

# Changing Lives

## Annual Report 2009-10



**SWAYAM KRISHI SANGAM**

## Ultra Poor Program: Let Their Dreams Soar



Danuraja Munda Gadia, age 40, Munjaguda village in Odisha state. Men and women participate in SKS NGO's Ultra Poor Program. Our Rural Poverty Appraisals showed that men like Danuraja Gadia could also benefit from this program, which focuses on people who make less than \$1.25 a day. Danuraja is disabled from birth and cannot use his legs. But he is extremely industrious and can make ropes out of waste plastic bags. Confident and intelligent, Danuraja has a strong desire to learn skills and become self-sufficient.

Based on their backgrounds, skills, infra-structure and aptitude, SKS NGO helps program members plan for the future.

Danuraja chose to have goats and a small grant to buy used plastic bags and weave plastic ropes.

## We Partner with the Poor Through Education, Health And Ultra Poverty Initiatives



## SKS NGO Projects





“ ***True compassion is more than flinging a coin to a beggar; it comes to see that an edifice which produces beggars needs restructuring*** ”

- Martin Luther King Jr

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# SKS NGO Programs



**Chandrama Beru cuts bamboo to make crafts to sell**

“India’s poorest eight states have more people in poverty (421 million) than Africa’s 26 poorest nations.”

- The World Bank

## The Ultra Poor Program

This program’s mission is to work alongside the ultra poor -- the poorest of the poor who make less than \$1.25 a day. Because of disabilities or other factors, the ultra poor cannot participate in mainstream microfinance. The program gives them extra support to build skills, confidence and access to government programs in health and financial services.

## SKS Bodhi Schools

A common priority of a poor family is to send their children to school. However, for the rural poor there is a dearth of quality, affordable schools. Bodhi Schools aim to fulfill that demand for quality education by growing a network of schools where tuition fee is about Rs. 200 (about \$5) a month.

## Health Care Initiatives

SKS NGO facilitated an elective surgery camp in early 2011 for ultra poor tribal people in Koraput district, Odisha.

Twelve medical practitioners, including surgeons from the US, volunteered to operate on patients for obstetrics and gynecology-related problems, tumors, goiters and foot and hand ailments. In 2010 SKS NGO partnered with the global non-profit De worm the World, (DtW) and with support from the Andhra Pradesh state government launched a three-day de worming program in Kurnool district of Andhra Pradesh. The initiative distributed de worming tablets to more than 130,000 school-age children.

# Meet An Ultra Poor Program Graduate

## – Narayankhed Graduation Pilot Program



Satyamma is physically challenged and has to work harder to deal with life's challenges

Although Gonla Satyamma is physically challenged and was destitute, she graduated from ultra poverty thanks to SKS NGO's Ultra Poor Program. Because of her physical disability, she did not have a normal marriage and eventually wedded a drunkard who pushed her into the abyss of poverty. Gonla and her daughter moved back to her mother's place. Under the SKS Ultra Poor Program, she changed her livelihood from cigar rolling to running a small shop. She now has multiple streams of income from her shop, including a refrigerator to sell cold drinks and a coin phone box. With a stable income, Gonla was able to get her daughter married and settled in a secure and dignified life.

### Graduation Indicators:


- The program facilitated Gonla's access to a Rs.30, 000 loan (US\$750) under a government "Self-Help Group Bank Linkage Program"
- Joined State Widow Pension Scheme
- Obtained a Public Distribution Family card for food subsidy
- Obtained a Arogyashri Health Insurance card, a state-sponsored health insurance scheme that gives free hospital treatments for critical health care
- Started contributing to a Life Insurance Scheme





**Saving a fistful of rice every day creates a surplus 'rice bank' to ensure food security.**

- Targeted savings of Rs.4,600 towards food security
- With her income-generation activities she is able to participate in mainstream microfinance programs
- Gonla today raises awareness about the program to other ultra poor people in two of our new branches in Medak district in Andhra Pradesh.



“We must be the change we wish to see.”

– Mohandas Karamchand Gandhi

### **Vision**

SKS NGO aims to alleviate poverty in India.

### **Mission**

To help improve the lives of the poor through initiatives in education, health care and ultra poverty.



# About SKS

**We work  
on ultra  
poverty, quality  
education,  
health care**

**Hybrid chickens provide  
reliable additional  
income to the tribal poor.**

## Core Values

- **Focus on the poor**
- **Operational and financial sustainability**
- **Cooperation between government, civil society and the private sector**
- **Integrity , professionalism and empathy**

**History:** Swayam Krishi Sangam (SKS NGO) was registered as a public society in December 1997 under the Andhra Pradesh (Telangana Areas) Public Societies Registration Act.

The **spirit and philosophy** of the institution is enshrined in its **Aims and Objectives** which aim to undertake, promote and co-ordinate programs of integrated rural development for the benefit of the rural poor, including women and other disadvantaged groups, by addressing the basic needs of livelihood, shelter, medical care, education and adult literacy.

SKS NGO is governed by an independent Board comprising of highly experienced professionals from different development fields.

### **Swayam Krishi Sangam-our Focus**

SKS NGO focuses on education, health and ultra poverty. We aim to provide affordable quality education to poor, rural children through a network of budget schools called SKS Bodhi Schools. Already, SKS runs 15 hub schools and 38 pre-primary schools with 2,500 students and 200 teachers across 200 villages and peri-urban centers of Nalgonda, Medak, Warangal and Khammam districts in Andhra Pradesh. In 2010 student enrollment grew six times over the previous year.

In health care, SKS NGO has partnered with global NGO **“Deworm the World”** to distribute deworming tablets to children in Andhra Pradesh. SKS NGO also organized an elective surgery camp in 2011 in rural Odisha where US medical practitioners treated correctible ailments of poor tribal people.

To address ultra poverty, SKS NGO launched the Ultra Poor Graduation Program in 2007 in Narayankhed, Medak district in Andhra Pradesh with 426 ultra poor households. All but eight of the households have graduated from the program. The Indian School of Business in Hyderabad is conducting an independent study of this pilot program.

SKS NGO expanded the Ultra Poor Program to Koraput district in Odisha state, which is considered one of Asia’s worst-off ultra poor areas. In Medak the program reached 1,500 ultra poor households last financial year. We are also planning to introduce health initiatives in the near future.





“I was overwhelmed by the poverty I saw in India and was looking for a way to catalyze rapid economic development for the poor.”

– Dr. Vikram Akula  
Founder of SKS

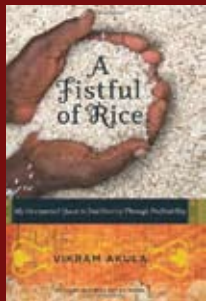
#### ABOUT OUR FOUNDER

Vikram Akula was born in India but left at a young age when his family moved to the US. During childhood trips back to India he was sobered by the poverty he saw and was determined to do something about it. He founded the non-profit Swayam Krishi Sangam (SKS NGO) in 1997 and became the head of SKS Microfinance, an organization that offers microloans and insurance to poor women in impoverished areas of India.

He led SKS until 2004, when he joined McKinsey & Company in Chicago as a management consultant. In 2005, he returned to SKS Microfinance to guide its conversion to a for-profit company. He led it from serving just thousands of poor women borrowers in one state in India to millions across the country today.

Dr. Akula began working in rural India more than two decades ago. He started his development career in 1990 as a community organizer of women's self-help groups for the Deccan Development Society, a non-profit working in rural Andhra Pradesh, India.

He holds a BA in Philosophy and English from Tufts, an MA in International Relations from Yale, and a PhD in Political Science from the University of Chicago.



Dr. Akula's book *A Fistful of Rice: My Unexpected Quest to End Poverty Through Profitability* was published in 2010 by Harvard Business School Press. "In this personal and inspiring story, Vikram reveals how he came to piece together the best of both philanthropy, and to his surprise, capitalism, to help millions of India's poor transition from paupers to borrowers to business owners."

“This century will be chiefly remembered not as an age of political conflicts or technical inventions, but as an age in which human society dared to think of the welfare of the whole human race as a practical objective.”

– Arnold Toynbee, British historian





## ABOUT OUR CHAIRPERSON

**Gurcharan Das** is the author of *The Difficulty of Being Good: On the Subtle Art of Dharma* (Penguin 2009) which interrogates the epic, Mahabharata, in order to answer the question, 'why be good?'

His international bestseller, *India Unbound*, is a narrative account of India from Independence to the global information age, and has been published in 17 languages and filmed by the BBC. He writes a regular column on Sundays for the Times of India, *Dainik Bhaskar*, *Eenadu*, *Sakal* and other papers and periodic guest columns for *The Wall Street Journal*, *Financial Times*, *Foreign Affairs*, and *Newsweek*.

Gurcharan Das graduated with honors from Harvard University in Philosophy, Politics and Sanskrit. He later attended Harvard Business School (AMP). He was CEO of Procter & Gamble India and later Managing Director, Procter & Gamble Worldwide (Strategic Planning). In 1995, he took early retirement to become a full-time writer.

He is currently on the boards of a number of companies and is a regular speaker to the top managements of the world's largest corporations. His other literary works include a novel, *A Fine Family*, a book of essays, *The Elephant Paradigm*, and an anthology, *Three English Plays*.



“

The ultra poor live so close to the edge that they have to scramble more than the rest of us to avoid going hungry.

”

### Chair person's note

**Swayam Krishi Sangam** continues to learn and use its experiences to meaningfully improve the quality of its programs. The year 2009-2010 was no different, and despite inevitable challenges, SKS NGO achieved notable progress in its two flagship initiatives: the Ultra Poor Program and Education.

The Ultra Poor Program succeeded in helping 426 households headed by ultra poor women graduate from the program in Medak district of Andhra Pradesh. We also initiated similar work with 887 women-headed households in Koraput district of Odisha.

The education program, known as SKS Bodhi Schools, aims to build quality and affordable education for the rural poor. Last year 590 children enrolled in the schools and were tutored by 46 teachers with a teacher to pupil ratio of 1:13 through 15 primary schools in smaller rural mandals of Andhra Pradesh. Scalability, standardization of education across locations, affordability, use of technology and best learning practices, focus on English learning, teacher training, and skill enhancement were the guiding principles of the initiative during the year.

However, formulating an effective teacher training model, providing affordable transportation to schools, and the prohibitive cost of providing physical infrastructure at par with quality conventional schools were some of the challenges. These were recognized as priorities for 2010-2011. The government's national Children's Right to Free and Compulsory Education Act came into effect on April 1st 2010 and laid down a detailed set of statutory requirements for all organizations running schools. These requirements, while theoretically positive, are going to push up the cost of education across the country. SKS NGO also felt that impact and had to reframe its budgets and future expansion plans.

### Why Education?

Schools represent society in a microcosm; future generations are nurtured there when they are most impressionable. The future of a society and its mores is shaped by them. India is growing rapidly and urgently needs an educated populace. We strongly believe what Jawaharlal Nehru said: "Anything else can wait but not primary education".

Yet education for the poor, especially the rural poor in India, is in a shocking condition for a country whose educated workforce is among the most skilled and capable in the world. To address this issue, SKS NGO strives to create a model that adequately addresses quality, scale and cost challenges within schools. It has the potential to make a significant difference and also builds on the strides made by microfinance; SKS NGO has opened schools in communities where SKS Microfinance operates. This multi-dimensional approach to poverty reduction aims to create an environment that would cultivate productive citizens. We hope to tap the hidden potential of students -- and teachers -- to build confident citizens of a stronger nation.

As Chair of SKS NGO, I sincerely thank the team, pupils and their guardians, as well as the rural and tribal communities across Andhra Pradesh and Odisha for the success of our initiatives.

**Gurcharan Das,**  
Chairperson of SKS NGO

## Members of the SKS NGO Board

### Orlanda Ruthven

Orlanda has been based in India since 1998 when she came with DFID's Private Sector Development Program to work on microfinance, small enterprise support and corporate social responsibility. She currently works part time with Impact Limited and has worked full time with DFID, University of Manchester and ITDG among other institutions. Her consultancy assignments include improving job quality and social security in Jaipur's jewelry sector; home workers and sub-contractors in two vendor supply chains; industry-government dialogue in the development of regional cities; and the possibility of financial health with poverty outreach in India's regional rural banks. Orlanda has a PhD in Development Studies from University of Oxford on social compliance and ethics in the workplace in an informal sector industrial cluster (Moradabad, Uttar Pradesh) and its product chain to European markets. She has done a foundation course in Development Economics and an MA in Anthropology of Development from School of Oriental and African Studies. Her Bachelors degree is in Social Anthropology from University of Manchester.

### Ashish Prasad

Ashish is currently Chief Executive Officer, Discovery Services LLC. Prior to this he worked with Mayer Brown LLP and as Law Clerk to The Honorable Charles L. Levin, Michigan Supreme Court. He leads all aspects of the company, including development of document review and electronic discovery service offerings, management of client engagements, and performance of consulting and testimonial expert work.

As Co-Chair, India Practice Group, Mayer Brown, LLP he represented companies in legal issues relating to India, including outsourcing agreements, joint ventures, project financings, mergers and acquisitions, investment agreements, and arbitrations.

He has a JD from University of Chicago Law School and AB from University of Michigan.

### Frances Sinha

Frances is co-founder Director of EDA Rural Systems and Director of EDA's associate company M-CRIL. With 25 years of experience in development based in India, Frances has led teams for impact assessment and market research with a focus on cost-effectiveness, gender issues, poverty analysis and practical reporting – throughout India, and also in Bangladesh, Myanmar, Nepal and Tajikistan. She is closely involved with current initiatives around social performance in microfinance, including social performance management – training and research; pioneering the development of a social rating methodology to complement financial rating; coordinating global pilots for social reporting (Ford Foundation, Social Performance Task Force) and contributing to development of social reporting

indicators (on the MiX Market). On-going programs that she is associated with include:

- The Rockefeller Foundation (to develop social reporting metrics and standards for 'Impact Investing')
- The Micro Credit Summit (Poverty Assessment Panel, India)
- Shore cap Exchange (Research Advisory Group for tracking employment outreach of SME lending) Sa-Dhan,
- AMK, Cambodia (member of the Social Performance Committee)

Frances is also a member of the Board of Friends of Women's World Banking, India.

### Sangita Reddy

Sangita Reddy is the Executive Director - Operations, Apollo Group of Hospitals. She is also the Managing Director- Apollo Health Street Ltd. and Director-Family Health Plan Ltd. As founder Secretary and Treasurer of AIHA, she has provided dynamic leadership and is instrumental in its development.



## Meet our Tribal Barefoot Doctors

SKS has built this institution for the last mile delivery of health services. Well trained community bare foot doctors, amongst ultra poor members, deliver referral services and also keep pills against common ailments like diarrhea, malaria, typhoid, fever and body pains available round the clock. Their medical kit is replenished regularly on paid services basis.



### Teresa Khanna

Teresa has been working in the development sector for the last ten years and has a special interest in livelihood promotion, social inclusion and organization development issues. Her area of specialization is project management, implementation and documentation. She has worked with Jagori, Pravah, Swiss Agency for Development and Cooperation and Foundation for MSME Clusters. She has in the recent past consulted with Access Development Services, Aravali, Aadhar India on livelihood and OD specificities.

She has handled partnerships with established NGOs and designed program on fighting discrimination and HIV/AIDS. She has an MA in Development Studies from School of Oriental and African Studies, MA in Social Work from Tata Institute of Social Sciences and a BA in Sociology from Hindu College. At present, she is CEO of Karak Livelihoods Consultancy Services, New Delhi.



SKS works with people like Bhanu (above), helping her move from extreme poverty to sustainable livelihoods. Bhanu has had this lesion for years and had waited for medical treatment.

## Elective surgery Camp

**Reconnecting to lost livelihoods opportunities:** SKS is planning unique Elective Surgery Camp to reconnect tribal ultra poor to the lost livelihoods, with correctible ailments like the illustration. Bhanu is carrying this lesion for 15 years now and wants to get back to daily wage labor, her main stay livelihoods. Our endeavor is to make her functionally fit to livelihoods. Based on learnings of the Pilot we have plans to institutionalize the process to make it regular event wherein highly qualified physicians from US visit regularly providing much needed medical treatment.

## Our Partners

### Our Supporters

Ravi & Prathiba Reddy Foundation



“India is host to highest number, of ultra poor in the world in absolute and relative terms. India has higher number, of Ultra Poor Households than rest of the world together, 180 million.”





**Local village president helps identify ultra poor people in Medak District through inclusive Ultra Poverty Ranking**

### **About SKS Ultra Poor Graduation Pilot:**

In Andhra Pradesh, 418 out of 426 ultra poor households graduated from the program in 18 months. The pilot is modeled after the highly successful BRAC Ultra Poor Program in Bangladesh. CGAP, an arm of the World Bank, and BRAC Development Institution provide technical assistance.

### **Gender Sensitive:**

- Program works with rural ultra poor women, mostly scheduled caste, scheduled tribe and socially backward women of reproductive age (18-46 years old)
  - **How are ultra poor people identified?**  
A Participatory Rural Appraisal involves input from village leaders followed by house visits and structured interviews.
  - **Profile of the ultra poor:**
    - Destitute or below destitute
      - Beggars, widows and landless malnourished daily wage laborers
      - Constitute bottom 20% of the poorest in the village

### **Research**

The Indian School of Business in Hyderabad and BRAC Development Institute in Bangladesh are conducting independent studies of the pilot. The Graduation Pilot was funded by Ford Foundation, Swiss Agency for Development and Cooperation, and Nariman Budhrani Trust, in addition to SKS.

### **Our Odisha Ultra Poor Mission:**

Started operations in October 2009

Partly supported by Unitus-Sorenson's Ultra Poor Initiative.

Target clients: 1,000

Graduation Period: 24 months

Graduation Themes:

Health, education, livelihoods, financial literacy

**Global Network:** Supported by Ford Foundation and CGAP, SKS Ultra Poor Program is part of a Global Network of ultra poor programs being implemented in Honduras, Haiti, Ethiopia, Yemen, India, Bangladesh, Peru and Pakistan.

“ India is 66th out of 88 countries, ranking between Chad and Ethiopia on the Global Hunger Index. ”



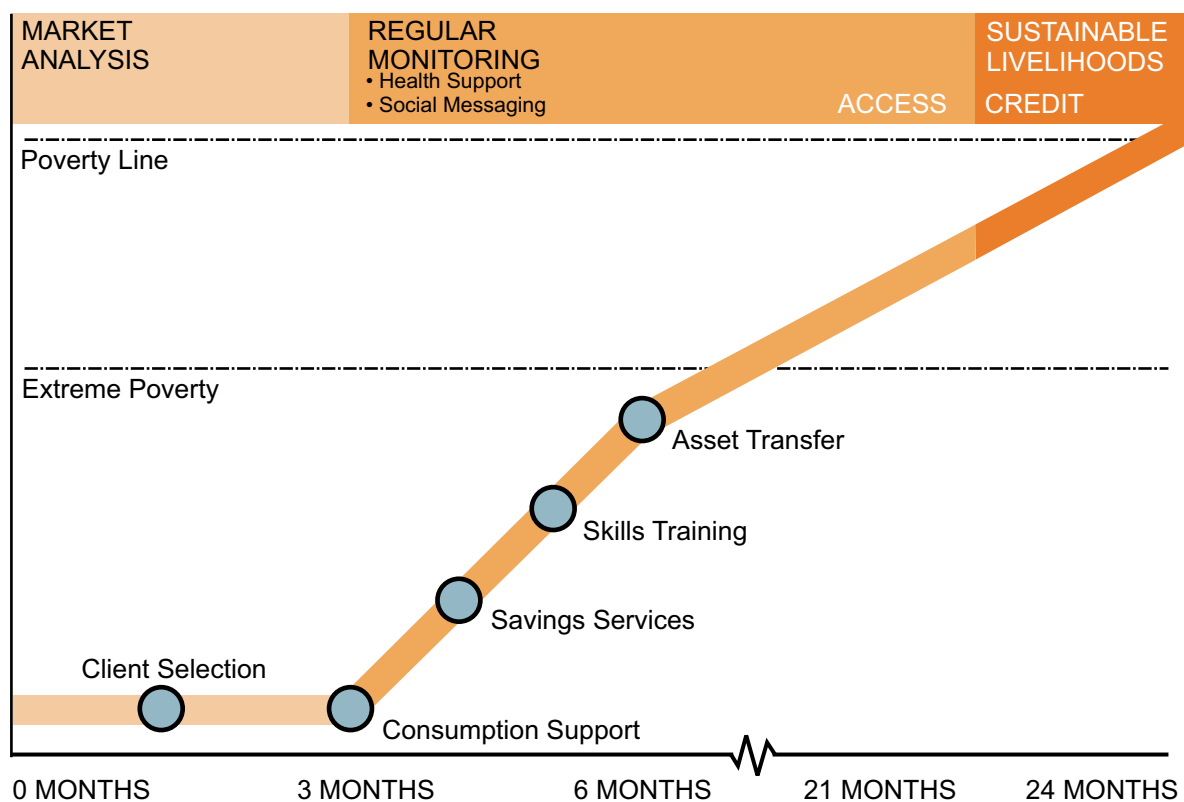
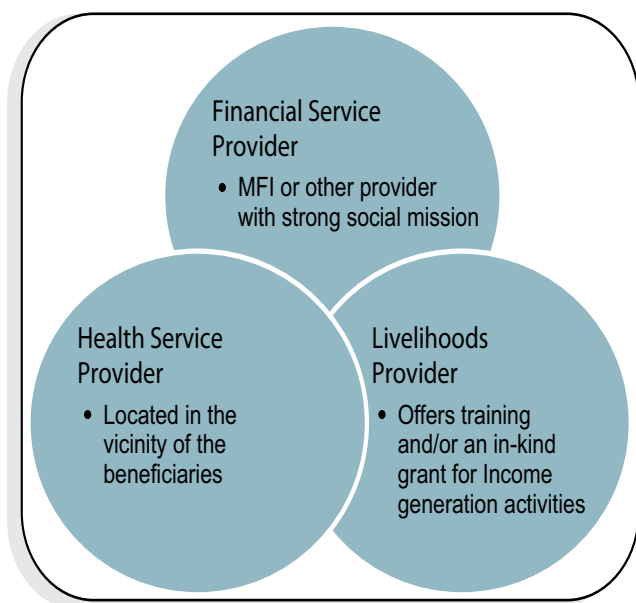
Functional literacy is not a priority for tribal people because they lack confidence to learn to read and write. Thus, our field officers painstakingly teach all members how to hold a pen and sign their names. This dramatically builds self-confidence.

## Financial Literacy Tool – Snake and Ladder Game

“Financial literacy for tribal poor through a “snake and ladder game”. This ‘participatory learning’ technique helps the poor keep track of household cash flows, forecast income deficits, learn about financial products and plan household budgets.”



## Graduation Model





# Ultra Poor Graduation Pilot Global Network Partners

CGAP/Ford Foundation Graduation Program			
 <p><b>THE GRADUATION MODEL</b></p> <p>Stages: Ultra Poor, Basic Income, Basic Training, Basic Assets, Basic Livelihoods, Basic Income, Graduation, Ultra Poor.</p>	<p><b>The Graduation Model</b></p>		
<p><b>Haiti</b></p> <p><b>Chemin Lavi Myo</b> Pathway to a Better Life</p> 	<p><b>Project implementer:</b> Forkaze Health</p> <p><b>Project partners:</b> Concern Worldwide, Partners in Health</p> <p><b>Location:</b> Rural Boukan Kato, J'warindin &amp; Lagravay</p> <p><b>Start date:</b> 2006</p> <p><b>No. of clients reached:</b> 150 women</p> <p><b>Research:</b> Qualitative &amp; quantitative mid-term evaluation by the Institute of Development Studies; qualitative research by CGAP</p> <p><b>Consumption support:</b> US\$350/week (based on price of a kilo of rice a day) for 8 months</p> <p><b>Livelihoods:</b> Livestock (chickens, goats) &amp; small trade</p> <p><b>Financial service:</b> Indiv. savings accounts at Forkaze</p> <p><b>Additional services:</b> Forkaze provides business development training, helps with housing renovation, sanitary latrines &amp; clothing, support from village Assistance Committees, Concern Worldwide trains committees in conflict management; free health care with Partners in Health in Boukan Kato</p> <p><b>Scale up:</b> 1,000 people in 2009; 5,000 by 2015</p>		
<p><b>India</b></p> <p><b>Swayam Krishi Sangam (SKS) Ultra Poor Program</b></p> 	<p><b>Project implementer:</b> SKS NGO, nonprofit arm of SKS Micro Finance Ltd</p> <p><b>Project partners:</b> None</p> <p><b>Location:</b> Andra Pradesh</p> <p><b>Start date:</b> 2007</p> <p><b>No. of clients reached:</b> 426 women</p> <p><b>Research:</b> Randomized impact assessment (village level) by the Indian School of Business; mid-term evaluation &amp; qualitative research by CGAP</p> <p><b>Consumption support:</b> Rs.900 INR (US\$15) on a "per needs basis" for 12 months</p> <p><b>Livelihoods:</b> Livestock, cultivation, trade &amp; tailoring</p> <p><b>Financial service:</b> Indiv. savings accounts at post offices; grain bank scheme in 10 villages</p> <p><b>Additional services:</b> SKS provides free health consultations eye and hemoglobin camps; partners with government for vet &amp; health support</p> <p><b>Scale up:</b> Plans to scale up to 26,000 people over 5 years across India; first step in Oct in Orissa</p>		
<p><b>India</b></p> <p><b>Trickle Up Graduation Pilot</b></p> 	<p><b>Project implementer:</b> Trickle Up</p> <p><b>Project partner:</b> Human Development Centre</p> <p><b>Location:</b> West Bengal</p> <p><b>Start date:</b> 2007</p> <p><b>No. of clients reached:</b> 300 women</p> <p><b>Research:</b> Randomized impact assessment (village level) by the Indian Institute of Management; qualitative research by CGAP</p> <p><b>Consumption support:</b> US\$ 2.25 /week for 6 months</p> <p><b>Livelihoods:</b> Livestock, rice paddy, fish &amp; small trade</p> <p><b>Financial service:</b> Savings with Self-Help Groups; each SHG has a savings account with the State Bank of India; SHGs can obtain bank credit after 2 years</p> <p><b>Additional services:</b> Trickle Up provides preventative health care, neo/post-natal care, sanitary latrines &amp; community vets; Village Assistance Committee in each community</p> <p><b>Scale up:</b> Plans to scale up to 5,000 people over the next 4 years; first step with 800 new people in 2009</p>		
<p><b>India</b></p> <p><b>Bandhan Graduation Pilot</b></p> 	<p><b>Project implementer:</b> Bandhan</p> <p><b>Project partners:</b> None</p> <p><b>Location:</b> West Bengal</p> <p><b>Start date:</b> 2007</p> <p><b>No. of clients reached:</b> 300 women</p> <p><b>Research:</b> Impact assessment with household-level randomization by MIT's Poverty Action Lab</p> <p><b>Consumption support:</b> US\$2.30 / week up to 8 months</p> <p><b>Livelihoods:</b> Livestock (goats, cows) &amp; small trade</p> <p><b>Financial service:</b> Weekly savings of Rs. 10 (US\$ 20; credit option at the end)</p> <p><b>Additional services:</b> Bandhan provides veterinary &amp; other livestock services (e.g., artificial insemination); health services (sanitary latrines, hospital visits); helps members to access government programs</p> <p><b>Scale up:</b> Started scaling up (with own funds) in 1 rural &amp; 1 peri-urban area</p>		
<p><b>Yemen</b></p> <p><b>Yemen Graduation Pilot</b></p> 	<p><b>Project implementer:</b> Social Fund for Development in Yemen &amp; Social Welfare Fund</p> <p><b>Project partners:</b> TBD</p> <p><b>Location:</b> South Yemen</p> <p><b>Start date:</b> 2009</p> <p><b>No. of clients reached:</b> Plan to reach 900 households</p> <p><b>Research:</b> TBD</p> <p><b>Consumption support:</b> Government cash transfer</p> <p><b>Livelihoods:</b> TBD</p> <p><b>Financial service:</b> TBD</p> <p><b>Additional services:</b> TBD</p>		
<p><b>Ethiopia</b></p> <p><b>Ethiopia Graduation Pilot</b></p> 	<p><b>Project implementer:</b> Relief Society of Tigray (RST)</p> <p><b>Project partners:</b> Deutsche Credit &amp; Savings Institute, USAID, the Italian Development Cooperation, &amp; the European Commission</p> <p><b>Location:</b> Tigray</p> <p><b>Start date:</b> 2009</p> <p><b>No. of clients reached:</b> Plan to reach 500 households</p> <p><b>Research:</b> Impact assessment by Innovations for Poverty Action; qualitative research by CGAP</p> <p><b>Consumption support:</b> 15kg of wheat/month through BSAF; the government's food for work program</p> <p><b>Livelihoods:</b> Sheep, goats, vegetables &amp; bee-keeping</p> <p><b>Financial service:</b> Indiv. savings accounts at DECSI</p> <p><b>Additional services:</b> Access to RST's water security, health &amp; education programs</p>		
<p><b>Peru</b></p> <p><b>Peru Graduation Pilot</b></p> 	<p><b>Project implementer:</b> Aramiva &amp; Plan Peru</p> <p><b>Project partners:</b> Plan Canada</p> <p><b>Location:</b> Cuzco</p> <p><b>Start date:</b> 2009</p> <p><b>No. of clients reached:</b> 800 households</p> <p><b>Research:</b> Randomized impact assessment (household level) &amp; qualitative research by Innovations for Poverty Action</p> <p><b>Consumption support:</b> \$1,100 (US\$34) for 9 months; building on Juntos, the government's conditional cash transfer program</p> <p><b>Livelihoods:</b> TBD</p> <p><b>Financial service:</b> Savings through village community banks implemented by Aramiva</p> <p><b>Additional services:</b> PLAN and Aramiva will provide enterprise training, social work &amp; health prevention</p>		
<p><b>Honduras</b></p> <p><b>Mejoramiento Integral de la Familia Rural</b> Holistic Improvement of Rural Families</p> 	<p><b>Project implementer:</b> Organización de Desarrollo Empresarial Feminino (ODEF) &amp; Plan Honduras</p> <p><b>Project partners:</b> Plan Canada</p> <p><b>Location:</b> Impos</p> <p><b>Start date:</b> 2008</p> <p><b>No. of clients reached:</b> 800 households</p> <p><b>Research:</b> Randomized impact assessment (household level) &amp; qualitative research by Innovations for Poverty Action</p> <p><b>Consumption support:</b> US\$17 /month for 6 months</p> <p><b>Livelihoods:</b> Coffee, cereals, vegetables &amp; pigs</p> <p><b>Financial service:</b> Savings through village community banks implemented by ODEF</p> <p><b>Additional services:</b> PLAN provides business development training, social empowerment &amp; health prevention</p>		
<p><b>Pakistan</b></p> <p><b>Pakistan Graduation Pilot</b></p> 	<p><b>Project implementer:</b> Aga Khan Planning and Building Service (AKPBS), Baqai Rural Development Society (BRDS), Indus Earth Trust (IET), Sinch Agriculture and Forestry Worker's Cooperation (SAFWOC) &amp; Orangi Charitable Trust (OCT)</p> <p><b>Project partners:</b> Pakistan Poverty Alleviation Fund</p> <p><b>Location:</b> Coastal Sindh</p> <p><b>Start date:</b> 2007</p> <p><b>No. of clients reached:</b> 1,000 families (5 x 200)</p> <p><b>Research:</b> Impact assessment by Innovations for Poverty Action; qualitative research by CGAP</p> <p><b>Consumption support:</b> Food &amp; cash transfers for an equivalent of US\$12/month for 18 months</p> <p><b>Livelihoods:</b> Petty trade, crafts &amp; livestock</p> <p><b>Financial service:</b> Community savings</p> <p><b>Additional services:</b> Health care, water sanitation</p>		



“

A country that cannot take care of its poor cannot be able to save its rich either.”

”

— Mohandas Karamchand Gandhi

**Radhika Bhentkaria**  
— An Ultra Poor  
Program member  
in Odisha state

Ultra Poor Member Radhika Bhentkaria is a soft-spoken woman from the village of Dumuriguda in Odisha. She oversees a household of four and ensures that her mother, brother, and nephew have their basic needs met. Fourteen years ago a sudden illness claimed the lives of her sister and brother-in-law, leaving Radhika responsible for their six year-old handicapped child. There was not enough money for him to attend school when he was young, so her nephew now performs daily labor as does Radhika and her unmarried brother. Multiple bread winners ensures income stability throughout the year and a government rice stipend helps secure food, but the family still struggles financially. With SKS NGO's support, Radhika recently began selling vegetables to supplement the household income. She has already achieved a modest level of success and hopes to expand her business in the upcoming year. --- **Interns of Help International who worked in Koraput Ultra Poor Program in March 2009**

## ULTRA POOR UNIT MODULE

**1,000 ultra poor families**

**24 months of intervention**

**Rs. 14,000 investment per family**

**Total investment: Rs. 1.40 crores (300,000 US\$)**

**US \$300 per life impact in 2 yrs**

**Lives affected: 6,000**

**Field organizers: 1 per 100 families**

**Health organizer: 1 per 250 families**

Chanchala is a widow living alone in the small village of Doraguda, Koraput district, Odisha state. Her husband passed away several years ago, and her two sons died ten years ago. Living alone has been a major source of discouragement and loneliness. She is currently working as a day laborer and makes a meager 300 rupees per month (\$6.50). Her greatest fear is that she will lose the strength to work as she gets older. Joining the SKS Ultra Poor Program has greatly helped Chanchala. She is very grateful for the two sheep given to her and hopes to raise them well so she can sell them for a good price. She hopes to be able to use the money she earns to replace her straw roof with one made of tin.

– Interns of Help International, USA who worked in Koraput SKS UPP in March 2009



“To the people of poor nations, we pledge to work alongside you to make your farms flourish and let clean waters flow; to nourish starved bodies and feed hungry minds. And to those nations like ours that enjoy relative plenty, we say we can no longer afford indifference to suffering outside our borders.”

– Barrack Obama



## Prospecting Urban Ultra Poverty

**"In partnership with "Kriti "  
Working in Hyderabad slum areas**

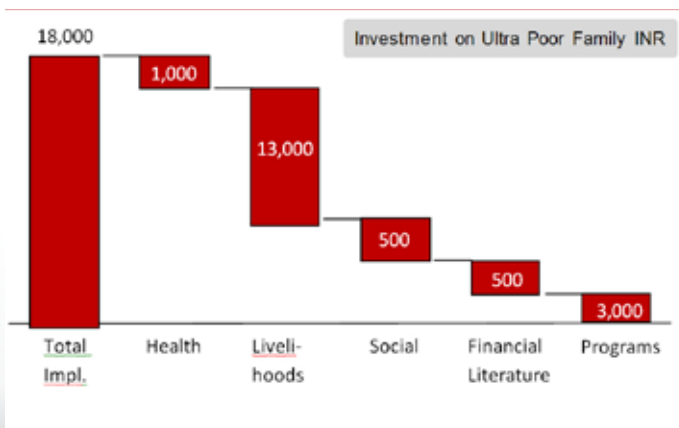
### Story of Chandraiah

Chandraiah was once a prosperous farmer in Mehaboob Nagar and father of nine children. But he was affected by recurring drought and left his village three decades ago in search of work in Hyderabad. He initially returned to his village every six months but eventually that turned into years, then decades. Now Chandraiah doesn't have the skills or strength to continue with agriculture and has become a slum dweller in JNR Nagar in Hyderabad.



Out of nine children, three daughters died due to lack of proper healthcare and his wife died due to old age malnutrition. His children have never seen his village and are now second generation permanent slum dwellers, born and brought up in his dingy slum hutment.

At the age of 75 his lone source of income is rag picking, which earns him a paltry Rs.50 a day (\$1.20). He picks up empty bottles from liquor shops at Rs. 2 and sells them at Rs. 3. When bottles are not available, he sells waste paper that he picks up from houses at Rs. 4 per kg and sells to wholesalers at Rs.6 per kg. He is too old to do masonry work. His plastic-roofed house is porous, un-electrified and floods in heavy rains. He buys potable water from a water tap owner for Rs. 2, and must crawl in and out of five-foot-high plastic-roofed house. His story reflects how rural India failed him as a farmer while urban India plays a reluctant host.



The power of half a dollar a day for just two years

## How half a dollar can help

**Making a positive difference:** You can guide the transition of one ultra poor family from chronic hunger to a better quality of life with less than half a dollar a day for two years. You can track the transition on the path to graduation of the family you have adopted and get feedback on how your donation is helping the poor. Your donation is focused to a specific ultra poor family by name.

Please contact [ultrapoor@sksindia.com](mailto:ultrapoor@sksindia.com) for further details.







## Education in India

Quality education continues to be expensive in India. A learning divide exists between those who can afford quality private education and those who can't. While the government is taking strategic steps to increase access to education to all children in India, it needs to be complemented by civil society initiatives.

### SKS Education Initiative: SKS Bodhi Academy

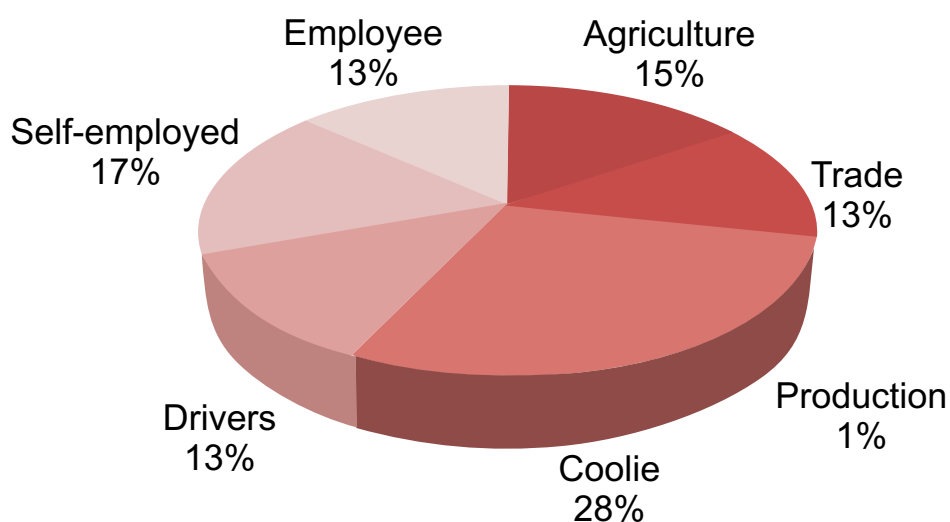
While servicing the need for credit and financial services for poor households in India, SKS has been aware of educational needs of children in the SKS network. To find meaningful ways to serve this gap, SKS initiated a private school chain program to design and demonstrate a successful scalable model in rural education similar to its accelerated microfinance model.

SKS piloted the concept of English medium budget schools by setting up 15 learning schools in 2009. The effort was focused to understand parental expectations and demands and also find solutions to challenges in delivering quality education in rural India at scale. The effort was to create a more process-based school system to deliver standardized quality irrespective of variances in location dynamics and teacher quality across remote locations.



Today, SKS runs 60 such schools (preschools and primary schools) with 2,000 students, 200 staff across 200 villages and semi-urban colonies. The schools are located in four districts of Andhra Pradesh - Medak, Nalgonda, Warangal and Khammam.

### Occupational profile



### Vision

- To eventually reach out to 2 mn children through school education and vocational education

### Values

- Right focus: Child first
- Right means: Empathy always
- Right way: Consistent quality





## SKS BODHI KIDS

After positive response from parents towards SKS primary schools, SKS is piloting the concept of village preschools viz., SKS BODHIKIDS. This was started to provide doorstep quality education at the village level for children in the 3-5 year age group. The village preschool has also been received well by parents.

## Curriculum

The academic curriculum is being designed to suit the needs of rural children and equip them with 21st century skills. It is a combination of the finest educational material and methods encapsulated in a simple form to enable rural teachers to deliver it with ease.

The teaching approach is more activity-based than standard routine learning. Students are encouraged to be creative and learn-by-doing so that fundamentals concepts are clear. Bodhi content and

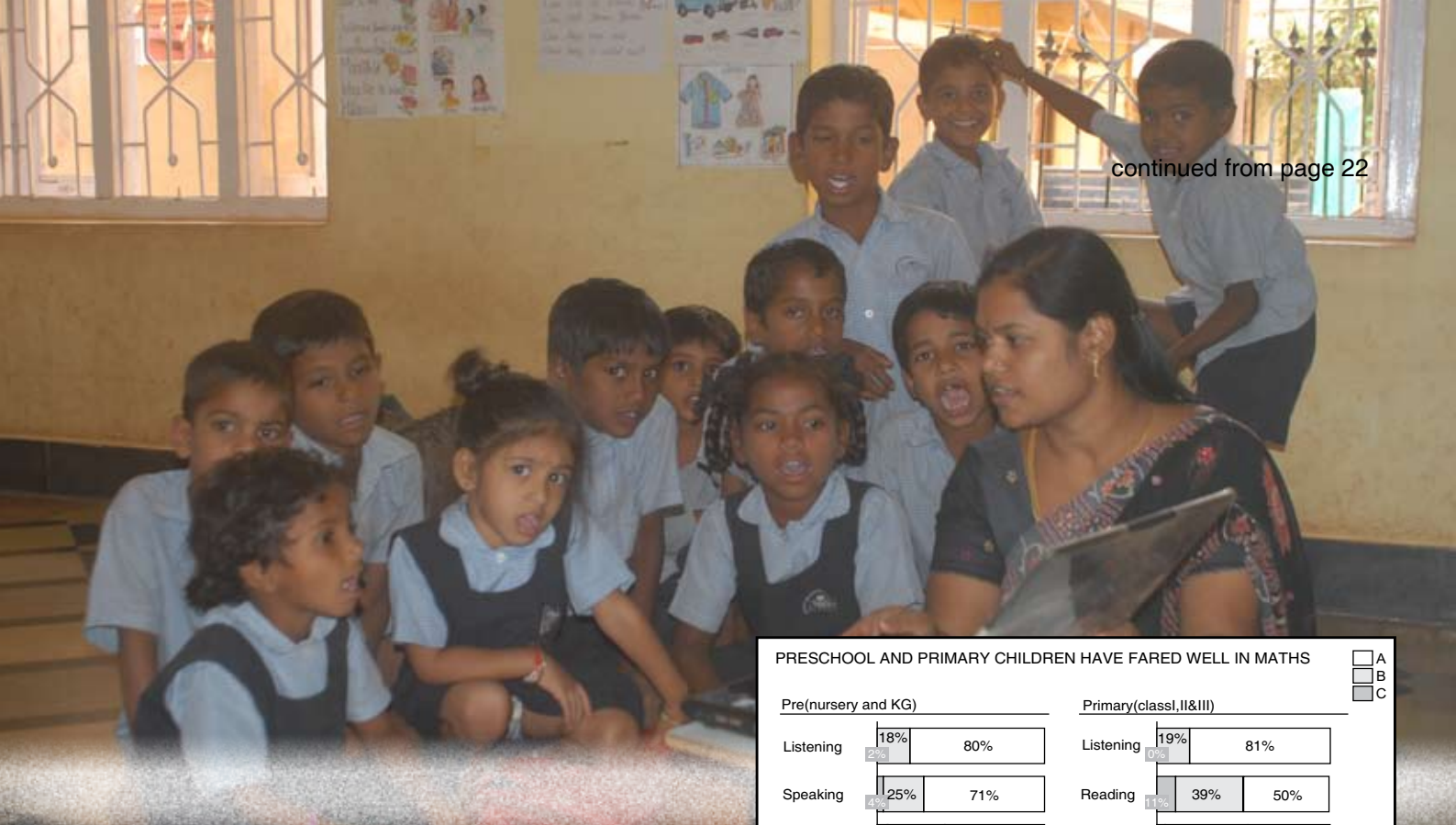
methods are drawn from some of well-known methods and approaches.

continued to page 23

## Technology

Schools are being equipped with laptops and televisions to introduce e-learning for children. Effort on technology, pedagogy will continue to grow as the program matures with experience.





### Teacher Training

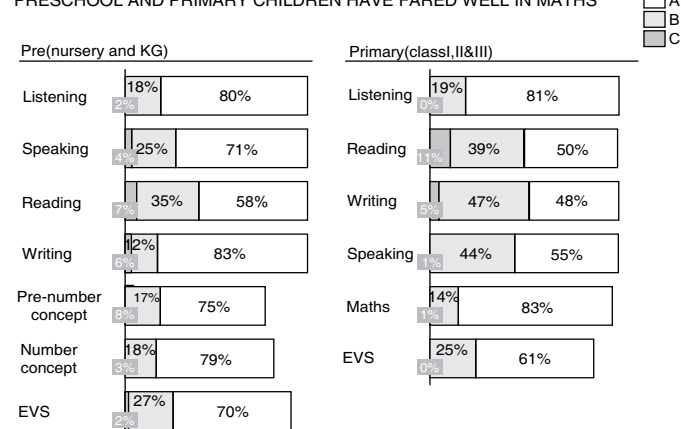
SKS places special emphasis on teacher training. SKS prefers to hire freshers rather than experienced teachers as our experience says that they are quick to learn and adapt compared to their counterparts. Teachers of the school are trained

### Academic Achievements of Children: 2009-2010

A centralized learning audit was done for 400 students. The audit results show that children

have benefitted from the activity-based approach in maths. English is an area which needs more effort both for children and teachers given the academic background of teachers and lack of academic support at home for children. Bodhi is

#### PRESCHOOL AND PRIMARY CHILDREN HAVE FARED WELL IN MATHS



exploring various approaches, from remedial classes to teaching English through “Read to Me” software (from English Helper) for language development (reading, vocabulary building, pronunciation). This program is in a pilot stage and is being used both for teachers and children.

#### SKS Educational Society - 2009 - 2010

Sno	Particulars	Medak	Nalgonda	Khammam	Warangal	Total
1	School strength					
a	Boys	134	52	106	39	331
b	Girls	64	21	68	28	181
2	Teachers	13	5	14	5	37
3	Hub In charge	4	3	5	2	14
4	Non Teaching Staff	6	3	5	2	16
		221	84	198	76	579









**SWAYAM KRISHI SANGAM  
AUDIT FINANCIAL STATEMENTS  
FINANCIAL YEAR 2009-10**

**V.NAGARAJAN & Co.,**



**V.NAGARAJAN & CO.,**

*Chartered Accountants*

**Auditor's Report [Draft]**

To The Members of  
**Swayam Krishi Sangam**

We have audited the attached Balance Sheet of SWAYAM KRISHI SANGAM [the 'Society'] as at March 31, 2010 and the Income and Expenditure account for the period ended on that date annexed thereto. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have 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 evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

**We report that:**

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion, proper books of accounts have been kept by the head office and the branches of the Society visited by us so far appear from our examination of the books;
3. The Balance sheet and Income & Expenditure account dealt with by this report are in agreement with the books of account;
4. In our opinion, and to the best of our information, and according to the explanations given to us, the accounts read with the notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) In case of the Balance Sheet, of the state of affairs of the above named institution as at March 31, 2010 and
  - b) In the case of the Income and Expenditure account, of the excess of income/ (expenditure) over expenditure/ (income) for the year ended on that date.

**For V. Nagarajan & Co.,**  
Chartered Accountants  
ICAI Firm Reg. No.: 04879N

Place: Hyderabad

Date: 17-07-10



*A.G. Sitaraman*

**A.G. Sitaraman**  
Partner

Membership No.: 017799

#612, Lingapur house, Amrutha estates, Himayatnagar, Hyderabad-5000 029,  
Ph. No.: 04066828743 Fax: 04030608742, Email ID: vnc\_hydb@yahoo.com



# SWAYAM KRISHI SANGAM

		Rs.	
		As at 31 March	
BALANCE SHEET		2010	2009
	Schedules		
<b>SOURCES OF FUNDS</b>			
Corpus fund		240	240
Reserves and Surplus	1	20,032,266	16,954,165
Loan funds			
Unsecured	2	-	2,439,000
	Total	20,032,506	19,393,405
<b>APPLICATION OF FUNDS</b>			
Fixed assets	3		
Gross block		4,893,411	4,740,802
Less: Depreciation		3,108,877	2,868,182
Net block		1,784,534	1,872,620
Investments		-	-
Current assets, loans & advances			
Cash and Bank Balances	4	16,971,905	15,349,394
Advances recoverable	5	2,947,175	2,899,453
		19,919,080	18,248,847
Current liabilities and Provisions			
Current Liabilities	6	1,671,108	728,062
Net current assets		18,247,972	17,520,785
	Total	20,032,506	19,393,405
Notes to Accounts	11		

The schedules referred above and notes to accounts form an integral part of the financial statements

As per our report of even date

For V. Nagarajan & Co.,

Chartered Accountants

ICAI Firm Reg. No.: 04879N

Hyderabad

Date: 17.07.10 *A.G. Sitaraman*

A. G. Sitaraman

Partner

Membership no.: 017799

For Swayam Krishi Sangam

*Chairperson*  
Chairperson

*Director*  
Director



Audited financial statements for the year ended March 31, 2010

# SWAYAM KRISHI SANGAM

		Rs.	
INCOME AND EXPENDITURE ACCOUNT		For the year ended 31 March	
		2010	2009
Schedules			
INCOME			
Grants and Donations	7	17,027,518	4,960,534
Other Income	8	998,240	1,406,251
	Total	18,025,758	6,366,785
EXPENDITURE			
Grant to SKS Educational Society		4,243,000	-
Direct Program Costs:			
Direct Programme Expenditure - Ultra Poor		2,470,899	3,305,330
Direct Programme Expenditure - Other projects		1,447,554	223,783
Other Costs			
Personnel Cost	9	5,306,966	2,675,338
Administrative Expenses	10	1,238,543	1,364,409
Depreciation	3	240,695	243,563
		14,947,657	7,812,423
Net (Deficit)/Surplus for the year		3,078,101	(1,445,638)
APPROPRIATION:			
Surplus brought forward from previous year		16,097,938	17,543,576
Balance carried over to Balance Sheet		19,176,039	16,097,938

## Notes to Accounts

11

The schedules referred above and notes to accounts form an integral part of the financial statements

As per our report of even date

For V. Nagarajan & Co.,

Chartered Accountants

ICAI Firm Reg. No.: 04879N

Hyderabad

Date: 17.07.10

*A. G. Sitaraman*  
A. G. Sitaraman

Partner

Membership no.: 017799

For Swayam Krishi Sangam

*Chairperson*  
Chairperson

*Director*  
Director



Audited financial statements for the year ended March 31, 2010



# SWAYAM KRISHI SANGAM

## RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2010

PARTICULARS	Rs. Amount
Opening Balances Represented by:	
Cash & Bank Balance	15,349,394
Other Current Assets/Advances	2,899,453
Less: Current Liabilities	728,062
<b>Total</b>	<b>17,520,785</b>
<b>RECEIPTS/SOURCES OF FUNDS</b>	
<i>Revenue Receipts:</i>	
SKS Microfinance Limited	10,000,000
SORENSEN/UNITUS	3,421,296
De-Worm the World	2,538,232
Naraindass Morbai Budhrani Trust	678,112
Government of Andhra Pradesh - RBC	236,516
Individual Donations	333,000
Income from Loans (Mobile distribution & Other loans)	88,470
Interest on Term Deposits with Schedule Banks	637,490
Other Income	272,280
<b>Total Receipts during the year</b>	<b>18,205,396</b>
<b>TOTAL RECEIPTS (including opening balance)</b>	<b>35,726,181</b>
<b>PAYMENTS/APPLICATION OF FUNDS</b>	
<i>Revenue Expenses:</i>	
Grant to SKS Educational Society	4,243,000
<i>Operational Expenses:</i>	
Direct Program/Project Expenses	3,918,453
Salaries, Allowances and Staff Benefits	5,306,966
Administrative Expenses (including Travelling expenses)	1,238,543
<i>Capital Expenses:</i>	
Purchase of Fixed Assets	152,609
Refund of grant to Swiss Agency for Development and Cooperation	179,638
Repayment of unsecured loan [Grameen foundation]	2,439,000
<b>TOTAL PAYMENTS</b>	<b>17,478,209</b>
<b>CLOSING BALANCE</b>	<b>18,247,972</b>
<i>Closing Balance Represented by:</i>	
Cash and Bank Balances (including Term Deposits)	16,971,905
Add: Advances & Deposits	2,947,175
Less: Current Liabilities	1,671,108
<b>Total Funds Available</b>	<b>18,247,972</b>

As per our report of even date  
For V. Nagarajan & Co.,  
Chartered Accountants  
ICAI Firm Reg. No.: 04879N

Hyderabad

Date: July 17, 2010



*A. G. Sitaraman*  
A. G. Sitaraman

Partner

Membership no.: 017799

For Swayam Krishi Sangam

*Chairperson*  
Chairperson

*Director*  
Director

# SWAYAM KRISHI SANGAM

SCHEDULES TO BALANCE SHEET	As at 31 March	
	2010	2009
<b>Schedule 1: Reserves and Surplus</b>		
Capital Reserve	856,227	856,227
Income and Expenditure Account	19,176,039	16,097,938
	<u>20,032,266</u>	<u>16,954,165</u>
<b>Schedule 2: Unsecured loan</b>		
Grameen Foundation	-	2,439,000
	<u>-</u>	<u>2,439,000</u>
<b>Schedule 4: Cash and Bank balances</b>		
Cash in hand	10,076	20,159
Balances in Scheduled Banks:		
- In Current Accounts and Savings Bank Accounts	2,896,721	1,168,580
- In Fixed Deposit Accounts:		
with Scheduled banks	14,000,000	14,082,339
Add: Interest Accrued there on (Net of TDS)	65,108	78,316
	<u>16,971,905</u>	<u>15,349,394</u>
<b>Schedule 5: Advances recoverable</b>		
Tax deducted at source	2,546,194	2,520,054
Advances and other amounts recoverable in cash or in kind or for value to be received	236,610	184,188
Loans to members	70,675	101,515
Closing stock of Mobiles (at cost)	93,696	93,696
	<u>2,947,175</u>	<u>2,899,453</u>
<b>Schedule 6: Current liabilities</b>		
Statutory Dues	129,836	83,139
Savings from Members	4,592	545,819
Other Liabilities	1,536,680	99,104
	<u>1,671,108</u>	<u>728,062</u>



Audited financial statements for the year ended March 31, 2010



## SWAYAM KRISHI SANGAM

SCHEDULES TO INCOME AND EXPENDITURE ACCOUNT	Rs. For the year ended 31 March	
	2010	2009
<b>Schedule 7: Grants and Donations</b>		
<i>A) Foreign sources</i>		
SKS Microfinance Limited	10,000,000	-
SORENSEN/UNITUS	3,421,296	-
De-Worm the World	2,538,232	-
Ford Foundation	-	2,415,000
Swiss Agency for Development and Cooperation [SDC]	-	1,500,000
<i>B) Local sources</i>		
Naraindas Morbai Budhrani Trust	678,112	678,113
Government of Andhra Pradesh - RBC	236,516	128,850
Incentive Destinations (P) Ltd.	-	72,000
Individual donations	333,000	166,571
	<b>17,207,156</b>	<b>4,960,534</b>
Less: Refund of grant to Swiss Agency for Development and Cooperation	179,638	-
	<b>17,027,518</b>	<b>4,960,534</b>
<b>Schedule 8: Other income</b>		
Interest on fixed deposits [Tax deducted at source Rs. 26,141 (Previous year: Rs. 82,033/-)]	637,490	807,368
Interest on Income tax refund	-	46,722
Income from loans [Mobile distribution & other loans]	88,470	3,732
Visitors fee	128,950	312,930
Rent	143,330	232,521
Profit on sale of land	-	2,979
	<b>998,240</b>	<b>1,406,251</b>
<b>Schedule 9: Personnel cost</b>		
Salaries and other allowances	4,927,311	2,503,551
Employer's Contribution to PF	305,424	142,996
Staff Welfare Expenses	17,919	10,478
Staff Training Expenses	56,312	18,313
	<b>5,306,966</b>	<b>2,675,338</b>
<b>Schedule 10: Administrative expenses</b>		
Travelling expenses	597,239	721,643
Professional & Consultancy Charges	170,343	257,200
Auditors' remuneration & other expenses	97,723	88,885
Recruitment expenses	81,901	43,960
Telephone & Internet charges	60,957	34,789
Printing and Stationery	59,914	35,482
Office Maintenance	52,519	29,603
Rent, Rates & Taxes	52,500	50,500
Electricity	17,351	20,898
Bank Charges	10,279	17,766
Visitor's Field visit	8,922	2,903
Computer Maintenance	4,249	4,075
Postage and Telegrams	2,123	688
Filing Fee	240	375
Sundries Written off (TDS unrecoverable)	-	35,752
Miscellaneous expenses	22,283	19,890
	<b>1,238,543</b>	<b>1,364,409</b>

**SWAYAM KRISHI SANGAM**

Schedules to Balance Sheet as at 31 March, 2010

**Schedule 3: Fixed Assets**

Particulars	Gross block					Depreciation				Net block	
	As on April 01, 2009	Additions from April 01, 2009 to September 30, 2009	Additions from October 01, 2009 to March 31, 2010	Transfers/Deletions	As on March 31, 2010	Up to March 31, 2009	For the year	On Deletions	Up to March 31, 2010	As on March 31, 2010	As on March 31, 2009
Land	374,936	-	-	-	374,936	-	-	-	-	374,936	374,936
Buildings	2,050,694	-	-	-	2,050,694	839,555	121,114	-	960,669	1,090,025	1,211,139
Furniture And Fixtures	372,148	-	30,250	-	402,398	215,781	17,149	-	232,930	169,468	156,367
Office Equipment	242,411	-	90,900	-	293,311	163,025	15,725	-	178,750	114,561	79,386
Computers & Peripherals	1,497,608	-	16,900	-	1,514,508	1,454,224	31,100	-	1,485,324	29,184	43,384
Air Conditioners	43,800	-	-	-	43,800	39,580	633	-	40,213	3,587	4,220
Borewell	32,490	-	-	-	32,490	29,360	470	-	29,830	2,660	3,130
Generators	61,120	-	-	-	61,120	61,120	-	-	61,120	-	-
<b>TOTAL</b>	<b>4,675,207</b>	<b>-</b>	<b>98,050</b>	<b>-</b>	<b>4,773,257</b>	<b>2,802,646</b>	<b>186,191</b>	<b>-</b>	<b>2,988,837</b>	<b>1,784,420</b>	<b>1,872,561</b>
<b>Fully written off</b>											
Furniture And Fixtures	21,330	7,950	23,774	-	53,054	21,296	31,677	-	52,973	81	34
Office Equipment	37,415	2,185	7,350	-	46,950	37,393	9,531	-	46,924	26	22
Computers and Peripherals	2,000	8,850	3,700	-	14,550	1,999	12,547	-	14,546	4	1
Telephone Tele/Fax Machine	4,850	750	-	-	5,600	4,848	749	-	5,597	3	2
<b>TOTAL</b>	<b>65,595</b>	<b>19,735</b>	<b>34,824</b>	<b>-</b>	<b>120,154</b>	<b>65,536</b>	<b>54,504</b>	<b>-</b>	<b>120,040</b>	<b>114</b>	<b>59</b>
<b>Grand Total</b>	<b>4,740,802</b>		<b>132,609</b>	<b>-</b>	<b>4,893,411</b>	<b>2,868,182</b>	<b>240,695</b>	<b>-</b>	<b>3,108,877</b>	<b>1,784,534</b>	<b>1,872,620</b>
<b>Previous year</b>	<b>4,841,898</b>		<b>63,404</b>	<b>164,500</b>	<b>4,740,802</b>	<b>2,682,097</b>	<b>243,563</b>	<b>57,478</b>	<b>2,868,182</b>	<b>1,872,620</b>	<b>2,159,801</b>



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**Schedule 11: Notes to the Financial Statements**

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**1. Significant accounting policies**

**1.1. Basis of Preparation of Financial Statements**

- 1.1.1. The Financial statements are prepared on accrual basis under the historical cost convention except grants, which are accounted for on cash basis and are in consonance with applicable accounting standards of the Institute of Chartered Accountants of India.

**1.2. Revenue Recognition**

- 1.2.1. The interest income on loans granted is recognized on accrual basis.  
1.2.2. Interest income on deposits with banks is recognized on time proportion accrual basis taking into the account, the amount outstanding and rate applicable.

**1.3. Grants and Donations**

- 1.3.1. Revenue Grants and donations are recognized as income for current period in the financial statements.  
1.3.2. Grants received specifically relating to fixed assets are credited to the Capital reserve in the Balance sheet. Such grants are recognized in the Income and Expenditure account on a systematic and rational basis over useful life of the fixed assets.  
1.3.3. Donation in kind is also accounted in books.

**1.4. Fixed Assets**

- 1.4.1. All fixed assets have been shown at cost less accumulated depreciation. The cost comprises of purchase price and all incidental costs related to acquisition and installation.  
1.4.2. Depreciation has been provided on assets based on written down value method at the rates appropriate for the useful life of the assets.  
1.4.3. In respect of additions, the depreciation is provided on a half yearly basis, during which half year in which assets are put to use.  
1.4.4. In case of sale of Fixed Assets, no depreciation has been charged in accounts during the year for period of usage.  
1.4.5. Each fixed asset, which has a value less than Rs. 5,001/- is written off completely during this year. For physical control purpose, these assets are still carried over in fixed asset schedule with a nominal value of Rs. 1/- per asset.  
1.4.6. In respect of assets acquired out of the Capital Grant, depreciation calculated as above, is charged off to the Grant so capitalized.  
1.4.7. The fixed assets, which have been received as donation in kind, are incorporated in fixed asset register & schedule and correspondingly depreciation has been charged from accounts like other fixed assets.

**1.5. Employee Benefits:**

- 1.5.1. Contribution to Provident Fund is accounted on actual liability basis and paid.
- 1.5.2. Leave encashment to employees also stands fully provided for.

**1.6. Foreign Currency Transactions:**

- 1.6.1. All transactions in the foreign currency are recognized at the exchange rate prevailing on the date of transactions.
- 1.6.2. Liabilities and receivables in foreign currency are converted at the exchange rate as on date of transaction and gain or losses are recognized on the date of settlement of liabilities.

**2. Notes to accounts**

**2.1. Notes on Activities:**

**2.1.1. Ultrapoor Program:**

The Ultrapoor program is the light house of Swayam Krishi Sanagam. The Ultrapoor program, scientifically targets the bottom of the pyramid extreme poor, employing participatory identification tools. Our intervention logic is based on seamless and integrated services in the thematic areas of social, health and economic advancement to the identified extreme poor households with the aim of main streaming and reconnecting them to lost livelihood opportunities through a road map of their choice. The identified partner households are invariably women headed and most of them are destitute or below destitute. The single most important criterion of the measure of impact of this programme is an orderly transition into self propelled and secured livelihoods with elevated social and health awareness levels.

**2.1.2. Education:**

**Residential Bridge Camp [RBC]**

RBC concept is pioneered by the SARVA SHIKSHA ABHIYAN. SKS with its reputation in the field of education is invited by the Government to run the Rural bridge camp in Narayankhed. In the year 2005 started with 100 girls who are dropped out/never enrolled targeting 9-15 years age, and each batch will run for ten months. RBC will provide quality education, food, health care and accommodation. So far SKS has conducted RBC for three batches and mainstreamed about 300 girls in to Kasturiba Gandhi Balika Vidyalaya's [KGBV] and AP residential schools.

**2.2. Income Tax:**

The Society is registered under Andhra Pradesh Society Registration Act, 2001 as a non- profit society and having registration under section 12 A(a) of the Income Tax Act,1961. The Society has complied with the necessary provision and conditions of the section 2(15) of the Income Tax Act 1961 relating to the charitable organization. Hence no provision for Income Tax is considered necessary.



SWAYAM KRISHI SANGAM  
SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2010

**2.3. Supplementary Information:**

**2.3.1. Auditors' Remuneration:**

	Rs.	
<b>Particulars</b>	<b>31-Mar-2010</b>	<b>31-Mar-2009</b>
Audit fee	44,120	44,120
Taxation and other consulting services	27,575	44,120
Fee for Certification including FCRA	24,818	-
Out of pocket expenses	1,210	645
<b>Total</b>	<b>97,723</b>	<b>88,885</b>

**2.3.2. Previous year figures have been regrouped and rearranged wherever necessary.**

As per our Report of even date  
For V. Nagarajan & Co.,  
Chartered Accountants  
ICAI Firm Reg. No.: 04879N

For Swayam Krishi Sangam

Hyderabad

Date: 17.07.10



*A.G. Sitaraman*

**A.G. Sitaraman**

Partner

Membership No.: 017799

*[Signature]*

**Chairperson**

*[Signature]*

**Director**

Audited Financial Statements for the year ended March 31, 2010



**V.NAGARAJAN & CO.,**

*Chartered Accountants*

**Auditor's Report**

To The Members of  
SKS Educational Society

We have audited the attached Balance Sheet of SKS Educational Society [the 'Society'] as at March 31, 2010 and the Income and Expenditure account for the period ended on that date annexed thereto. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have 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 evaluating the overall financial statement presentation. We believe that our audit provides reasonable basis for our opinion.

We report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion, proper books of accounts have been kept by the head office and the branches of the Society visited by us so far appear from our examination of the books;
3. The Balance sheet and Income & Expenditure account dealt with by this report are in agreement with the books of account;
4. In our opinion, and to the best of our information, and according to the explanations given to us, the accounts read with the notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) In case of the Balance Sheet, of the state of affairs of the above named institution as at March 31, 2010 and
  - b) In the case of the Income and Expenditure account, of the excess of income/ (expenditure) over expenditure/ (income) for the period ended on that date.

**For V. Nagarajan & Co.,**  
Chartered Accountants  
ICAI Firm Reg. No.: 04879N

Place: Hyderabad

Date: 17.07.10



*A.G. Sitaraman*

**A.G. Sitaraman**

Partner

Membership No.: 017799

#612, Lingapur house, Amrutha estates, Himayatnagar, Hyderabad-5000 029,  
Ph. No.: 04066828743 Fax: 04030608742, Email ID: vnc\_hydb@yahoo.com



# SKS EDUCATIONAL SOCIETY

		Rs.
<b>BALANCE SHEET</b>		<b>As at 31 March</b>
	<b>Schedules</b>	<b>2010</b>
<b>I. SOURCES OF FUNDS</b>		
Corpus fund		-
Reserves and Surplus		
Income and Expenditure Account		1,226,303
<b>Total</b>		<b>1,226,303</b>
<b>II. APPLICATION OF FUNDS</b>		
Fixed assets	1	
Gross block		1,245,205
Less: Depreciation		980,149
<b>Net block</b>		<b>265,056</b>
Investments		-
Current assets, loans and advances		
Cash and bank balances	2	777,845
Other advances	3	948,667
		<b>1,726,512</b>
Current liabilities and Provisions		
Current liabilities	4	765,265
		<b>765,265</b>
<b>Net Current Assets</b>		<b>961,247</b>
<b>Total</b>		<b>1,226,303</b>
<b>Notes to Accounts</b>	<b>9</b>	

The schedules and Notes to accounts referred above form an integral part of the financial statements

As per our report of even date

for V. Nagarajan & Co.,  
Chartered Accountants

ICAI Firm Reg. No. 04879 N

*A. G. Sitaraman*  
(A. G. Sitaraman)  
Partner

M. No.: 017799

Place: Hyderabad

<sup>1</sup> Date: July 17, 2010



for SKS Educational Society

*Vikram Akula*

Vikram Akula  
Vice President

*Kanchan*

Kanchan Pandhre  
Secretary

Audited financial statements for the year ended March 31, 2010

<sup>1</sup> SKS Educational Society is proposed to be amalgamated with Swayam Krishi Sangam in the next Fiscal. Hence its Financial Statements for the current fiscal are disclosed in this Annual Report

# SKS EDUCATIONAL SOCIETY

		Rs.
		For the period
INCOME AND EXPENDITURE ACCOUNT		24-Apr-2009 to
		31-Mar-2010
	Schedules	
<b>Income</b>		
Income from operations	5	1,621,496
Grant from Swayam Krishi Sangam		4,243,000
Others Income	6	353,794
	<b>Total</b>	<b>6,218,290</b>
<b>Expenditure</b>		
Personnel cost	7	1,555,740
Administrative Expenses	8	2,456,098
Depreciation		980,149
	<b>Total</b>	<b>4,991,987</b>
<b>Net Surplus for the year</b>		<b>1,226,303</b>
<b>Balance carried over to Balance Sheet</b>		<b>1,226,303</b>

## Notes to Accounts

9

The schedules and Notes to accounts referred above form an integral part of the financial statements

As per our report of even date

for V. Nagarajan & Co.,  
Chartered Accountants

ICAI Firm Reg. No. 04879 N

*A. G. Sitaraman*  
(A. G. Sitaraman)  
Partner

M. No.: 017799

Place: Hyderabad  
Date July 17, 2010



for SKS Educational Society

*Vikram Akula*

Vikram Akula  
Vice President



*Kanchan*  
Kanchan Pandhre  
Secretary

Audited financial statements for the year ended March 31, 201



## SKS EDUCATIONAL SOCIETY

### Schedules to Balance Sheet as at 31 March, 2010

#### Schedule 1: Fixed assets

Particulars	*Gross block	Depreciation	Rs. Net Block
	As at 31 March, 2010	For the year	As at 31 March, 2010
Furniture And Fixtures	6,82,424	6,81,579	845
Office Equipment	1,40,906	57,234	83,672
Computers & Accessories	4,21,875	2,41,336	1,80,539
<b>Total</b>	<b>12,45,205</b>	<b>9,80,149</b>	<b>2,65,056</b>

\* Represents additions during the year



## SKS EDUCATIONAL SOCIETY

Rs.

As at 31 March

2010

### SCHEDULES TO BALANCE SHEET

#### Schedule 2: Cash and Bank balances

Cash in hand	1,03,492
Balances with Scheduled banks in current accounts	6,74,353

<b>Total</b>	<b>7,77,845</b>
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#### Schedule 3: Other Advances

Stock - Books and Uniforms	1,13,839
Fee recoverable	2,21,428
Rent and Telephone deposits	1,90,100
Advances recoverable in cash or in kind or for value to be received	4,23,300

<b>Total</b>	<b>9,48,667</b>
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#### Schedule 4: Current liabilities

Expenses payable	4,47,271
Fee received in advance	1,90,930
Statutory dues payable	1,27,064

<b>Total</b>	<b>7,65,265</b>
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Audited financial statements for the year ended March 31, 2010



**SKS EDUCATIONAL SOCIETY**

	<i>Rs.</i>
	<b>For the period</b>
<b>SCHEDULES TO INCOME AND EXPENDITURE ACCOUNT</b>	<b>24-Apr-2009 to 31-Mar-2010</b>
<b>Schedule 5: Income from operations</b>	
Tuition Fee	11,68,396
Registration Fee	2,64,400
Admission Fee	1,88,700
<b>Total</b>	<b>16,21,496</b>
<b>Schedule 6: Other Income</b>	
Books and uniforms	2,71,294
Transport Charges	82,500
<b>Total</b>	<b>3,53,794</b>
<b>Schedule 7: Personnel cost</b>	
Salaries	13,75,826
Employer contribution to Provident Fund	1,04,213
Staff Welfare Expenses	21,839
Staff Training Expenses	19,511
Staff Recruitment Expenses	34,351
<b>Total</b>	<b>15,55,740</b>
<b>Schedule 8: Administrative Expenses</b>	
Rent, rates and taxes	9,43,788
Office Maintenance	5,09,192
Printing & Stationery	2,92,942
Travelling expenses	2,61,824
School Uniforms	1,62,332
School Books	97,565
Discount on Admissions	69,600
Audit Fee	44,120
Consultancy Fee	32,000
Electricity and water charges	37,105
Bank Charges	1,568
Postage and courier	4,062
<b>Total</b>	<b>24,56,098</b>



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Audited financial statements for the year ended March 31, 2010

**1. LEGAL STATUS AND ACTIVITIES:**

- a. 'SKS Educational Society' [the 'Society'] is, registered on April 24, 2009 under the Andhra Pradesh Society Registration Act, 2001 vide registration number 193 of 2009 and it is presently engaged in providing quality education in pre-primary and primary levels, with a view to create awareness among poorer section of the community especially in rural areas.
- b. The society is a charitable society and its objects and activities fall under the definition of "charitable purpose" as described u/s 2(15) of the Income tax Act, 1961. The Permanent Account Number allotted is AAITS6395L.

**2. ACCOUNTING POLICIES:**

**a. Basis of accounting**

The Financial statements are drawn up based on historical costs and mercantile basis of accounting has been followed.

**b. Revenue recognition**

All income and expenditure are accounted on accrual basis, except grants which are accounted for on cash basis. Committed grant funds and donations, until received, are not recognized.

**c. Fixed assets and depreciation**

- i) All fixed assets have been shown at cost less accumulated depreciation. The cost comprises of purchase price and all incidental costs related to acquisition and installation.
- ii) Depreciation is calculated pro-rate based on written down value method at the rates appropriate for useful life of the assets. The following rates have been used in computing depreciation on assets:

Class of fixed assets	Rate of Depreciation
Furniture & Fixtures	18.10%
Office Equipment	25.00%
Computers & Accessories	60.00%

- iii) Each fixed asset, which has a value less than Rs. 5,001/- is written off completely during this year. For physical control purpose, these assets are still carried over in fixed asset schedule with a nominal value of Rs. 1/- per asset.

**d. Employee benefits:**

Contribution to provident fund is accounted on actual liability basis and has been paid in full.

Audited Financial Statements for the year ended March 31, 2010

**3. NOTES ON ACCOUNTS:**

**a. Income tax**

Considering that the society is a “not for Profit” institution engaged solely in Educational activity and fulfills other criteria laid down in the Act, the Income for the year is considered as exempted from tax and hence no provision for Income Tax has been made in the accounts.

**b. Internal controls and basic systems of service delivery:**

The society is in the initial stages of setting up facilities to provide quality primary education to poor and accordingly necessary related internal control systems are also under development.

**c. Auditor’s remuneration:**

	<i>Rs.</i>
Particulars	<b>March 31, 2010</b>
Audit Fee	40,000
Service Tax	4,120
<b>Total</b>	<b>44,120</b>

**d. Miscellaneous:**

- i) Contingent liabilities: Nil
- ii) Committed Grant Funds, not received: Rs. 1.58 crores
- iii) Being the first year of its existence and operation, previous year figures have not been provided.

As per our Report of even date  
For **V. Nagarajan & Co.,**  
Chartered Accountants  
ICAI Firm Reg. No.: 04879N

for **SKS Educational Society**

Hyderabad  
Date: 17.07.10



**A.G. Sitaraman**  
Partner  
Memembership No.: 017799



**Vikram Akula**  
Vice President



**(Kanchan Pandhre)**  
Secretary



Audited Financial Statements for the year ended March 31, 2010





**DE-WORMING IS A PROVEN, LOW-COST METHOD OF IMPROVING HEALTH AND INCREASING SCHOOL ATTENDANCE**

- Estimates indicate that at least 400 mn school-age children are infected by roundworm, whipworm, and hookworm around the world
- These parasites aggravate malnutrition and retard children's physical development. This can lead to stunting, anemia and children being underweight
- These in turn impact school enrollment, lead to absenteeism, poor classroom performance and school dropouts
- Providing low-cost de-worming medication in addition to being an important nutritional and health goal could actually prevent absenteeism and make children learn better in school



**SKS PARTNERED WITH DE-WORM THE WORLD AND INDIAN STATE GOVERNMENT TO PROVIDE DE-WORMING TABLETS TO CHILDREN**



- De-worm the World was launched to improve access to education through supporting, coordinating and advocating for school-based de-worming programs
- DtW has worked on community-based de-worming program for the first time and has donated tablets to SKS to de-worm children between the ages of 5-15 years
- DtW also conducted an impact assessment of the program by collecting stool samples before and after the intervention



- The government of Andhra Pradesh has an initiative to use rural-based health workers to deliver de-worming tablets to children.



- SKS Microfinance supported DtW in India through its NGO by utilizing the SKS distribution channel to provide de-worming tablets to communities in which it works
- SKS loan officers were trained by DtW to conduct community sensitization programs and distribute de-worming medication.
- SKS loan officers worked with local leaders and government health workers to ensure maximum awareness in the communities.

**IN 2010, THE PARTNERSHIP LED TO INDIA'S FIRST COMMUNITY-BASED DE-WORMING INITIATIVE, REACHING OVER 130,000 CHILDREN IN THREE DAYS**

- SKS loan officers helped de-worm 134,583 children from 352 villages in 40 mandals of Kurnool district in AP
- The program was implemented by 220 sangam managers in 3 days
- Tablets were administered by Aasha workers/ ANMs from local public health centers (PHCs)
- The role of SKS field staff was to raise awareness in the villages, meet different stake holders like Sarpanchs, ward members and other influential people, recording and making logistical arrangements for implementation of deworming program

**MEDIA COVERAGE**



Date: 31st March-10  
Publication: Andhra Jyothi  
Edition: Rudravaram



Date: 31st March-10  
Publication: Eenadu  
Edition: Donipadu



Date: 31st March-10  
Publication:  
Edition: Rudravaram



Date: 31st March-10  
Publication: Vartha  
Edition: Allagadda



Date: 1 April-10  
Publication: Business line  
Edition: Hyderabad



Date: 3rd April-10  
Publication: Andhra Jyothi  
Edition: Kodumuru



Date: 1 April-10  
Publication: Hindu  
Edition: Hyderabad



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**SWAYAM KRISHI SANGAM**