459</u>	<u>116,425,326</u>
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  
23 July 2005

**DHAN (Development of Humane Action) Foundation**

**SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2005**

**Schedule 1 : Fixed Assets**

(in Rupees)

Particulars	C	O	S	T
	As at Apr 1,2004	Addition (Transfer)	Deletion (Transfer)	As at Mar 31,2005
<b>Community Banking Programme</b>				
Freehold Land	2,037,316	-	-	2,037,316
Building	1,206,692	-	-	1,206,692
Building (Work-in-Progress)	1,566,373	136,008	(1,582,401)*	119,980
Furniture and Fixtures	1,043,749	135,235	-	1,178,984
Office Equipments	415,426	16,559	-	431,985
Professional Equipments	5,803,639	965,975	-	6,829,614
Electrical Fittings	348,135	19,388	-	367,523
Vehicles	2,757,305	-	-	2,757,305
Staff Vehicles	806,134	278,084	266,877	817,341
Plant & Machinery	85,436	-	-	85,436
<b>Total I</b>	<b>16,130,205</b>	<b>1,551,249</b>	<b>266,877 (1,582,401)*</b>	<b>15,832,176</b>

**Tank Fed Agriculture Programme**

Freehold Land	176,689	-	-	176,689
Furniture and Fixtures	281,602	48,299	-	329,901
Office Equipments	167,728	55,932	-	223,660
Professional Equipments	1,292,447	502,625	-	1,795,072
Electrical Fittings	92,738	11,413	-	104,151
Vehicles	1,242,551	-	-	1,242,551
Staff Vehicles	487,902	22,472	168,385	341,989
Plant & Machinery	1,324,800	-	-	1,324,800
<b>Total II</b>	<b>5,066,457</b>	<b>640,741</b>	<b>168,385</b>	<b>5,538,813</b>

**Tsunami relief and Rehabilitation Programme**

Furniture and Fixtures	-	83,785	-	83,785
Office Equipments	-	4,700	-	4,700
Professional Equipments	-	701,183	-	701,183
Electrical Fittings	-	36,745	-	36,745
Vehicle	-	1,429,152	-	1,429,152
<b>Total III</b>	<b>-</b>	<b>2,255,565</b>	<b>-</b>	<b>2,255,565</b>

**Other Programmes**

Freehold Land	1,552,705	-	-	1,552,705
Building (Work-in-Progress)	62,512	14,03,803 (15,82,401)*	-	3,048,716
Furniture and Fixtures	456,486	10,675	-	467,161
Office Equipments	159,170	36,481	-	195,651
Professional Equipments	4,107,644	629,725	-	4,737,369
Electrical Fittings	153,954	17,614	-	171,568
Vehicle	536,995	439,000	-	975,995
Staff Vehicle	217,289	47,103	125,630	138,762
Plant & Machinery	120,926	20,214	-	141,140
<b>Total IV</b>	<b>7,367,681</b>	<b>2,604,615 (15,82,401)*</b>	<b>125,630</b>	<b>11,429,067</b>

**Central support system \***

Freehold Land	7,999,631	774,719	-	8,474,350
Furniture and Fixtures	230,627	45,485	-	276,112
Office Equipments	77,981	-	-	77,981
Professional Equipments	862,801	487,426	-	1,350,229
Electrical Fittings	79,201	1,551	-	80,752
<b>Total V</b>	<b>8,950,241</b>	<b>1,309,181</b>	<b>-</b>	<b>10,259,424</b>
<b>Total (I+II+III+IV+V)</b>	<b>37,514,584</b>	<b>8,361,353 (1,582,401)*</b>	<b>560,892 (1,582,401)*</b>	<b>45,315,045</b>

\* Central support system - Free hold land includes Rs 20,94,344 funded out of Corpus

Sd/-  
Chairman  
Madurai  
23 July 2005

Sd/-  
Treasurer

Sd/-  
Executive Director

**SCHEDULES TO CONSOLIDATED BALANCE SHEET - As AT MARCH 31, 2005**

Particulars	(in Rupees)			
	Opening balances / (Application) as on Apr 1, 2004	Receipt during the year	Income and expenditure a/c	Closing Balance / (Application) as on Mar 31, 2005
			Appropriation	Application not included in Income and Expenditure account
			Surplus / (Expenses)	Total
<b>Schedule 5 : Corpus and Capital Fund</b>				
<b>Corpus Fund</b>				
Ford Foundation	30,513,790	-	1,547,541	32,061,331
Sir Dorabji Tata Trust	-	15,000,000	237,500	15,237,500
DHAN Foundation Own	3,409,291	10,500	1,274,509	4,694,300
Others	300,000	100,000	-	400,000
<b>Capital Fund</b>	11,018,368	-	2,286,199	13,304,567
<b>TOTAL</b>	45,241,449	15,110,500	3,059,550	65,697,698
<b>Schedule 6 : Specified Fund</b>				
Donors' Account	12,695,200	-	245,816	47,042,548
Sir Ratan Tata Trust Expendable Field Campus corpus Fund	12,894,874	-	1,051,960	11,761,614
SRTT Expendable Field Campus corpus Fund - Revolving fund returns	-	100,000	-	100,000
Sir Ratan Tata Trust Revolving Fund	200,000	-	-	200,000
Other Revolving fund returns	1,521,700	1,631,131	-	3,252,831
Book Fund	165,998	-	20,925	186,923
Vehicle Fund	215,890	-	-	215,890
<b>TOTAL</b>	27,793,662	1,731,131	1,318,401	63,359,806
<b>TOTAL</b>	73,035,111	16,841,631	4,377,951	94,254,693

Madurai  
23 July 2005

Sd/-  
Chairman

Sd/-  
Treasurer

Sd/-  
Executive Director



# DHAN (Development of Humane Action) Foundation

## SCHEDULES TO CONSOLIDATED BALANCE SHEET

	(In Rupees)	
AS AT MARCH 31,	2005	2004
<b>Schedule 7 : Current Liabilities</b>		
On Government Programmes	1,548,140	1,570,133
Others	796,770	4,305,498
<b>Total</b>	<b>2,344,910</b>	<b>5,875,631</b>

## SCHEDULES TO CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

AS AT MARCH 31,	2005	2004
<b>Schedule 8 : Grants Received</b>		
<b>From Foreign Agencies</b>		
Novib -The Netherland	59,203,916	27,025,656
Rabobank Foundation	4,468,235	1,435,066
The Ford Foundation	1,490,120	6,807,121
Oxfam (India) Trust	801,900	799,000
Centre for Affordable Water and Sanitation Technology (CAWST)	99,925	-
AIMS India Foundation	140,400	-
Society for Promotion of Wastelands Development (SPWD)	420,000	-
Care India	1,630,000	-
Canadian High Commission	1,054,000	-
Philips India	127,500	-
Adhi Prasannam UAE	50,000	-
American India Foundation	300,000	-
Canassist Society	300,000	-
Canadian High commission	1,750,000	-
Donatus , The Netherlands	1,759,620	-
Interpolis Re, The Netherlands	364,683	-
Mercy corps	3,270,508	-
SEVA Foundation	498,324	-
Win Rock International	100,000	-
Others	-	872,096
	<b>77,629,131</b>	
<b>From Indian Agencies</b>		
Sir Ratan Tata Trust	44,090,320	20,183,000
Industrial Credit Investment Corporation of India (ICICI) Bank	1,500,000	13,438,000
Department of Agriculture NWDPRA - Watershed	2,880,839	1,287,000
National Bank for Agriculture and Rural Development	1,073,550	1,027,049
Jala Samvardhane Yojana Sangha - GoK	738,092	708,969
Andhrapradesh Rural Livelihoods projects -GoAP	423,080	298,463
State Planning Commission - Govt of TN	200,000	200,000
Kalanjiam Movement	350,000	500,000
Drought Prone Area Programme (DPAP)-Chittoor	160,000	120,000
Swasakthi - Karnataka	650	249,866
Others	-	9,582,550
<b>Total</b>	<b>51,416,531</b>	<b>64,535,236</b>
<b>Schedule 9 : Other Receipts</b>		
Interest from Banks, etc.,	1,634,343	908,073
Interest from corpus Investment	3,061,210	1,571,580
Other Receipts	2,920,537	2,475,287
Donations	599,775	-
<b>Total</b>	<b>8,215,865</b>	<b>4,954,940</b>

Sd/-  
Chairman

Sd/-  
Treasurer

Sd/-  
Executive Director

Madurai  
23 July 2005

# DHAN (Development of Humane Action) Foundation

## SCHEDULES TO CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

AS AT MARCH 31,						2005	2004
Schedule 10 : Programme Implementation and Administration						(In Rupees)	
Activity / Expenditure / Items	Community Banking Programme	Tank fed Agriculture Programme	Tsunami relief and rehabilitation Programme	Other Programmes	Central support system	Total	
Tsunami - Immediate relief	-	-	11,754,462	-	-	11,754,462	-
Tsunami - Restoring livelihoods	-	-	14,361,795	-	-	14,361,795	-
Tsunami - Restoring habitat	-	-	441,146	-	-	441,146	-
Volunteer Allowances and Travel	3,812,127	2,249,035	-	2,277,762	-	8,338,924	7,216,473
Training / Expenses on Volunteers, Groups and Members & Federations & Civic Programmes	1,492,158	359,452	-	1,256,232	16,340	3,124,182	4,784,653
Support for Income generation by members	835,000	3,189,680	-	2,041,455	-	6,066,135	2,735,614
Crop Production & Water Management Training	-	522,445	-	85,915	-	608,360	599,551
Drinking Water Ponds Programme	-	5,791,825	-	-	-	5,791,825	7,005,822
Sir Rajan Tata Trust Endowment Grants to Tank Farmers Associations	-	-	-	-	-	-	1,052,400
Others Endowment Grants to Tank Farmers Associations	-	-	-	-	-	-	300,000
Small Grants assistance	-	-	-	-	-	-	788,500
Convention, Workshop and Meeting	-	17,578	-	431,020	498,595	947,193	815,233
Employees remuneration and benefits	6,426,598	5,307,025	462,089	6,946,648	2,373,731	21,516,092	27,562,545
Professional / Consultancy Charges	501,809	453,204	20,000	1,219,512	408,023	2,602,548	4,337,175
Travel / Conveyance	1,443,163	1,378,392	29,003	2,158,906	778,010	5,787,474	8,084,039
Vehicle maintenance	221,815	184,853	50,168	472,095	48,288	987,219	1,285,127
Books and Audio Visual Expenses	51,281	105,331	-	415,470	50,755	622,837	880,441
Printing and Stationery	479,616	497,319	-	1,057,402	505,933	2,540,270	2,760,690
Communication	438,199	322,143	-	710,512	159,938	1,630,792	1,497,067
Rent, Water, Electricity and Maintenance	941,424	551,745	-	1,548,953	321,527	3,363,649	3,390,526
Miscellaneous Expenses	56,090	88,830	-	31,894	87,554	274,368	388,796
Advertisement Expenses	-	25,000	-	229,595	130,324	384,919	367,138
<b>Total</b>	<b>16,709,280</b>	<b>21,043,858</b>	<b>27,128,663</b>	<b>20,883,371</b>	<b>5,379,018</b>	<b>91,144,190</b>	<b>75,851,790</b>
Previous year	33,579,029	22,469,559	-	17,880,405	1,922,797	75,851,790	

Sd/-  
Chairman--  
Madurai

Sd/-  
Treasurer

Sd/-  
Executive Director

# DHAN (Development of Humane Action) Foundation

## SCHEDULES TO CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

AS AT MARCH 31,	2005	2004
	(in Rupees)	

### Schedule 11 : Appropriation of Excess of Income over Expenditure

Excess of income over expenditure	39,180,762	39,180,762	4,814,148
Transfer to :			
Corpus fund from TMS Receipts	1,050,000		1,500,000
DHAN Corpus fund from Interest Income	224,509		180,311
Sir Dorabji Tata Trust corpus fund - interest Income	237,500		-
Sir Ratan Tata Trust Expendable Field Campus			
- corpus from Interest Income	1,051,660		224,545
Sir Ratan Tata Trust - Interest on Building fund	245,816		-
Ford Foundation Corpus fund from Interest Income	1,547,541		1,070,017
Book Fund	20,925		
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)
Sir Ratan Tata Trust Expendable Field Campus corpus			
- Fund expenditure	(2,184,920)		(2,629,671)
Others - Surplus	34,701,532		4,767,928
Capital Fund - Surplus	2,286,199		751,616
Total	39,180,762		4,814, 48

Sd/-  
Chairman

Sd/-  
Executive/Director

Sd/-  
Treasurer

Madurai  
23 July 2005

## DHAN (Development of Humane Action) FOUNDATION

### Schedules to Consolidated Balance sheet & Income and Expenditure account for the year ended March 31, 2005

#### 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 developmental 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 (except corpus 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/- consisting of Motor vehicle Rs.1,78,008/- Furniture and Fixtures Rs 1,31,888/- Office equipments Rs. 96,751/- Electrical fittings Rs 11,538/- Professional equipments Rs 80,218/- Plant and Machinery Rs 13,23,300 and Land & Building Rs 12,25,000/- 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 was to take place at the end of the project. The project has ended and in the absence of any specific instructions from UNDP the assets are still held by DHAN Foundation.
10. Amount realised on sale of manuals & programme related literature are transferred to a separate book fund to publish/acquire further literature/manuals.
11. Previous years figures have been regrouped /reclassified wherever necessary.
12. Consolidated accounts mean and represent the consolidation of the accounts relating to foreign and local contributions

Sd/-  
Chairman

Sd/-  
Treasurer

Sd/-  
Executive Director

Madurai  
23 July 2005



**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](mailto:ghan@md3.vsnl.net.in) Website: <http://www.dhan.org>