

More Than  
Good  
Intentions...  
Transformative  
Interventions.



Swayam Krishi Sangam  
Annual Report  
2010-11



Changing Lives



Good quality education continues to be expensive in India. A significant 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, a huge gap still exists in demand and availability of quality education.



To bridge the gap Bodhi Educational Society (BES) undertakes and promotes educational services through chain of schools called Bodhi Schools.

The purpose of this initiative is to bring equity and include the children coming from financially marginalized families.





## What is poverty?

- Chronic hunger and malnutrition
- Being sick and not able to see doctor
- Cannot go to school & cannot read
- No work & fear of future
- Losing a child to illness brought about by unclean water
- Powerlessness
- Lack of representation
- Lack of freedom
- Living one day at a time

*Graduation is defined as having the confidence and capability to generate income and begin a new livelihood buoyed by increased social and health awareness*



*Impoverished tribals are saving extremely precious bio wealth against odds and extreme poverty conditions; join SKS in saving this precious bio-wealth of mother Earth*

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SKS has presence in the resource rich but chronically poor tribal habitations; our interventions are pro poor; pro women and pro nature. Sustaining nature is de-risking the tribals from ultra poverty and chronic hungry. The impact is visibly evident. SKS unarguably understands best the requirements as well as complexities involved in the design and implementation of such institutional initiatives.

Our Ultra Poor Graduation Pilots are potential answer for a low cost transition from extreme poverty to sustainable livelihoods.

*Paradox of genetic prosperity but economic poverty; SKS works on bio diversity led Ultra Poor Graduation Pilots reaching the unreached and including the un-included*



*Financial Inclusion: Tribal First Generation Bank Clients – SKS has facilitated inclusive finance impacting 1000 tribal ultra poor households*

## Financial Inclusion

• Ultra Poor Self Help Groups with Bank Account-	81
• Members benefited by bank account -	980
• Ultra Poor groups which got bank loan	70
• Bank loan amount-	Rs.19, 66,500/-
	(US\$ 40,000)
• Members who availed bank loan-	845
• All the graduates covered under Bank linkage are first generation Bank clients	

India is one of the last large under-banked countries of the world. Nearly 500 million people, more than the combined populations of Brazil and the US, do not have a bank account. Many others have one, but can't use it. SKS has set a pilot business model of inclusive finance wherein 1000 ultra poor tribal families got linked to local Bank for credit and savings. They are the first generation account holders with 100% regular repayment of loans.

# MISSION AND VALUES



MISSION

SKS has mission to out reach ultra poverty backwaters and hot spots. We create models of Ultra Poverty Proofing, along with 10 nation Global net work, that are host to half of the world poor



VALUES

- Women and children centric
- Long term commitment
- Operational and financial sustainability
- Strong convergence with State; Corporates and Civil Society
- Gender and Extreme Poverty Sensitive
- Professional finesse but with empathy
- Global Horizon



## Holding Graduation Ladder for extreme poor

- Investment: 150 US\$ per ultra poor household
- Case Load: 100 families per Livelihoods Field Organizer
- 250 families for Health Field Organizer
- Impact: Family size of 5 lives



*Food security exists when all people at all times have access to sufficient; safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life - FAO*

Food Security is critically factored in, to measure Graduation – Soaring food inflation has direct impact on food and nutrition security of ultra poor. Our targeted ultra poor members have ably demonstrated through Rice Line Scheme and Livelihoods Action Plans that regular internal thrifts coupled with productive micro investments can bring fruition.

“We now realized the power of fistful rice pledged to our center” say the Ultra Poor members.

Challenge of feeding two lives, when food prices have doubled and wages remain same, is the social commentary in itself in this Tribal Ultra Poverty backwaters of India. We have been tracking the

weight and hemoglobin levels of pregnant mothers and our Health Field Organizers have aggressive deliverables in counseling pregnant and lactating mothers along with pre and neo natal referral services.

Ultra Poor member in the picture is borrowing rice from her Ultra Poor Center Rice Bank. She can repay in the shape of rice itself when the rainy days are over.

*“Without food, all other components of social justice are meaningless.” – Norman E Borlaug*

## Two square meals a day - tribal poor have their day

### Two square meals a day - Food security paradigm of Ultra Poor

Prescribed consumption	750 Gms of rice per day per adult
5 member family	3 kg., a day
One month requirement	82.5 kg
PDS Antyodaya rice	25 kg per month Rs. 100 per month
Food security gap	57.5 kg per month
Food budget deficiency	Rs. 1250 @ Rs. 22 per kg

Coping food insecurity: Wage labor; Migration, Money lenders and Mortgages, Neighbor borrowings, Child labor,

**Challenges:** health related income shocks; Sick Families, Disabled and old age members, Inconsistency in Government programs - no add on edible oil and sugar in PDS; off season Unemployment

**SKS Products and Services to cope up food insecurity:**  
Rice Line scheme, micro savings, cash flows through Livelihoods support and skills training, consumption stipend, awareness about NREGS and facilitate State safety nets; Bank linkages for sustainable livelihoods investments

## From Chairperson's Desk

For Swayam Krishi Sangam FY 2010-11 is eventful with Ultra Poor Graduation Pilots reaching global standards, Bodhi Academies, our rural education initiatives taking deeper root and SKS health initiatives getting into cruising mode.

In Ultra Poverty Graduation Pilots SKS had twin objectives of helping households work out of extreme poverty and scaling up what works. Ultra Poor Graduation pilot in Koraput DT with 887 ultra poor tribal households has been a model plank for financial inclusion. The face of ultra poor is also gendered for out of 887 scientifically targeted ultra poor households except 51, are all women headed. Out of 887 households 850 could graduate to sustainable livelihoods. This pilot is touching the lives of persistent hungry and malnourished tribal extreme poor, placing SKS, at tribal geographical band width. We could link 69 out of 71 ultra poor centers to local State Bank Of India which has sanctioned group loans for expanded livelihoods investments. The pilot was co funded by Unitus LABS and Sorenson Legacy Foundation, US along with SKS. All this was possible with thin investment of 150 US\$ per family.



Unitus LABS CEO Mr. Richard Dave has paid visit to one of our Ultra Poor Tribal villages and participated in the Ultra Poor Graduation Ceremony.

In this financial year we have also implemented "Cash Transfer" model of ultra poor proofing assisting 1155 ultra poor women headed households start new livelihoods activities in Medak DT, Andhra Pradesh with an investment of INR 69.12 Lakhs.

In the Education Front, in this financial year 2010-11, we have successfully seeded 42 rural schools with enrollment of nearly 4000 rural poor children taught by 200 well qualified and trained teachers. Our Bodhi Schools have been setting bench mark standards in "Joyful Learning" and "Karadi" pedagogy and are becoming destination for rural poor school age children to get corporate quality formal education at an affordable fee. SKS is investing INR 42 Lakhs (US\$ 75,000) every month on school education and in turn collecting very nominal fee from children.

We believe that health is cause and also consequence of ultra poverty. SKS has pioneered elective surgery camps for the ultra poor, connecting them to lost livelihoods opportunities due to physical impairment. Team of highly specialized US doctors volunteered to conduct Elective Surgery Camp in Koraput DT., Odisha. The specialists' team comprised of Gynecologists, Surgeons, Cardiologists and Anesthetists. They donated essential drugs to local government dispensaries and have been giving post operative guidance.

With the steely resilience, SKS has stepped into the financial year 2011-12, launching another Graduation Pilot covering 500 ultra poor families in Narayankhed, Medak DT, Andhra Pradesh. For closer school management we have built a separate Society by name "Bodhi Educational Society".

Our Ultra Poor Graduation pilots are rooted in opportunity and not charity. We have evolved cost effective and sustainable model of graduating one ultra poor household with a two year investment of 150 US\$.

These interventions are not without formidable challenges of fund mobilization, remoteness, far inadequate government service deliveries and radical insurgencies apart from rapidly thinning micro finance industry. But we are constantly motivated to deliver on our promises to the ultra poor who have been living in denials for centuries.

I can't thank all enough, including our funding partners, SKS Mutual Benefit Trusts, SKS Foundation, US, SKS Trust Advisers' Pvt., Ltd., SKS Micro Finance Ltd., and Field Teams who have spread into remote tribal villages helping SKS vision take shape. My deep rooted thanks to BRAC Development Institute, London (BDI) and Unitus Labs for constantly mentoring us. I also profusely thank Ms. V Nagarajan & Co., our Auditors.

I wish the field teams and partners a professionally rewarding year ahead

**Teresa Khanna**  
Chair Person



## From our Founder's Desk

India is a land of paradox. On the one hand is a thriving Indian economy with rapidly expanding business opportunities and urban cities. On the other is rural India with 41.6% of its population falling below the internationally defined poverty line. If India is to realize its true potential in the global economic order, this paradox must be addressed. We founded Swayam Krishi Sangam (SKS NGO) in 1997 with a vision to help alleviate poverty in India. As part of this effort, SKS NGO founded the Ultra Poor Graduation Pilots as a potential answer to address extreme poverty and chronic hunger.

For us, there is no greater satisfaction than seeing the sense of achievement of ultra poor women when they graduate to earn sustainable livelihoods. These results take time. Through the perseverance of the women and with the support of the dedicated SKS NGO staff, nearly 5,000 Ultra Poor families have been able to take one step forward.

Likewise, it also is satisfying to see that SKS NGO is being recognized – from groups like the Consultative Group to Assist the Poor and the Bangladesh Rural Advancement Committee Development Institution – as an anchor organization for our work in addressing extreme poverty. What is particularly noteworthy is that we have made strides and created a model with highly leveraged solutions, resulting in significant social impact even though there is an input of only US\$ 150 investment per household in a two year pilot period.

In addition to the Ultra Poor program, an affiliated entity Bodhi Educational Society, which receives support from SKS Trusts, has also made progress. Today “Bodhi Schools,” which strive to deliver standardized educational services at an affordable cost, serve close to 3,000 low income students. In India, which is one of the youngest nations in the world, the future depends on giving such children access to education.

I thank the Board Members of SKS and Bodhi Educational Society for scripting this renaissance in the most crucial sectors of poverty and education respectively. I congratulate the teams that have worked hard to reach the mission milestones and follow a trajectory of moving from formation to transformation. I would also like to thank our funding partners.

I look forward to working together as a team toward future goals.

Dr. Vikram K Akula  
Founder

Bodhi Educational Society  
Swayam Krishi Sangam

*There is no greater joy in this life than the joy of helping others  
– Late James LeVoy Sorenson – Founder - Sorenson Legacy  
Foundation; US*





She graduates in her own terms minimizing dependence and increasing competence: Dalima is confident as her old age endowment is coming with her groups savings, bank loan and asset possession; she has callable and affordable medical facilities at her next door and rice bank to borrow for the rainy day; has learnt mushroom cultivation as additional gainful employment; What is Graduation? For me Graduation means greater control over life, answers Dalima with confidence.



*Disposition is the best indicator of Graduation*



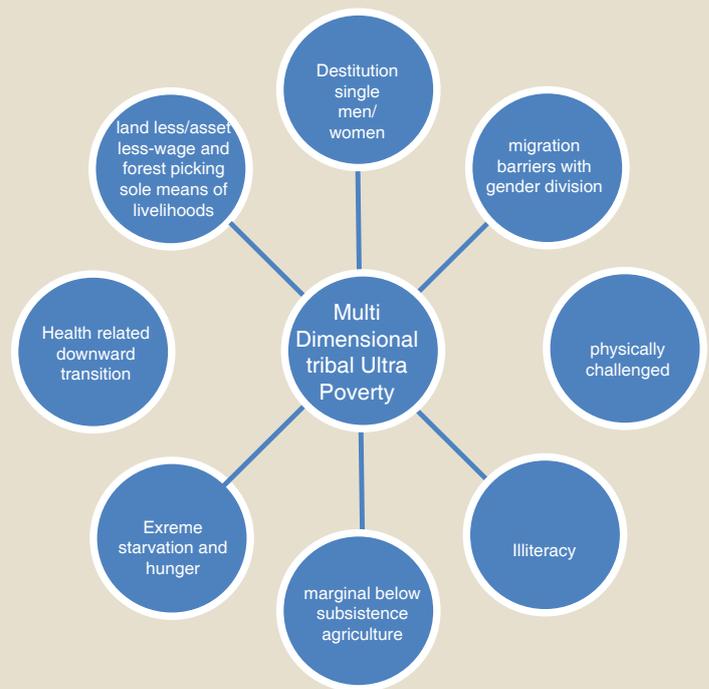
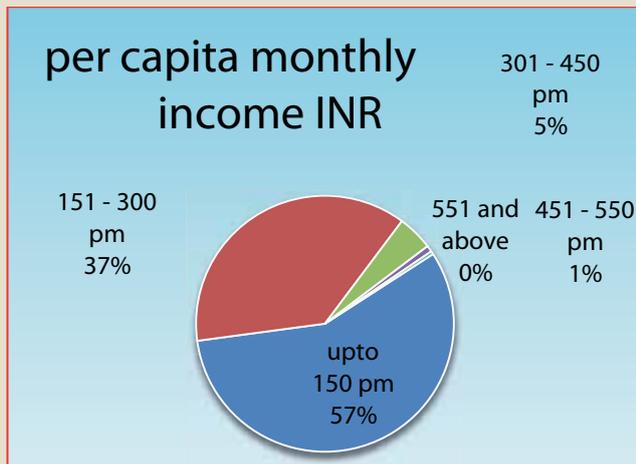
*Status redefined:  
An Ultra Poor Graduate shares her transition story*

Catching up with the mainstream: Ultra Poor Graduates in Koraput DT holding graduation umbrellas as mark of two year partnership with SKS;

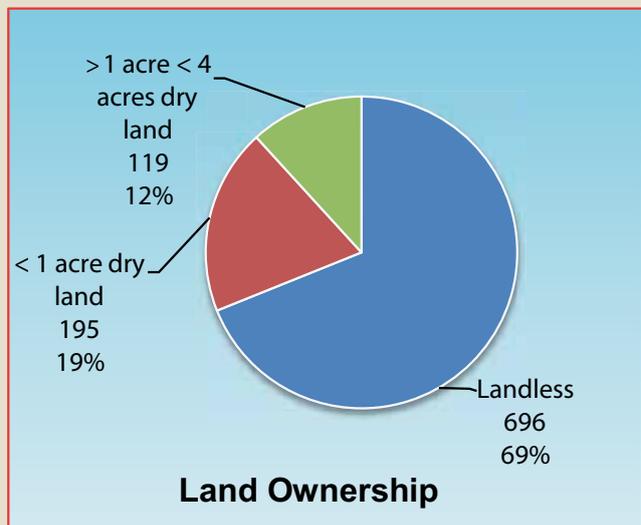
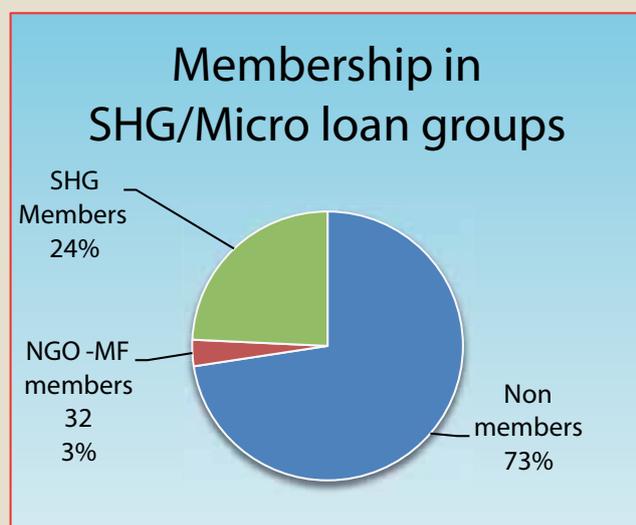
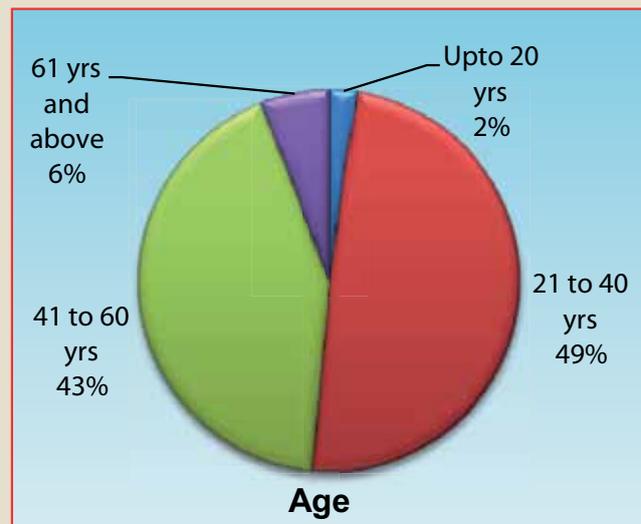
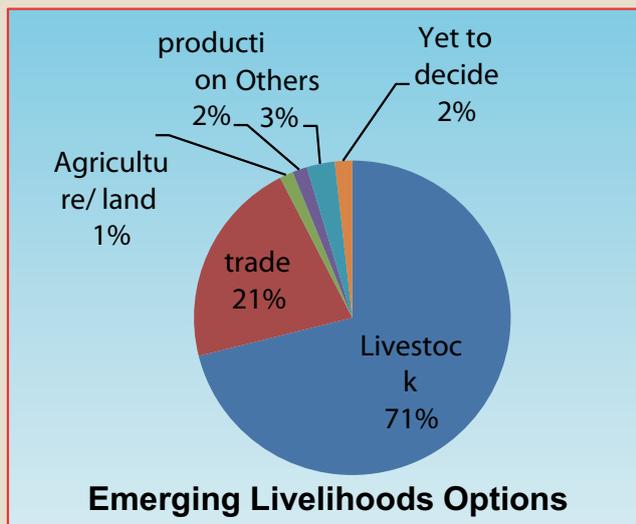
they come in their best costumes, share, dance and feast; for now their status is redefined

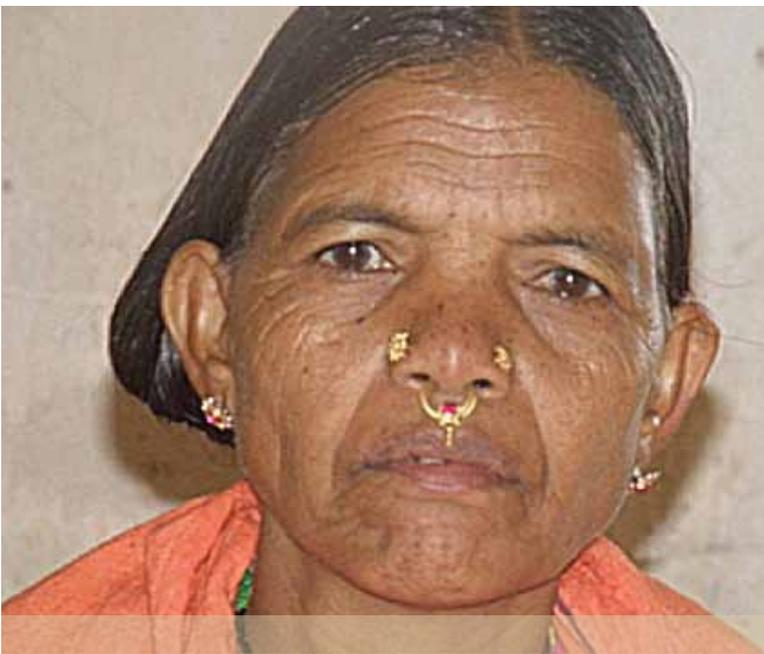


## Profile of targeted ultra poor households



## 1010 targeted tribal ultra poor households





*Can she get sewn to main stream economy catching up with the train of globalization?*

### Tribal ultra poverty is paradoxical but true with formidable challenges

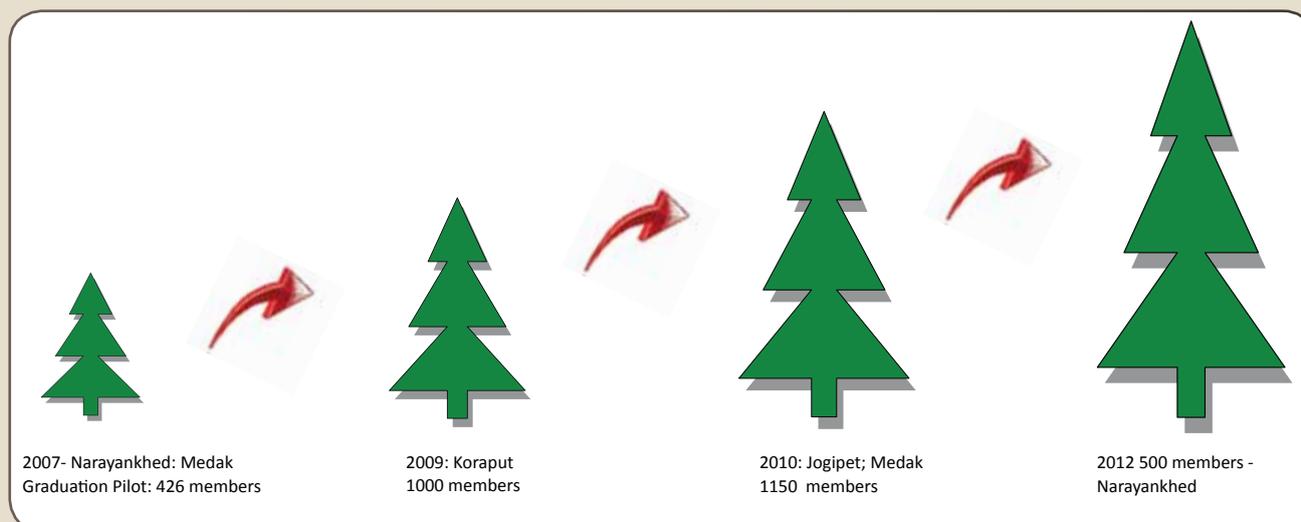
- Nature is bountiful but immediate food needs are overwhelming to plan long term sustainable livelihoods.
- Safety net programs of State are short and erratic
- Motivation towards transformation is obscure in stoic tribal mind set.
- Emerging livelihoods options technically do not fall under mandated purview of hill tribal economy (proverbial Jal – water , jungle - forest and Jameen-land)
- Mobility of livelihoods from tradition to trade requires training inputs that offer formidable challenge in the face of illiteracy and little risk bearing ability
- Harmonizing with forest based lives and livelihoods in sync with modern approaches and practices in market driven micro economies
- Deforestation beyond ecological revival leaving little scope for forest based livelihoods
- Local barriers like radical unrest
- Tribal area connectivity in interior forests
- Tribes living in ultra poverty are often geographically isolated and require special attention

### Multivariate Indices evolved in Participatory Poverty Appraisal and tribal ultra poverty targeting in Koraput

- Living in destitution line deep beneath statistical poverty
- Single women or men supported by village dole outs
- Wage earning and forest picking is the singular means of livelihoods
- Cannot migrate due to gender division of labor and family barriers (children to take care; no supporter to accompany for work in cities)
- Marginalized agriculture/landless/asset less
- Physically challenged
- Health related downward transition

*SKS Koraput Ultra Poor Branch got deeper into poverty hinterlands of tribal Odisha touching lives and livelihoods of ultra poor living in destitution line deep beneath statistical poverty*

“Pilot to Potential Upscale” : Growth Trajectory of SKS Ultra Poor Program



Profile of Tribal Ultra Poor Members in Koraput – “SKS: Sorenson’s - Unitus LABS Ultra Poor Initiative”

<i>Profile Indicator</i>	<i>Significance</i>
Women members	⇒ highly vulnerable; destitute; widows
Landless/ Asset Less	⇒ hand to mouth existence
Children do not go to schools	⇒ support parents in wage earning
Income <1.00 US\$ a day	⇒ subsistence living; chronic hunger
Illiterate	⇒ Tribal women illiteracy 97%
Remotely connected villages	⇒ No basic amenities like safe drinking water; Electricity; hospitals
No modern livelihoods skills	⇒ low productivity; loss in production
Insignificant State safety nets	⇒ government programs are highly erratic
Social unrest	⇒ Naxal menace leaving them poorer
Superstitions;	⇒ deeply tied up with ancient and tribal superstition



Hale Shobamma's story of transition: 2008 March:  
Leader of 10 Member Ultra Poor Center;

Livelihoods: wage labor – hand to mouth case

Elder son migrated to city as child worker in a snack shop

2008-09: Graduation from extreme poverty and chronic hunger and mal nourishment to sustainable livelihoods

Investment of UPP on each member: Rs.9000 for livelihoods asset & .Rs. 1000 working capital stipend (US\$ 220)

Cumulative Savings at Graduation: Rs.15000 by UP Center

2010 August: Leader of MF Center & mobilized 6 more co members from Ultra Poor Center to join MFI

Enterprise: Tea shop: Son is back to look after tea shop and gets informal education

Social profile: Destitute women headed family with 7 children

## Catalytic Equity of Ultra Poor in Micro Finance: Damaragidda village Ultra Poor Center transitions into Micro Finance Center

**Ultra Poor graduates carve “pathways out of poverty: on their own terms”**

Damaragidda village Ultra Poor Center (Manoor Mandal in Medak DT) makes a turnaround. Its members were at the lower end of the spectrum 18 months back but now after graduation they are MFI loan clients, a mutation from Ultra Poor to Entrepreneur.

6 out of 10 members are part of the newly formed SKS Micro Finance Village Center and availed loans each up to Rs.10,000.

**Purpose of Loans availed in 2010 by Graduate Ultra Poor members from MFI**

- Repayment of marriage loan
- Land release from mortgage
- Expansion and diversification of livelihoods activities into micro enterprise

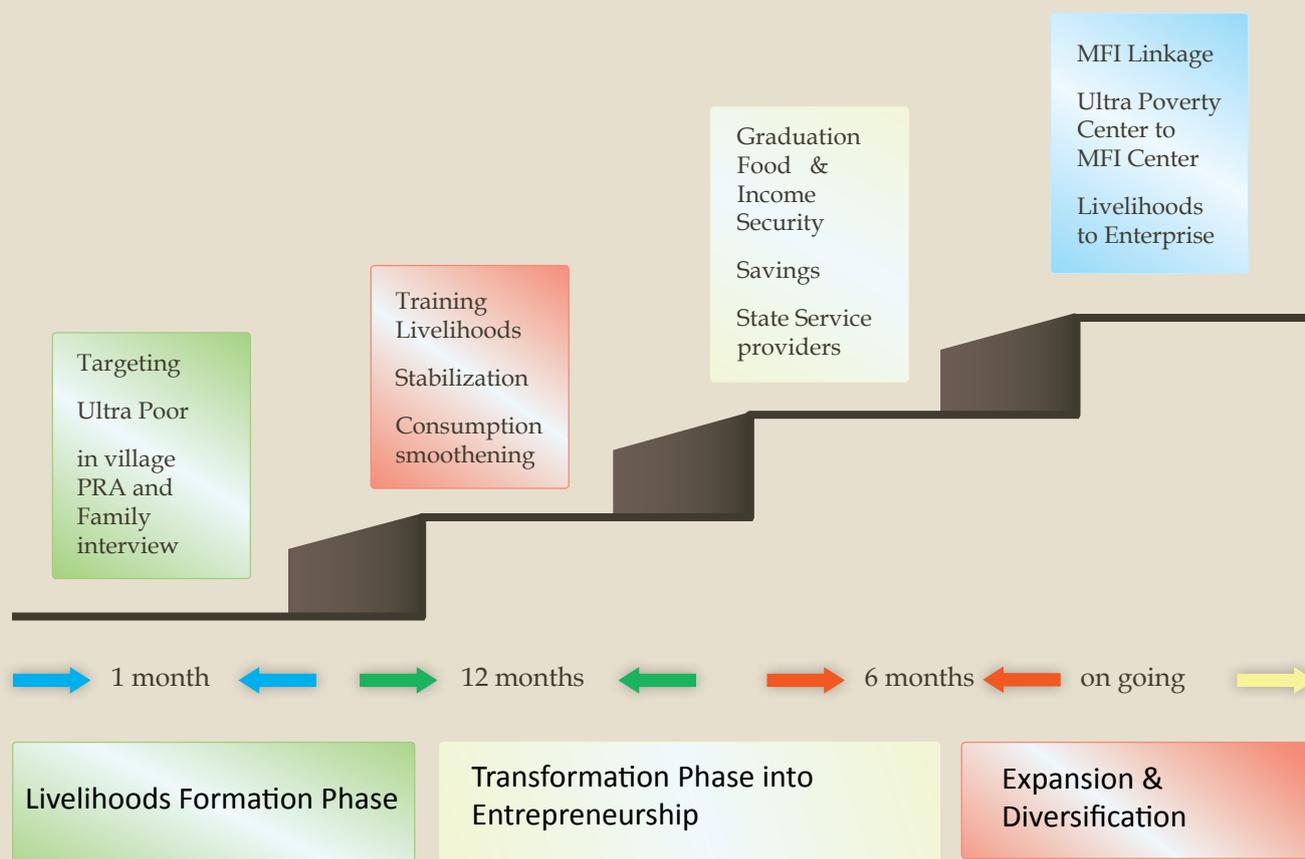
Shobamma – Leader MF Center and past leader of UP center

“Our Ultra Poor Center is the crucible that molded us into entrepreneurs. Now we have skills, cash flows and confidence to take rigors of micro finance”

She started tea shop instead of selling raw milk with Rs.10000 loan from MFI

### Ultra Poor Graduation to Micro Finance - Damaragidda Village UP Center: 10 members

Bench Mark Profile in 2008	Graduation Profile in 2010
<ul style="list-style-type: none"> <li>• Asset less, &amp; Land Less</li> <li>• No savings – No food security</li> <li>• Living only on daily wage – hand to mouth cases</li> <li>• Destitutes or widows with chronic hunger and Mal nutrition</li> <li>• In eligible for Bank or MFI loan</li> <li>• Children do not go to school to support parents in household cash flows</li> <li>• Income &lt; 1 US\$ a day</li> </ul>	<ul style="list-style-type: none"> <li>• Have definite income source through livelihoods asset and diversified into enterprise</li> <li>• Regular savings in the UP Center</li> <li>• Cumulative Center savings Rs.15000</li> <li>• Complete food and nutrition security</li> <li>• Potential MF and Bank clients availing loans for expansion</li> <li>• Children are into first generation enterprise and get formal and informal education</li> <li>• Income &gt; 2.50 US\$ a day</li> </ul>



### Ultra Poor Program: SKS is in Unique position in scale and diversity

#### Medak and Jogipet : Medak

##### Cash Transfer Model

- Cash and Asset Transfer : 1155 members
- Average investment per family: Rs.5000
- Total financial outlay: Rs.55.00 L
- Time Line: 28th February 2011
- Impact: Medak and Jogipet Blocks of Medak DT are covered; economically active but poor families could utilize the opportunity

#### Koraput

- 887 member Ultra Poor Branch reached Graduation Phase
- 850 out of 887 families could graduate
- Bank Linkages with SBI; 61 Ultra Poor SHGs be linked to SBI
- Training Loan concept is introduced
- We could prove 150 US\$ per family investment effective

#### Narayankhed: Medak

- Could graduate 427 families in the first pilot
- Working along with 500 families in the second pilot
- Working on 150 US\$ per family investment for graduation in 24 months
- Introduced concept of Training Loan and Graduates as Trainers

#### Physical and Financial Outlay

- Total Coverage 2969 families :
- Lives Impacted: 15000
- Investment so far made: 1 Million US\$
- Impact Study Partners: ISB, Hyderabad, Unitus LABS and BRAC Dev. Institute - CGAP, London
- Institutional Learnings:
  - a. Standardization of investment per family to 150US\$
  - b. Concept of Rice Line, Training Loan; Barefoot Doctors

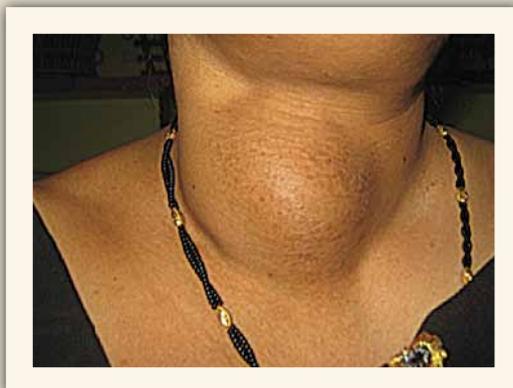
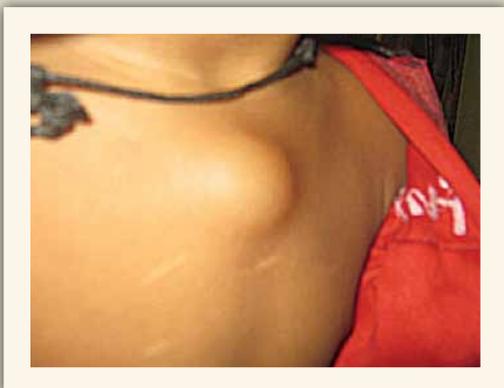


**Convergence with the diametric opposite**

They do super specialized nerve evasive robotic surgeries in the best medical ambience back in their countries; but felt more grounded to realities of ultra poor world when they did rare elective surgeries in a humble hospital helping ultra poor regain their

lost livelihoods opportunities; US Medical Team with local IMA members in Nabrangpur Christian Medical Hospital in Odisha. SKS regularly refers cases of ultra poor for elective surgeries technically backed up by medical team in US.

*For the world you may be one but for them you are the world*



*Cost of living normal is less than 150 US\$; you can be part of Ultra Poor Graduation efforts in a small way*



This time Dalima need not share half of her harvest towards interest servicing to **Double Company** a money lender rogue entity that charges 100% for harvest period

## Dalima Nayak climbs the Graduation Ladder: with peanuts

### SKS Ultra Poor Graduation Program rests on 6 pillars

- a. Targeting the ultra Poor;
- b. Food allowance
- c. Livelihoods
- d. Skills Training
- e. Savings
- f. Health care

Bolliguda is a small tribal habitation where SKS Ultra Poor Center has been in function for the past 20 months. It is a remote habitation not in the ambit of formal state service providers like schools, hospitals or Banks. Bolliguda Ultra Poor Center got mutated into a SHG as per government guidelines, qualifying for Bank Linkage Program. The new SHG was named as *"Maa Thakurani"* Self Help Group and got Rs.20,000 (400 US\$) as first step Bank Loan at 11.75% p.a. interest rate from SBI, Boipariguda branch. Out of 18 members, first cycle of loan went to 9 members including Dalima who has taken up Peanuts crop in micro land of 1/10th of a Hectare. She is a divorcee and heads the family and normally borrows from local *"Double Company"*, a rogue micro finance entity that charges equivalent of principle borrowal money as interest for one crop season. Now she is not in the caprice of Double Company. Assured of Rs.5000 (100 US\$) income from the crop and can retain lion's share of her earnings to reinvest in next cycle of livelihoods. She has all indicators in her favor to be called *"Graduate"*.

- a. Food buffer for next 30 days through Rice Bank in her ultra Poor Center

- b. Own Savings of Rs.800 in the Ultra Poor Center
- c. More than one source of income in addition to wage labor through her micro land growing peanuts
- d. Awareness about health and social issues, thanks to her Ultra Poor Center weekly meetings and trainings.
- e. Bank or government linkage through SHG which is mutated from the existing Ultra Poor center

Maa Thakurani SHG is eligible for government subsidy under SGSY (Swarna Jayaniti Grameen Swarojgar Yojana), a central sponsored scheme that subsidizes 33% of loan as interest free grant during II phase of Bank Linkage Program. Incidentally it is the first time that anybody in the village got a Bank savings account leave alone a loan. It is quantum leap in the *"Financial Inclusion Exercise"* put forth by NABARD and Public sector Banks."

Safety nets, livelihoods and micro loans are sequenced promoting a measured growth and no surprise as Dalima exclaims it is *"a life changing transition!"*

Unlocking the potentiality; steadily climbing out of extreme poverty

## What The *Graduation* Meant for An Ultra Poor Member?

Individual savings:



Rice Bank for food security



Bank Linkage: Rs. 16381/- (group)



School enrollment & no-dropout



Health service with health kit



Livelihoods Assets worth:  
Rs.16000/-



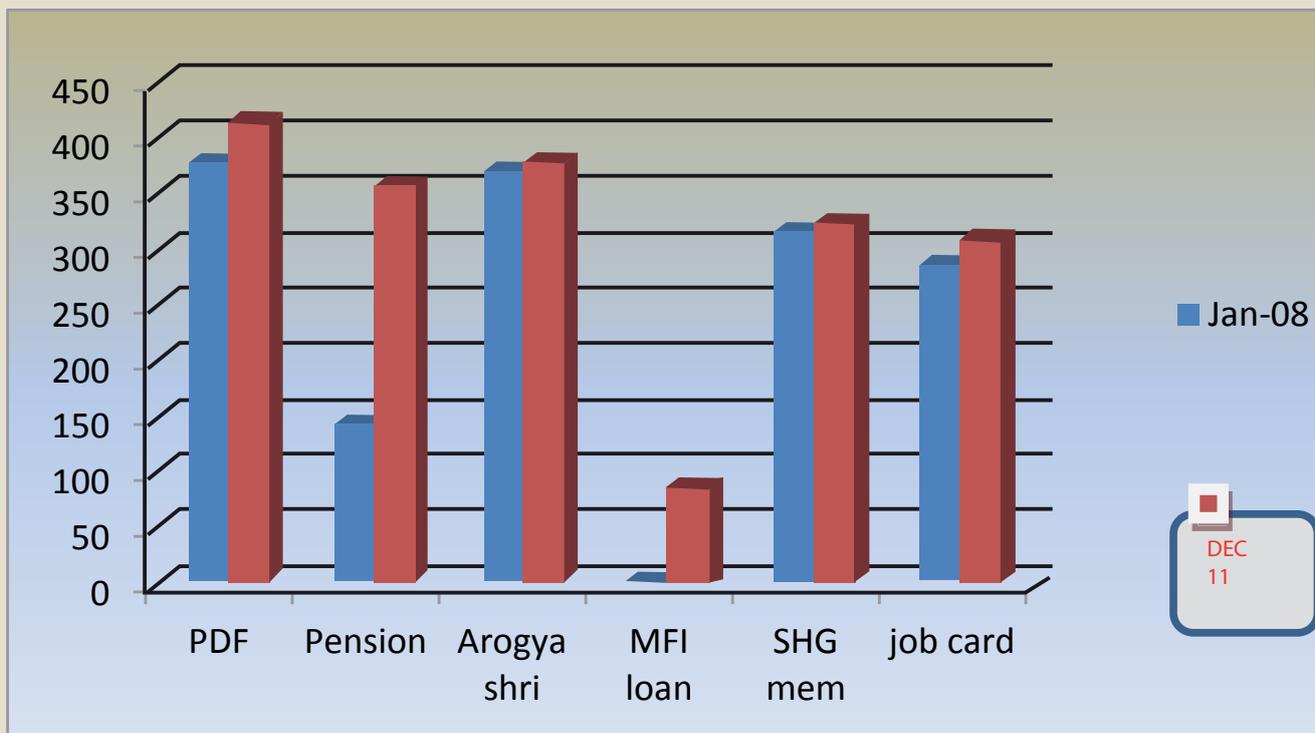


*The Best Gift for Her*

- Vocational Skills
- Life skills
- Home skills

**Voice of the Voiceless - Thanks for being with us in this transition**

*Self confidence is the key outcome of Graduation; an ultra poor member shares her story of transition from extreme poverty*



Ultra Poor Resource Linkage



Targeting PRA July 2009



Graduation PRA September 2011

full line Ultra Poor Resource Linkage

## Targeting (baseline) and Graduation (end line) Participatory Poverty Appraisal: Village: Tentulipodor, Block: Boipariguda, Koraput DT; how 29 Ultra poor households fought poverty and graduated to sustainable livelihoods?

-  Ultra Poor Households in July 2009 targeted through whole village ultra poor Targeting PRA
-  Electricity (government)
-  SBI linked groups
-  Community Rice Line
-  Community Meeting Platform (Panchayat)
-  Smokeless ovens New livelihoods groups
-  Poultry; Detergents; Mushrooms Smokeless Owen molders
-  Training Loaners
-  Graduates in September 2011 as per objective
-  criterion for graduation
-  Health Bare foot doctor Out of Ultra Poor center
-  Veterinary Para Professional
-  Newly Hungry Ultra Poor identified during Graduation PRA Sept 11
-  Trained Book Keeper
-  Community Health Fund
-  Ultra poor Center with regular Weekly meetings and savings; rice line; training loans and bank loans
-  BPL Card Holder Households

## Working on Determinants rather than Outcomes

Comparative analysis of Two year transition process

### Appraisal for

- I. Physical mapping
- II. Demographic mapping
- III. Ultra poverty mapping

## Participatory Poverty Appraisal

a. No., of households in the village: 120 (July 2009) 126 (September 2011)

b. No., of Ultra Poor targeted through PPRA (Participatory Poverty Rural Appraisal) in July 2009: 29

c. Targeting Criterion: Inclusion criterion:

- a. Landless – no cultivable land
- b. Asset less (no productive asset)
- c. Hand to mouth (<3 days of cereal buffer in the household)
- d. Daily Labor/wage earner/petty trader
- e. Widow/destitute/single women/divorcee
- f. Stress migration during summer
- g. Family bread winner fallen sick for more than 3 months

### Exclusion Criterion

- a. Having >3 acre cultivable land
- b. Adult children working in towns and supporting family

### Profile of members targeted as Ultra Poor

Gender	Women 28	Men -1,
Scheduled Tribe	20	
Scheduled Caste	9	
WIDOW	8	
DIVORCEE	2	
Physically Challenged -	1	
Hand to Mouth Cases (solely dependent on wage labor with Cereal Food buffer for <3 days in the household)	18	

d. No., of members reported During “graduation appraisal”

- i. Downward transition (compared to target criterion) nil
- ii. No change from base line: nil
- iii. No., of members graduated\* as per criterion: 29 (100%): 29

### Graduation Criterion\*

- a. Food security (cereal) Minimum for next 30 days
- b. Cumulative individual savings >Rs. 600 (12US\$)
- c. Bank Linkage: (Savings Bank account opened and loan applied for) in the group name
- d. More than one source of household livelihoods activity other than wage labor
- e. Basic awareness about health and nutrition (quality check)
- f. Basic awareness about government sponsored programs beneficial to ultra poor (quality check)
  - i. Family pension
  - ii. Food subsidy card
  - iii. Land rights awareness
- g. Basic financial literacy (quality check)

\*Member should pass through the entire above mentioned objective criterion

- e. **Newly Hungry (as per criterion in ultra poor targeting) ultra poor identified in the village in graduation PRA: 3** 
- f. **Reasons for new hungry households:**
- Missing the target in the initial Base Line PRA
  - widow family returned to mother's place
  - chronic malaria to wage earner family
- g. **Village new physical infrastructure:** Electricity ↗ Village Meeting Platform   
(provided by State)
- h. **New Livelihoods Groups** 
- Dtergent Powder making;
  - Mushroom cultivation group
  - Molding smoke less stoves
- i. **Institution Building: 2 newly formed Mahila Shakhty Mission Groups (Government of Odisha sponsored SHG program) out of Ultra Poor Members with *Shakhty Mission Books* Trained Book Keeper** 
- j. **Hemoglobin Test reports of members:** 
- |   | Before Graduation | on Graduation   |   |
|---|-------------------|---|---|
| <b>Total: 29</b>  |                   |   |   |
| Normal anemic (<12)   | 8                 | Nil   |   |
| Critical anemic: (<6)   | 4                 | Nil   |   |
| Average & above (>12)   | 17                | 29  |   |
| <b>k. BPL Card Holders</b>  | <b>4</b>          | <b>12</b>   |    |
| <b>(state food subsidy card)</b>  |                   |   |   |
| <b>l. Food Security:</b>  | <b>Before</b>     | <b>Graduation</b>   |   |
| <b>m. Hand to Mouth cases identified</b> (Solely dependent on wage labor With household cereal food buffer for <3 days) | 18                | Nil   |   |
| <b>n. Group Based Bank Linkages:</b>  |                   |   |    |
|   | Nil               | 2   |   |
| Groups  |                   |   |   |
| i. Maa Santoshi Group   | Rs. 25000         | 15 members  |   |
| ii. Maa Thakurani Group   | Rs. 25000         | 14 members  |   |
| <b>o. Health Para Professional (barefoot doctor)</b>  | nil               | Raila Dalai   | 1  |
| Trained by SKS and provided with Health Kit   |                   |   |   |
| <b>P. Veterinary Para Professional</b>  | nil               | Dasrath Korlia  | 1  |
| <b>Q. Livelihoods Basket as per Livelihoods Action Plans</b>  |                   |  |   |



*Multi-dimensional Graduation: Bank Linkage; medical care; food security; financial services and products; savings and micro loans; sustainable livelihoods*

L. Training Loans (probation loans) Rs. 15,500 to 4 members

Repaid fully

Quality life change

RICE BANK: Buffer stock: - : 15 kg; Rice Borrowed from Rice Bank : 4 kg



	Pre- Graduation	Graduation		Pre- Graduation	Graduation
Signatures	02/29	24 /29	Savings	0/29	Rs. 46171/29
Wearing foot wear	4/29	27/29	Assets worth	Rs. 1,03,101	Rs.2,01,581
				Provided by SKS in July 09	(present net worth)

- Amount of Emergency Health fund Available with group at present: - Rs. 562
- MEMBERS WEEKLY SAVINGS:
- Total Savings:- Rs. 46, 171
- Highest individual saving: - Rs. 1,420
- Lowest individual savings: - Rs. 900



### Key Challenges

- Remote and unconnected tribal habitations
- Insurgency
- Lack of commensurately matching State Programs
- Cost optimization bringing down investment to <150 US\$ per Graduate
- Trained Manpower and book keepers
- Poor health infrastructure and services

### Key Lessons: (how we would have done it differently)

- More than charity, Ultra Poor need financial tools to make best use of the existing opportunities
- 50% of asset cost can be in the form of repayable interest free “training loan”
- Livelihoods Corpus to be created to make a versatile ultra poor friendly Livelihoods Bank
- Community based Trainers who train community (ToT)
- Flexible Graduation schedule to pass out fast climbers early
- Focus on determinants of ultra poverty than outcomes

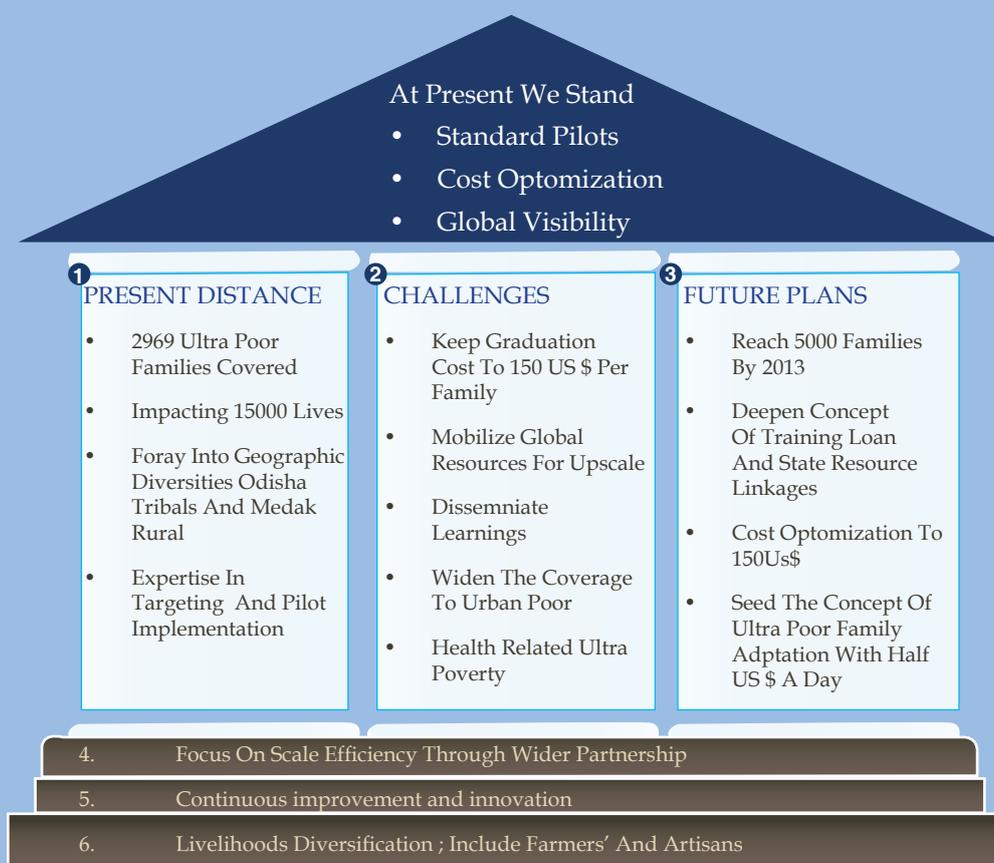


*Almost no country has managed rapid rise out of poverty without first increasing its agricultural productivity – Smart Aid*



*Dr. Vikram K Akula in a tribal Ultra Poor Center Meeting in Koraput along with Sriram, Unitus LABS*

# ROAD MAP – SKS ULTRAPOOR GRADUATION PILOTS SKS MODEL



## Innovative Products and Services for Ultra Poor partner families

- Rice Line Scheme
- Training Loans
- Financial Literacy
- Last mile medical services
- Livelihoods schools
- Elective surgeries to reconnect to livelihoods
- Defining financial inclusion of first generation Bank Clients
- Highly adaptable appropriate rural technologies
- Tracking tools for qualitative and concrete life qualities





*Tribal Fuel Security; making carbon friendly fuel briquettes out of bamasse*

*Changing the way they cook; SKS is partner with NGS, a nonprofit arm of National Geographic in evolving carbon friendly fuel briquette making which provides livelihoods and also prevents forest fires*





*Brick making unit as group activity through Bank SHG loan investment*

Organization	Country
Fonkoze	Haiti
Social Fund for Development Unit – Small and Micro Enterprise Development Unit, Swayam Krishi Sangam	Yemen
Bandhan	India
Trickle Up	India
REST	Ethiopia
MIRE	Honduras
CED	Pakistan
SAWFCO	Pakistan
IET	Pakistan
AKPBSP	Pakistan
BRDS	Pakistan
OCT	Pakistan
(all Pakistan organizations are partners of Pakistan Poverty Alleviation Fund)	
ARARIWA	Peru
Reduce Extreme Poverty Project	Peru
<b>Funding Partners and Network facilitators</b>	
BRAC Development Institute	Bangladesh; London
CGAP	US
IFP	Italy
FORD Foundation	US
Unitus - Sorenson Legacy Foundation	US
Master Card Foundation	Canada
National Geographic Society	US

*Global Network of Ultra Poor Graduation Pilots*

*Together we work in these Nations where half of world poor live; global network members of graduation pilots guided by CGAP; BRAC DEVELOPMENT INSTITUTE AND FORD FOUNDATION*

## Meet our Chairperson



### Teresa Khanna

Teresa Khanna has been part of the development sector for 13 years having diverse experience in a variety of senior roles. Her functional areas of experience are in program designing, human resources management, program implementation and organization development.

Her areas of expertise are Micro-finance, Ultra poverty programs, Training and organizational development and Social Justice/Inclusion programs.

Teresa Khanna is presently Executive Director of Kaarak Enterprise Development Services Pvt. Ltd., New Delhi. Earlier she served as CEO of Swayam Krishi Sangam and has also worked with SDC, Foundation for MSME Clusters, Pravah and Jagori in the past. She has done her Masters in Development Studies from School of Oriental and African Studies in London University, MSW in Family and Child Welfare from Tata Institute of Social Sciences, Mumbai and Graduation in Sociology from Hindu College, Delhi University.

*" Yemen team on a visit to one of the Ultra Poor Centers in Koraput"*





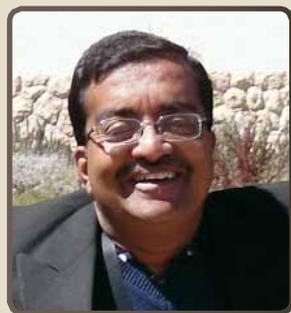
## Our Board Members:



### 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 & Social Security in Jaipur's Jewelry Sector, Home workers & Sub-Contractors in two Vendor Supply Chains, Industry-Government Dialogue in the Development of Regional Cities, the Possibility of Financial Health with Poverty Outreach in India's Regional Rural Banks.

Orlanda has 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 MA in Anthropology of Development from School of Oriental and African Studies. Her Bachelors degree is in Social Anthropology from University of Manchester.



### Vergheze Jacob

**Vergheze Jacob** is serving as Group CEO at KVK Energy and Infrastructure. He is also Chief Integrator and Lead Partner at Byrraju Foundation and Advisor at IBS.

Jacob is an Electronics Engineer, who opted to take up a Management career and did his MBA specializing in Marketing and Finance from XLRI, Jamshedpur in 1979.

Vergheze has over 30 years of corporate and social sector experience. He worked for the Godrej group of companies, one of the largest industrial groups in India, for twenty years handling multifaceted assignments such as Head of Machine tools division,

Vice - President (HRD), CEO of Godrej Telecom etc. After moving on from Godrej, he served as a Director and Head of International operations of a subsidiary company of Swissair and also as a director of ACCEL ICIM and Avient Technologies ,UK.

During the last ten years, he has been serving the social sector in different capacities as well as serving the corporate sector in an advisory as well as executive roles. As the Chief Integrator of Byrraju Foundation, he spearheads one of India's largest NGOs focused on rural transformation. Byrraju Foundation has adopted 200 villages and runs several programs in rural healthcare, education, literacy, livelihoods, women empowerment, drinking water, waste management, community leadership, rural enterprises, research and training etc impacting over 2 million people. In a short span of five years. Byrraju Foundation has created one of the largest public private partnership platforms for rural development with over 200 active alliance partnerships, 500 employees and over 10000 volunteers. Vergheze is also the Founder Trustee of KVK Foundation and FCBS.

Vergheze served as the Chairman of Bombay Round Table, where his passion for social causes found expression, while still serving in the corporate sector . Vergheze

is a keen tennis and bridge player and has played both the games at the national level. He is also a Six Sigma black belt and Byrraju Foundation is the first NGO in the world to adopt Six Sigma methodologies. He also espouses other charitable causes such as National Kidney Foundation, CARE Foundation etc. Verghese has also served as member of CII National Councils such as CSR Forum, NGO forum and also was a member of the Andhra Pradesh CM's Task Force for Rural Development.

.....

**Ashish Prasad**



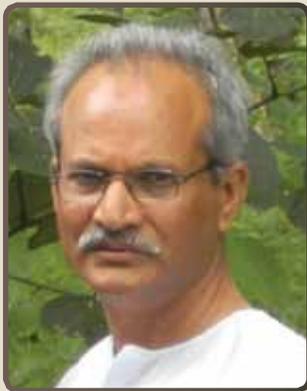
Ashish is currently Chief Executive Officer, Discovery Services LLC. Prior to this he worked with Mayer Brown LLP and as Law Clerk to The Honorable Charles L. Levin, Michigan Supreme Court. Leads all aspects of the company, including development of document review and electronic discovery service offerings,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

Co-Chair, India Practice Group, Mayer Brown, LLP. 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 J.D from University of Chicago Law School and A.B from University of Michigan,. Has several publications to his credit and has attended many Seminars and Conferences.

.....

**Koppula Narasaiah**



Koppula Narasaiah is Certificate holder in Perm Culture from "Permaculture International Institute, Australia" and is post graduate from Osmania University in Philosophy. He is serving Development sector for the past 25 years in various capacities. At present he is Secretary, *Aranya Agriculture Alternatives* and is serving in this capacity for the past 12 years. He is also on Board of Permaculture Association of India.

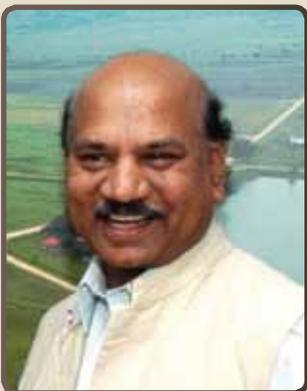
Narasaiah served for 12 years(1986 to 1998) as Director and General Secretary (and in various other capacities) of Deccan Development Society, a premier NGO working on sustainable agriculture.

He is expert Perm culture (Permanent Agriculture) designer and is professional guide in "efficient water use techniques in command irrigation". He is actively engaged now in implementing Tree Based Farming Systems (TBFS) and planting 100000 fruit plants and 3 lakh mixed forest species on 1000 tribal families' lands under Tribal Development Program.

He is also project evaluator for various natural resource management projects funded by national and international organizations. Keen professional publisher of booklets on sustainable agriculture and has visited Australia, Denmark, China, Vietnam, England, Bangladesh, Brazil and Thailand.

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**Dr. Bikham Gujja**



Dr. Bikham Gujja was instrumental in establishing AgSri, an Agricultural Services Pvt. Ltd. From 1993 to 2010, Dr. Gujja worked with WWF-International, based at Gland, Switzerland, where he started the Freshwater Programme.

As Senior Policy Advisor, he contributed to such major international initiatives as the World Commission on Dams, the World Water Commission, the World Water Forum, and others. Dr. Gujja was also involved in establishing projects related to high-altitude wetlands and lakes in Himalayas, river dolphins, thirsty crops initiative, cotton initiative, developing appropriate responses for adaptation and mitigation of climate change, and traditional water management systems.

From 2003 onwards, he led a team of professionals in the WWF-ICRISAT Joint Project, which focused on improving water productivity for major crops like rice and sugarcane. As Team Leader, Dr. Gujja developed, refined, and implemented farm-based methods such as the Sustainable Sugarcane Initiative (SSI) and System of Rice Intensification (SRI), which have now received global recognition and attention.

Another critical area of focus for Dr. Gujja has been to establish civil society dialogue forums on specific issues such as water conflicts, the inter linkage of rivers, and the Polavaram dam, to facilitate informed decision-making on major water infrastructure

projects. He has managed projects in Africa, Asia and Latin America, successfully mobilizing human and financial resources on water management for the WWF network.

From 1987 to 1992, prior to his assignment with WWF-International, Dr. Gujja was Director of Deccan Development Society (DDS), a non-profit organization working in rural Andhra Pradesh, India.

As Director of DDS, he initiated many programs on sustainable agriculture, social forestry, and traditional water management. He was also part of the team that designed the Krishi Vignana Kendra of Medak district in Andhra Pradesh, India during its initial stages. Before this, he worked in the Mineral Exploration Corporation as Senior Manager.

Dr. Gujja has published extensively on water management and improving agricultural productivity. Dr. Gujja was a post-doctoral Fellow at McGill University, Montreal, Canada.

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#### **Dr. V. Vinod Goud**



Dr. Vinod Goud Vemula is Doctorate in Participatory Watershed Management; is serving as Chief Technical Officer, AgSri, a nonprofit dedicated to sustainable agriculture. He has 22 years of development sector experience in different capacities in national and international organizations. His expertise areas include: watershed management, land and water management, water harvesting, wetlands management, community forest management, wasteland development, agro-forestry, dry land horticulture, fodder development, sustainable agriculture, System of Rice Intensification (SRI), Sustainable Sugarcane Initiative (SSI), organization development, project appraisal, monitoring and evaluation, networking, participatory methodologies and policy advocacy.

He served AFPRO as Agro Forestry Specialist in Tamil Nadu and Kerala. Later joined Deccan Development Society, a nonprofit in Andhra Pradesh heading Farmers' Training Institute supported by ICAR. His other assignments included "Programme Coordinator" for Swiss NGO Intern Cooperation (IC) in Indo-Swiss Natural Resources Management Programme, Andhra Pradesh, a project of Swiss Agency for Development and Cooperation (SDC), Bern, Switzerland. Before joining AgSri, Dr. Goud worked as Project Coordinator for two international projects "Dialogue on Water for Food and Environment" and "Improving Water productivity in Agriculture" at International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), on behalf of World Wide Fund for Nature (WWF) International, Gland, Switzerland and ICRISAT collaborative interventions from 2004 to 2010. He received B.Sc. (Forestry) and M. Sc. (Botany) degrees from the Osmania University and PhD in participatory watershed management from Centre for Economic and Social Studies (CESS), Hyderabad.

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#### **TVVV Rao -**



Rao, Currently Senior Manager- Program Management & Business Development, AgSri, served Action Aid, Aide et Action and corporate groups in various capacities in areas of Livelihoods, Disasters, Education and Development communication. As part of International Tsunami Response Team, he provided strategic program support leading AP's largest housing and livelihoods project. He has also contributed to disaster recovery work in Sri Lanka and Thailand. As a filmmaker, he draws his diverse experience from a combination of pursuits - documenting and working directly with the communities.

Rao's videos (Suffering in Silence- 2006 and Fishing in Troubled Waters-2005) won International recognition for raising policy gaps in India and are placed by Australian Government, on world's second richest library resources, National Archives as work on third world development in 2010. Rao has worked with First Channel, Germany and BBC world on agriculture crisis in Andhra Pradesh during 2004. As Head of Communication for South Asia for Aide et Action International, he has significantly contributed to the brand building of Aide et Action South Asia on education and migration. Rao piloted India's first social media project Punni Ki Kahaniyan (Punni's Stories) on multiculturalism reaching out to 10000 children in 10 cities. Rao has also worked on capacity building of the television staff of India's leading television channel Zee on development issues.



*“poverty  
is  
not  
where  
smile  
is”*

## Ultra Poverty Hotspots in India – Tribal and Rural Ultra Poverty – Global Priority

India is host for half of world poor (living below 1.25US\$ a day) and despite growth in global markets, certain population in India still live in very pronounced deprivation from minimal well being. India accounts for 2/3rd of U5 mortality and 20% of U5 are wasted as they are too thin, 70% of 6 months to 60 months children are anemic. India stands 66th out of 88 countries as per the “Global Hungry Index” India stands First in “women - dying in child birth” in the world and 117,000 women are dying in child birth every year. India’s Human Development Index rank is 134 out of 188 nations. The extreme poor who live on <20 INR (40 US cents) in India are numbering 800 million as per census of 2011. If we draw HDI for our ultra poor they are amongst poorest 25 nations in the world; matching low end sub Saharan Nations. These indicators are not in commensuration with the stellar progress made by the country in the past two decades.



Dr. Ernani Sadural (right) and Dr. Sarah Timmapuri (left) Gynecologist and Cardiologist respectively from US, on medical camp to Medak DT



“Bodhi School Children celebrating Republic Day”



## Our Partners

**Our Supporters**

Ravi & Prathiba Reddy Foundation

**FORD FOUNDATION**  
Strengthen democratic values, reduce poverty and injustice, promote international cooperation and advance human achievement

DIREKTION FÜR ENTWICKLUNG UND ZUSAMMENARBEIT **SDC**  
DIRECTION DU DÉVELOPPEMENT ET DE LA COOPÉRATION **SDC**  
DIREZIONE DELLO SVILUPPO E DELLA COOPERAZIONE **SDC**  
SWISS AGENCY FOR DEVELOPMENT AND COOPERATION **SDC**  
AGENCIA SUIZA PARA EL DESARROLLO Y LA COOPERACION **COOPERDE**

Swiss Agency for Development and Cooperation (SDC)

**thinkIndia Foundation**

**unitus**

**BRIDGEWAY FUNDS**

**CGAP**  
CONSULTING GROUP TO ASSIST THE POOR

**CREATIVE CONNECTED**  
Caring, Creative, Connected

**Naraindas Morbai Budhrani Trust**  
Serving the poor with its Kishna Arpanam programs

International Partnerships - harnessing the net work towards fighting poverty

**unitus® labs**

**SORENSEN LEGACY FOUNDATION**

Funding Partners – Koraput Ultra Poor

**LIG Global Foundation INC**

Sharing, Service, Integrity

**NATIONAL GEOGRAPHIC**

Environment led poverty reduction; funding support to tribal for Fuel Briquette making with low carbon emission



Medak

SKS - Team  
 HO Hyderabad:  
 R. Divakar, M.Sc.,(Ag) PhD,  
 Vice President

Koraput

**Prog MGR: Saranappa**

Field Team :

1. Sailu
2. Sangareddy
3. Jail Singh
4. Dasamma
5. Ravinder
6. Yadaiah
7. Pander Reddy  
Sudhakar



Ultra Poor Program  
 Rural Health,  
 Livelihoods  
 Farmers'  
 Clubs  
 Farm Manager

**Prog MGR: Dharma Rao**

Field Team :

1. Dillip
2. Kalyani
3. Suresh
4. Suresh
5. Sujata



Ultra Poor Program  
 Tribal Health &  
 Livelihoods  
 Farmers' Clubs



Tribal Women face it more: Let us move from “Market Economy” to “Market Society” where markets and market values completely penetrate spheres of life traditionally governed by non-market norms:  
 Philosopher  
 – Michel Sandel



WHILE INCOME IS THE PROCESS RESULT SELF - CONFIDENCE IS THE SUBSTANTIATIVE RESULT - DAVE RICHARDS; CEO; UNITUS LABS; US awarding Graduation certificate and souvenir to an *ultra poor graduate lady*

## Building Responsive Strategies

HAND TO MOUTH ULTRA POOR FAMILIES



FOOD SECURITY THROUGH RICELINE SCHEME

SERIOUSLY ANEMIC



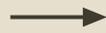
CLINICAL NUTRITION SUPPLEMENTS

NO HEALTH CARE SYSTEM WITHIN MANAGEABLE DISTANCE



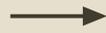
TRAINED HEALTH PARA PROFESSIONALS FROM PEERS

CHRONIC ILL HEALTH CASES



SUPPORT IN ELECTIVE SURGERIES

ADDITIONAL GAINFUL EMPLOYMENT TO SUPPLEMENT WAGE EARNING



LIVELIHOODS ASSET AS PER LIVELIHOODS ACTION PLAN

IMMEDIATE WORKING CAPITAL TO MAINTAIN ASSET



WORKING CAPITAL STIPEND

NOT TRAINED IN MODERN ASSET MANAGEMENT



SKILL TRAINING; RETAINER EXPERT SERVICES

CHRONIC HEALTH PROBLEMS



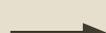
HEALTH CAMPAIGNS; RETAINER HEALTH CONSULTANTS; COUNSELLING

EMERGENT NEEDS



MICRO SAVINGS; MICRO LOANS; HEALTH FUND

UNDERSTANDING CAUSES OF POVERTY



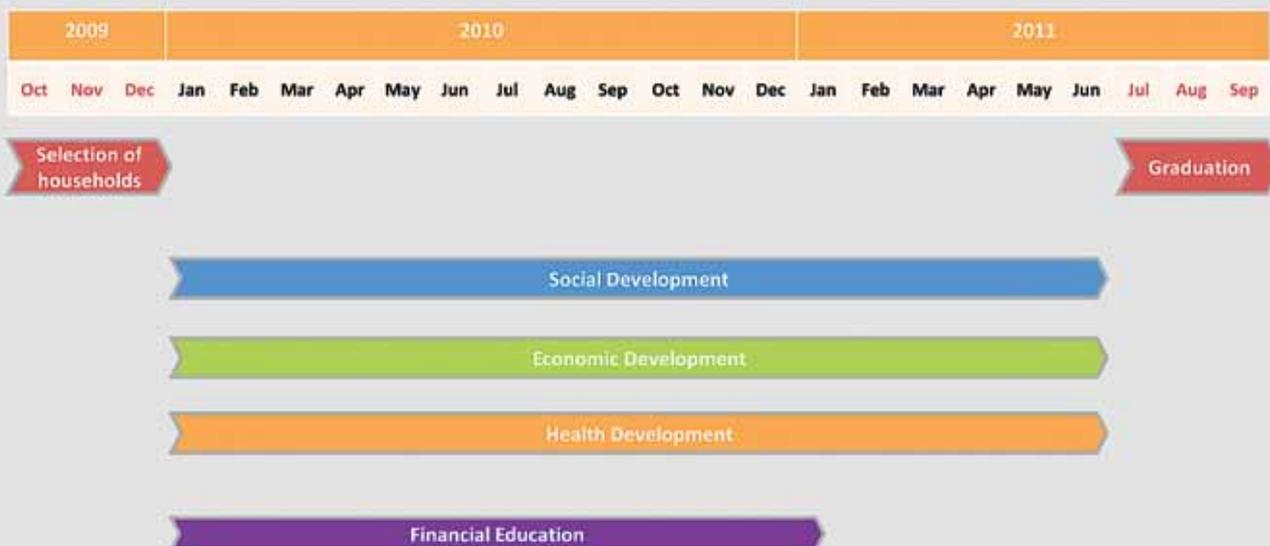
FINANCIAL LITERACY; IDENTIFICATION OF INFECTIOUS EXPENDITURE, FORECASTING; BUDGETING; LEARNING ABOUT SERVICE PROVIDERS FINANCIAL TOOLS



Let the  
potter  
live large;  
buy and  
promote  
his  
products

## Ultra Poor Program: SKS NGO

Goal: To help members transition out of ultra poverty by having the confidence and capability to generate income and/or begin a new livelihood, buoyed by increased social and health awareness



unituslabs



“a time for them to stand up and be counted”

## Meet SKS Founder: Dr. Vikram. K. Akula



Vikram is born in India and brought up in US and founded Swayam Krishi Sangam in 1997 with a vision to serve the marginalized and eradicate poverty in India.

In Vikram’s own words on why SKS NGO; “because I learnt that micro finance while gives solutions for livelihoods and enterprise expansion for the poor, Education and Ultra poverty segments need civil society interventions through application of the most community friendly products and services”.

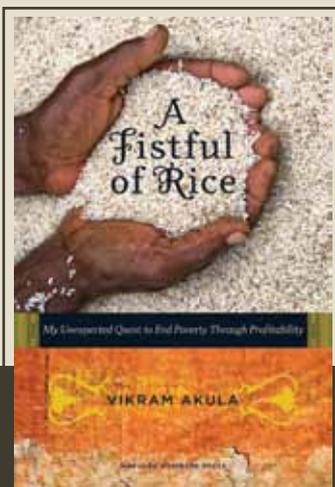
Vikram Akula is also the Founder of SKS Micro Finance Ltd., an organization that offers micro loans and insurance to poor women in impoverished areas of India. It is the biggest MFI in India and is the only listed MFI in India. It is a for profit Non Banking Finance Company incorporated in Sept 2003. It has its roots in Swayam Krishi Sangam, a not for profit Society.

Vikram holds B.A. from Tufts an M.A. from Yale, and has a Ph.D. from the University of Chicago. His Ph.D. dissertation focused on the impact of micro finance. He has received several awards for his work with SKS, including the Echoing Green Public Service Entrepreneur Fellowship.

Vikram worked as a management consultant with McKinsey & Company. He has over a decade of work and research experience in Micro Finance. As a Fulbright Scholar in India, he coordinated an action-research project on providing micro-credit for food security. He was also a researcher with the World Watch Institute, where he wrote articles focused on poverty and development, worked as a community organizer with the Deccan Development Society in India.

### Recognitions

- Time Magazine’s 100 people of the year in 2006 .
- Echoing Green Public Service Entrepreneur Fellowship
- Karmaveer Purashkar March, 2007



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.”

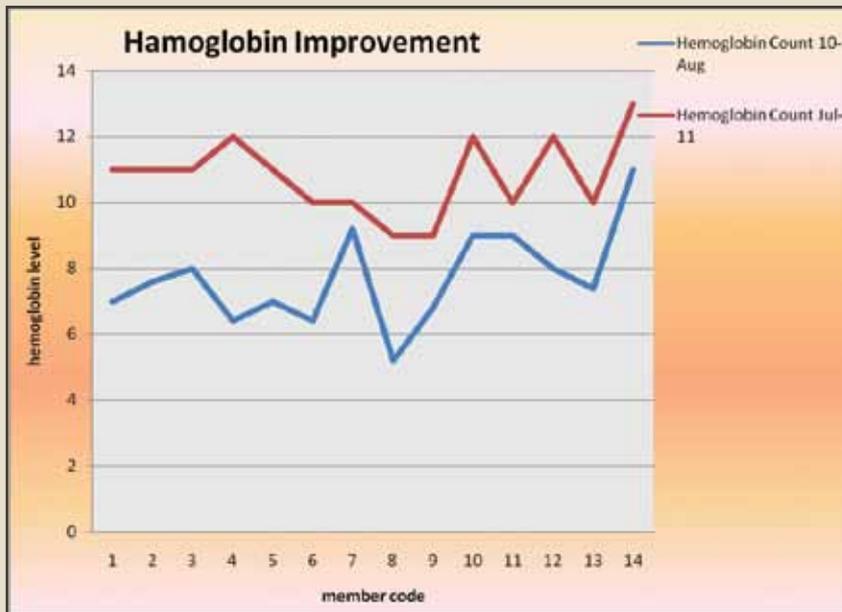


## SKS ULTRAPOOR GRADUATION PILOTS; LARGER PICTURE

	Inherited Poverty	Cyclical Poverty	Health Related Poverty	Social Backwardness
Ultrapoor Family Profile	<ul style="list-style-type: none"> <li>• Illiterate for Generations before</li> <li>• Family Head typically low skilled daily wagers (A Gril &amp; Manual Construction jobs )</li> </ul>	<ul style="list-style-type: none"> <li>• Bread winner dies or falls sick due to chronic Health</li> <li>• Divorce and family break; male Partner deserts the family &amp; Children</li> </ul>	<ul style="list-style-type: none"> <li>• Chornic Ailments like TB, Leprosy, Cancer or HIV</li> <li>• Malnourishment related Anemia and Weak Body</li> </ul>	<ul style="list-style-type: none"> <li>• Scheduled Castes; Tribes</li> <li>• Backward Communities</li> <li>• High Poverty Density Areas</li> </ul>
Thematic Areas of Iterventions	<ul style="list-style-type: none"> <li>• Livelihoods support to enhance Household cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Health improve-ment addressing nutrition, chronic ailments and Hygiene</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage Bank, MFI, and State Resources</li> <li>• Build Social Awareness about Rights</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Literacy about House hold Portfolios, Financial Services; Savings &amp; Toxic Expenses</li> </ul>
Invest-ment	<ul style="list-style-type: none"> <li>• Optimize to 150 US\$ a family for 24 month</li> </ul>	<ul style="list-style-type: none"> <li>• Introduce graduates in neighborhood as trainers at low cost effective knowledge transfer</li> </ul>	<ul style="list-style-type: none"> <li>• Introduce training Loan concept for sustainable investment Opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Poverty to equity invest-ment; subsidy to sustainable livelihoods; capacity building and enterprise approach</li> </ul>
Graduation Indicators	<ul style="list-style-type: none"> <li>• Rs. 1000 (25 US\$) Cumulative savings</li> </ul>	<ul style="list-style-type: none"> <li>• More than one source of livelihoods including wage labor</li> </ul>	<ul style="list-style-type: none"> <li>• Awareness about State Sponsored Welfare and Poverty Programs</li> </ul>	<ul style="list-style-type: none"> <li>• Complete Health Graduation without Anemia, Malnutrition and Chronic and Common Aliments</li> </ul>

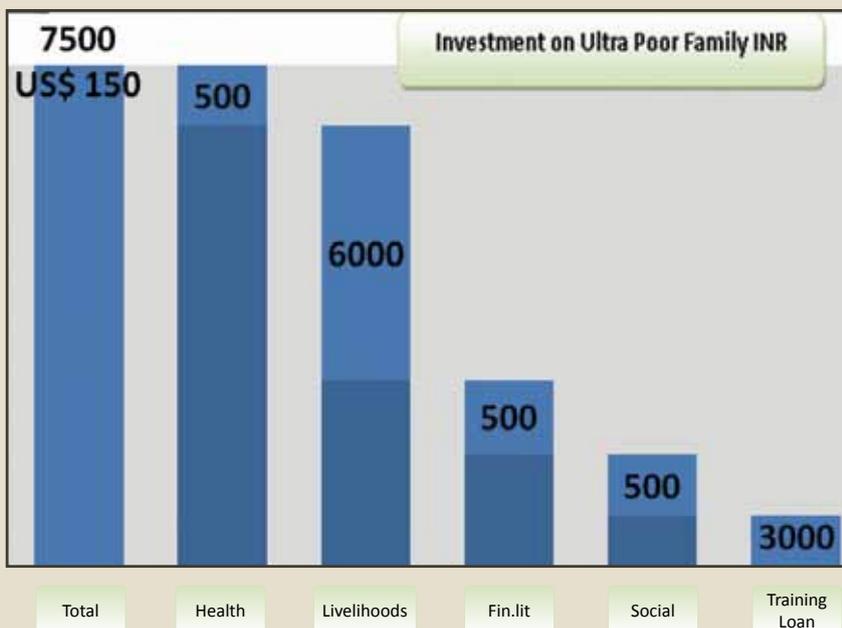
*Our team takes pride in tribal work & is held in high esteem amongst tribal ultra poor members*

*Whether it rains or shines: Field Organizer knocks the doors of Ultra Poor Members early morning; identified strongly with their culture, lives and livelihoods, for her this is not mere job but a passion – here our Health Field Organizer on field visit*



*“Anemia is cause and consequence of ultra poverty”*

Hemoglobin count proved to be the critical indicator in tribal poverty



How half a dollar a day transitions an ultra poor family?





**SWAYAM KRISHI SANGAM**

**AUDITED FINANCIALS**

**2010-11**



# V.NAGARAJAN & CO.,

Chartered Accountants

## AUDITOR'S REPORT TO THE MEMBERS OF SWAYAM KRISHI SANGAM

We have audited the attached Balance Sheet of **SWAYAM KRISHI SANGAM [the 'Society']** as at March 31, 2011 and the Income and Expenditure account for the year 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 and assurance 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 account 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. The Balance sheet and Income and Expenditure account dealt with by this report comply with the accounting standards issued by Institute of Chartered Accountants of India so far applicable to level II enterprise.
5. 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 Society as at March 31, 2011 and;
  - b) In the case of the Income and Expenditure account, of the excess of expenditure over income for the year ended on that date.

Place: Hyderabad

Date: 30/07/2011

for V. Nagarajan & Co.,  
Chartered Accountants  
ICAI Firm Regd. No.: 04879N



*A. G. Sitaraman*

A. G. Sitaraman

Partner

M. No.: 017799

## SWAYAM KRISHI SANGAM

		Rs.	
BALANCE SHEET AS AT		31-Mar-11	31-Mar-10
		Schedules	
<b>SOURCES OF FUNDS</b>			
Corpus fund		240	240
Reserves and surplus	1	1,61,84,508	2,00,32,266
<b>Total</b>		<b>1,61,84,748</b>	<b>2,00,32,506</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed assets</b>	<b>2</b>		
Gross block		91,78,782	48,93,411
Less: Depreciation		56,62,359	31,08,877
<b>Net block</b>		<b>35,16,423</b>	<b>17,84,534</b>
<b>Current assets, loans &amp; advances</b>			
Cash and bank balances	3	1,13,77,784	1,69,71,905
Loans and advances	4	59,72,501	29,47,175
		<b>1,73,50,285</b>	<b>1,99,19,080</b>
<b>Less: Current liabilities and provisions</b>			
Current liabilities	5	38,31,080	16,71,108
Provision for gratuity		8,50,880	-
		<b>46,81,960</b>	<b>16,71,108</b>
<b>Net current assets</b>		<b>1,26,68,325</b>	<b>1,82,47,972</b>
<b>Total</b>		<b>1,61,84,748</b>	<b>2,00,32,506</b>
<b>Notes to accounts</b>	<b>14</b>		

The schedules referred to 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

Place: Hyderabad

Date: 30/07/2011

*A. G. Sitaraman*

A. G. Sitaraman

Partner

M. No.: 017799

for Swayam Krishi Sangam

*J. Chandra*

Chairperson

*J. Chandra*

Director



Audited financial statements for the year ended March 31, 2011

**SWAYAM KRISHI SANGAM**

		Rs.	
<b>INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED</b>		<b>31-Mar-11</b>	<b>31-Mar-10</b>
<i>Schedules</i>			
<b>INCOME</b>			
Grants and donations	6	6,52,00,518	1,70,27,518
Income from education activity	7	41,31,301	-
Other income	8	7,12,436	9,98,240
<b>Total</b>		<b>7,00,44,255</b>	<b>1,80,25,758</b>
<b>EXPENDITURE</b>			
Grant to SKS educational society		15,00,000	42,43,000
Direct programme expenditure - Ultra Poor	9	1,26,34,398	24,70,899
Direct Programme expenditure - Education	10	1,52,54,430	-
Direct Programme expenditure - De-worming Program		22,99,558	8,71,527
Direct Programme expenditure - Business Correspondance		6,25,074	-
Direct Programme expenditure - Others		77,835	5,76,027
Consultancy charges	11	2,60,37,425	1,70,343
Interest on loans		4,63,562	-
Personnel cost	12	1,05,67,673	53,06,966
Administrative expenses	13	34,91,546	10,68,200
Depreciation	2	12,38,233	2,40,695
<b>Total</b>		<b>7,41,89,734</b>	<b>1,49,47,656</b>
<b>Net (deficit)/surplus for the year</b>		<b>(41,45,479)</b>	<b>30,78,102</b>
Add: Surplus brought forward from previous year		2,03,29,987	1,60,97,938
<b>Balance carried to balance sheet</b>		<b>1,61,84,508</b>	<b>1,91,76,040</b>

**Notes to accounts**

**14**

The schedules referred to 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

Place: Hyderabad

Date: 30/07/2011

*A. G. Sitaraman*

**A. G. Sitaraman**

Partner

M. No.: 017799

for Swayam Krishi Sangam

*Chairperson*

**Chairperson**

*Director*

**Director**



**Audited financial statements for the year ended March 31, 2011**

**SWAYAM KRISHI SANGAM**

SCHEDULES TO BALANCE SHEET AS AT	Rs.	
	31-Mar-11	31-Mar-10
<b>Schedule 1: Reserves and surplus</b>		
Capital reserve	-	8,56,227
Income and expenditure account	1,61,84,508	1,91,76,039
<b>Total</b>	<b>1,61,84,508</b>	<b>2,00,32,266</b>
<b>Schedule 3 : Cash and bank balances</b>		
Cash in hand	14,932	10,076
<i>Balance with scheduled banks</i>	-	
- In current and savings bank accounts	1,03,45,563	28,96,721
- In Term deposit accounts	10,00,000	1,40,00,000
<b>Add:</b> Interest accrued [net of TDS]	17,289	65,108
<b>Total</b>	<b>1,13,77,784</b>	<b>1,69,71,905</b>
<b>Schedule 4: Loans and advances</b>		
Loans to members	1,99,975	70,675
TDS recoverable	24,98,843	25,46,194
Advances and other amounts recoverable in cash or in kind or for value to be received	9,89,265	2,36,610
Fee recoverable	13,06,368	-
Stock of uniforms or books (at cost)	9,78,050	93,696
<b>Total</b>	<b>59,72,501</b>	<b>29,47,175</b>
<b>Schedule 5: Current liabilities</b>		
Statutory dues	11,11,189	1,29,836
Savings from members	2,68,606	4,592
Fee received in advance	1,80,302	-
Payable to Indian School of Business	14,28,990	14,28,990
Audit fee payable	1,78,704	84,380
Administration expenses payable	5,63,589	18,000
Salary payable	99,701	5,310
<b>Total</b>	<b>38,31,080</b>	<b>16,71,108</b>



Audited financial statements for the year ended March 31, 2011

Schedules to Balance Sheet as at 31 March, 2011

Schedule 2 : Fixed Assets

Particulars	Gross block				Depreciation			Net block			
	As on April 01, 2010	Transferred from SKS Education	Additions up to October 3rd, 2010	Additions from October 04, 2010 to March 31, 2011	As on March 31, 2011	Up to March 31, 2010	Up to June 30, 2010 for SKS Educational Society	For the year	Up to March 31, 2011	As on March 31, 2010	As on March 31, 2011
Land	3,74,936	-	-	-	3,74,936	-	-	-	-	3,74,936	3,74,936
Buildings	20,50,694	-	-	-	20,50,694	9,60,669	-	1,09,003	10,69,672	9,81,022	10,90,025
Furniture And Fixtures	4,02,398	-	32,992	23,305	4,58,695	2,32,930	-	21,411	2,54,341	2,04,354	1,69,468
Office Equipment	2,93,311	1,40,906	3,18,900	-	7,53,117	1,78,750	62,438	76,789	3,17,977	4,35,140	1,14,561
Computers & Peripherals	15,14,508	4,21,875	5,20,107	2,22,670	26,79,150	14,85,324	2,68,343	4,88,494	22,42,161	4,36,989	29,184
Air Conditioners	43,800	-	-	-	43,800	40,213	-	538	40,751	3,049	3,587
Borewell	32,490	-	-	-	32,490	29,830	-	399	30,229	2,261	2,660
Generators	61,120	-	-	-	61,120	61,120	-	-	61,120	-	-
Innova	-	-	12,26,615	-	12,26,615	-	-	1,83,992	1,83,992	10,42,623	-
Telephone Tele/Fax Machine	-	-	40,500	-	40,500	-	-	6,075	6,075	34,425	-
<b>TOTAL</b>	<b>47,73,257</b>	<b>5,62,781</b>	<b>21,39,114</b>	<b>2,45,975</b>	<b>77,21,117</b>	<b>29,88,837</b>	<b>3,30,781</b>	<b>8,86,701</b>	<b>42,06,319</b>	<b>35,14,798</b>	<b>17,84,420</b>

Fully written off

Furniture And Fixtures	53,054	9,85,732	1,09,698	-	11,48,484	52,973	9,84,468	1,09,584	11,47,025	1,459	81
Office Equipment	46,950	-	2,04,315	-	2,51,265	46,924	-	2,04,205	2,51,129	136	26
Computers and Peripherals	14,550	-	37,766	-	52,316	14,546	-	37,743	52,289	27	4
Telephone Tele/Fax Machine	5,600	-	-	-	5,600	5,597	-	-	5,597	3	3
<b>TOTAL</b>	<b>1,20,154</b>	<b>9,85,732</b>	<b>3,51,779</b>	<b>-</b>	<b>14,57,665</b>	<b>1,20,040</b>	<b>9,84,468</b>	<b>3,51,532</b>	<b>14,56,040</b>	<b>1,625</b>	<b>114</b>



<b>Grand Total</b>	<b>48,93,411</b>	<b>15,48,513</b>	<b>27,36,868</b>	<b>-</b>	<b>91,78,782</b>	<b>31,08,877</b>	<b>13,15,249</b>	<b>12,38,233</b>	<b>56,62,359</b>	<b>35,16,423</b>	<b>17,84,534</b>
<b>Grand Total for the year</b>	<b>47,40,802</b>	<b>-</b>	<b>1,52,609</b>	<b>-</b>	<b>48,93,411</b>	<b>28,68,182</b>	<b>-</b>	<b>2,40,695</b>	<b>31,08,877</b>	<b>17,84,534</b>	<b>18,72,620</b>

Audited financial statements for the year ended March 31, 2011

**SWAYAM KRISHI SANGAM**

		<i>Rs.</i>	
<b>SCHEDULES TO INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED</b>		<b>31-Mar-11</b>	<b>31-Mar-10</b>
<b>Schedule 6: Grants and Donations</b>			
<b>A) Foreign sources</b>			
SKS Microfinance limited	-	1,00,00,000	
SKS Foundation	19,87,638	-	
SORENSEN/UNITUS	11,37,325	34,21,296	
Charities Aid Foundation, India	12,328	-	
De-worm the world	-	25,38,232	
<b>B) Local sources</b>			
Naraindas morbai budhrani trust	-	6,78,112	
Government of Andhra Pradesh - RBC	-	2,36,516	
Individual donations	2,07,000	3,33,000	
Contribution from SKS Mutual Benefit Trusts [Refer note 2.3 of Sch 14]	6,10,00,000	-	
	<b>6,43,44,291</b>	<b>1,72,07,156</b>	
Less: Refund of grant to swiss agency for development and cooperation	-	(1,79,638)	
Add: Grant from SIDBI	8,56,227	-	
<b>Total</b>	<b>6,52,00,518</b>	<b>1,70,27,518</b>	

**Schedule 7: Income from education activity**

School fee	39,60,090	-
Transport fee	1,71,211	-
<b>Total</b>	<b>41,31,301</b>	<b>-</b>

**Schedule 8: Other income**

Interest on fixed deposits	3,28,850	6,37,490
Visitors fee	2,95,004	1,28,950
Rent and other income	85,302	1,43,330
Interest on Income tax refund	3,280	-
Income from loans [Mobile distribution & other loans]	-	88,470
<b>Total</b>	<b>7,12,436</b>	<b>9,98,240</b>

**Schedule 9: Direct programme expenditure - Ultrapoor**

Grant to members	81,41,208	2,96,656
Personnel cost	26,39,291	15,77,906
Health related expenses	10,12,085	2,26,169
Stipend	5,50,080	2,00,552
Insurance	2,66,029	-
Survey expenses	25,705	1,69,616
<b>Total</b>	<b>1,26,34,398</b>	<b>24,70,899</b>



Audited financial statements for the year ended March 31, 2011

**SWAYAM KRISHI SANGAM**

	<i>Rs.</i>	
<b>SCHEDULES TO INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED</b>	<b>31-Mar-11</b>	<b>31-Mar-10</b>
<b>Schedule 10: Direct programme expenditure - Education</b>		
School recognition expenses	16,95,616	-
Personnel cost	65,12,103	-
Travelling expenses	29,00,017	-
Rent	20,41,750	-
Office maintenance	14,25,468	-
Printing and stationary	5,44,617	-
Electricity expenses	75,816	-
Telephone and internet charges	38,636	-
Other expenses	20,407	-
<b>Total</b>	<b>1,52,54,430</b>	<b>-</b>
<b>Schedule 11: Consultancy fee</b>		
Takshashila Edupunk Private Limited (including other related expenses)	1,73,12,878	-
Parthenon Group India LLC	63,70,561	-
Satnav Preschools Pvt Ltd	2,50,000	-
AZB and Partners	5,26,390	-
B5 Consultancy Pvt Ltd	5,38,888	-
Others	10,38,708	1,70,343
<b>Total</b>	<b>2,60,37,425</b>	<b>1,70,343</b>
<b>Schedule 12: Personnel cost</b>		
Salaries and other allowances	87,64,858	49,27,311
Contribution to Provident fund	8,54,192	3,05,424
Staff welfare expenses	32,002	17,919
Staff training expenses	65,741	56,312
Gratuity	8,50,880	-
<b>Total</b>	<b>1,05,67,673</b>	<b>53,06,966</b>



Audited financial statements for the year ended March 31, 2011

**SWAYAM KRISHI SANGAM**

	<i>Rs.</i>	
<b>SCHEDULES TO INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED</b>	<b>31-Mar-11</b>	<b>31-Mar-10</b>
<b>Schedule 13: Administrative expenses</b>		
Travelling expenses	17,45,497	5,97,239
Auditors' remuneration & other expenses	1,98,540	97,723
Recruitment expenses	2,45,178	81,901
Telephone & internet charges	7,842	60,957
Printing and stationary	1,40,370	59,914
Office maintenance	1,04,127	52,519
Rent, rates & taxes	75,790	52,740
Electricity expenses	4,140	17,351
Bank charges	21,931	10,279
Visitor's field visit	83,019	8,922
Computer maintenance	6,243	4,249
Postage and telegrams	2,344	2,123
Miscellaneous expenses	4,40,944	22,283
Sundries written-off	4,15,581	-
<b>Total</b>	<b>34,91,546</b>	<b>10,68,200</b>



Audited financial statements for the year ended March 31, 2011

**SWAYAM KRISHI SANGAM**

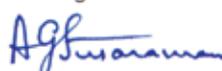
**RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2011**

PARTICULARS	Rs. Amount
<b>Opening balances represented by:</b>	
Cash & bank balances	1,69,71,905
Other current assets and advances	29,47,175
Less: Current liabilities	16,71,108
<b>Total</b>	<b>1,82,47,972</b>
<b>RECEIPTS/SOURCES OF FUNDS</b>	
<b>Revenue Receipts:</b>	
SKS Foundation	19,87,638
SORENSEN/UNITUS	11,37,325
Charity Aid Foundation, India	12,328
Individual donations	2,07,000
Contribution from Mutual Benefit Trusts	6,10,00,000
Income from education activity	41,31,301
Interest on term deposits with schedule banks	3,28,850
Visitor's fee	2,95,004
Other income	88,582
<i>*Surplus transferred from SKS Education Society</i>	11,53,947
<b>Capital receipts</b>	
Loan from SKS Microfinance Ltd.	1,20,00,000
Loan from Mr. Vikram Akula	1,00,00,000
<b>Total receipts during the year</b>	<b>9,23,41,975</b>
<b>TOTAL RECEIPTS (including opening balance)</b>	<b>11,05,89,947</b>
<b>PAYMENTS/APPLICATION OF FUNDS</b>	
<b>Revenue expenses:</b>	
Grant to SKS Educational Society	15,00,000
<b>Operational expenses:</b>	
Direct program/project expenses	3,08,91,295
Salaries, allowances and staff benefits	1,05,67,673
Consultancy charges	2,60,37,425
Administrative expenses	34,91,546
Interest on loans	4,63,562
<b>Capital expenses:</b>	
Purchase of fixed assets	27,36,868
<i>*Fixed assets transferred from SKS Education Society</i>	2,33,254
Repayment of loan availed from SKS Microfinance Limited	1,20,00,000
Repayment of loan availed from Mr. Vikram Akula	1,00,00,000
<b>TOTAL PAYMENTS</b>	<b>9,79,21,623</b>
<b>CLOSING BALANCE</b>	<b>1,26,68,324</b>
<b>Closing balance represented by:</b>	
Cash and bank balances (including term deposits)	1,13,77,784
Add: Current assets and advances	59,72,501
Less: Current liabilities	46,81,960
<b>Total</b>	<b>1,26,68,324</b>

*\* During the year, the Society acquired SKS Educational Society through the process of amalgamation effective from July 1, 2010 [Refer note 2.2 of Sch 14 ]*

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

Place: Hyderabad  
Date: 30/07/2011

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



for Swayam Krishi Sangam



  
Chairperson  
  
Director

Audited financial statements for the year ended March 31, 2011

**SWAYAM KRISHI SANGAM***Rs.***BALANCE SHEET AS AT MARCH 31, 2011**  
*(In respect of Foreign Contributions)***LIABILITIES****INFRASTRUCTURE - ASSETS (at cost) (Contra)** 91,78,782**FOREIGN CONTRIBUTIONS:**

Project: Rural development programmes

Opening balance 86,70,809

Contributions received during the year 34,92,050

**1,21,62,859**

Less: Expenditure on rural development programme 80,96,530 40,66,329

**Total 1,32,45,111****ASSETS****INFRASTRUCTURE - ASSETS (at cost) (Contra)** 91,78,782

Balance with scheduled banks 44,02,173

Term deposit 10,00,000

Interest accrued (Net of TDS) 17,289

Tax Deducted at Sources 41,707

Other advances and deposits 34,150

**54,95,319**

Less: Current liabilities 14,28,990 40,66,329

**Total 1,32,45,111**for V. Nagarajan & Co.,  
Chartered Accountants  
ICAI Firm Reg. No.: 04879NPlace: Hyderabad  
Date: 30/03/2011*A. G. Sitaraman*

A. G. Sitaraman

Partner

M. No.: 017799

for Swayam Krishi Sangam

*Chairperson*

Chairperson

*Director*

Director



**SWAYAM KRISHI SANGAM**

<b>RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011</b> (In respect of Foreign Contributions)	
	Amount (Rs.)
<b>(A) OPENING - FOREIGN FUNDS</b>	<b>86,70,809</b>
<b>(B) RECEIPTS:</b>	
SKS Foundation	19,87,638
SORENSEN/UNITUS	11,37,325
Charity Aid Foundation, India	6,164
Interest on term deposits with scheduled banks	2,84,519
Visitor's fee	76,404
<b>Total Receipts during the year</b>	<b>34,92,050</b>
<b>(C) PAYMENTS:</b>	
Grant to SKS Educational Society	15,00,000
Programme expenses	52,10,684
Salaries, allowances and other benefits	80,888
Administrative expenses	5,10,220
Purchase of fixed assets	7,94,738
<b>Total Payments during the year</b>	<b>80,96,530</b>
<b>CLOSING BALANCES (D) =(A+B-C)</b>	<b>40,66,329</b>
<b><u>Represented by the following:</u></b>	
Balance with scheduled banks	44,02,173
Term deposit	10,00,000
Interest accrued (Net of TDS)	17,289
Tax deducted at sources	41,707
Other advances and deposits	34,150
Less: Current liabilities	14,28,990
<b>Total</b>	<b>40,66,329</b>

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

Place: Hyderabad  
Date: 30/07/2011

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

For Swayam Krishi Sangam

*Chairperson*  
Chairperson

*Director*  
Director



## SWAYAM KRISHI SANGAM

SCHEDULE 14: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011.

### 1. Significant accounting policies:

#### 1.1. Basis of preparation of financial Statements:

The financial statements are prepared on accrual basis under 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. Use of estimates:

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amount reported in the financial statements and notes thereto. Differences between actuals and estimates are recognised in the period they materialise.

#### 1.3. Revenue recognition:

Interest income on deposits with banks is recognized on time proportion accrual basis taking into the account, the amount outstanding and rate applicable.

#### 1.4. Grants and donations:

1.4.1. Revenue Grants and donations are recognized as income for current period in the financial statements.

1.4.2. 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.

1.4.3. Donation in kind is also accounted in books.

#### 1.5. Fixed assets:

1.5.1. 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.

1.5.2. Depreciation has been provided on assets based on written down value method at the rates appropriate for the useful life of the assets.

1.5.3. In respect of additions, the depreciation is provided on a half yearly basis, during which half year in which assets are put to use.

1.5.4. In case of sale of Fixed Assets, no depreciation has been charged in accounts during the year for period of usage.

1.5.5. 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.

1.5.6. In respect of assets acquired out of the Capital Grant, depreciation calculated as above, is charged off to the Grant so capitalized.

1.5.7. 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.

#### 1.6. Employee benefits:

1.6.1. Contribution to Provident Fund is accounted on actual liability basis and paid.

1.6.2. Leave encashment to employees also stands fully provided for.

1.6.3. Gratuity has been provided on an estimated basis taking into account employee's completed period of service and 15 days salary which was drawn by employee at the end of last month of financial year.

#### 1.7. Foreign currency transactions:

1.7.1. All transactions in the foreign currency are recognized at the exchange rate prevailing on the date of transactions.

1.7.2. 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. Note on activities:

SWAYAM KRISHI SANGAM (the 'Society' or 'SKS') undertakes the following activities:

##### 2.1.1. Ultra Poor program:

The Ultra Poor program is the lead program of Swayam Krishi Sangam. The Ultra Poor programme, scientifically targets the bottom of the pyramid extreme poor, employing participatory identification tools. The 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.



Audited financial statements for the year ended March 31, 2011

## SWAYAM KRISHI SANGAM

SCHEDULE 14: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011.

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:

SKS foot prints in rural areas have led the Organization to think of providing primary and pre primary education services to rural poor at affordable price. It should be qualitatively on par with the corporate school education wherein rural children who have latent talent on par with their urban counterparts can be unearthed. SKS has started 15 Primary and 36 Pre-primary schools across 4 districts (Medak, Nalgonda, Warnagal, and Khammam) of Andhra Pradesh with student enrolment of more than 2500 and 200 professional teachers are working with the financial support provided by SKS Mutual Benefit Trusts routed through SKS. Though school fee is collected nominally, much of school management costs are coming in the shape of contribution support from SKS Mutual Benefit Trusts.

### 2.1.3. De-Worming Program:

SKS in partnership with De-worm the World [DTW], an International, a US Based non-profit has launched a pioneering program of de-worming 2 lakh school children in Andhra Pradesh. In partnership with DTW, SKS worked jointly with the Department of Health, Medical and Family Welfare and the Department of School Education. As a Pilot they have made a massive campaign in Kurnool District, de-worming nearly 2 Lakh school children at Government Schools. SKS field teams were engaged to do this in local collaboration with PHCs and medical department. Albendozal pills were administered to school children under the supervision of qualified local physicians. The impact is visible and SKS has a vision of "Worm free children in India".

### 2.1.4. Business Correspondence:

SKS is implementing a pilot to provide the Business Correspondent services. The kind of financial services and products include cash transfers, loan repayment collections, opening of savings bank and other deposit accounts and insurance services. The Business Correspondent model is undergoing field tests for its various efficacies in service deliveries. SKS wanted to test case this pilot and upscale the model with standard package of practices.

### 2.1.5. Sitaram Rao Memorial Book Clubs (Libraries):

SKS has started Sitaram Rao Memorial Book Clubs (Libraries) in collaboration with CFBT and in the memory of Late Sitaram Rao who did a pioneering work in SKS and started 9 Libraries at Government schools, Kasturba Gandhi Balika Vidyalaya's, and Girls hostels at Narayankhed area of Medak District, Andhra Pradesh and provided books with nearly 750 titles. These libraries are managed jointly by children committee, one teacher, and one organizer from SKS.

## 2.2. Amalgamation of SKS Educational Society:

During the year, the Society has taken over the assets and liabilities of SKS Educational society through the process of amalgamation effective from July 1, 2010. The process of amalgamation was approved by General Body on February 18, 2010 and the same was confirmed on May 11, 2010. The Society obtained the approval of Registrar of Societies on March 28, 2011. The assets and liabilities are accounted as per AS 14 "Accounting for Amalgamations" issued by Institute of Chartered Accountants of India by adopting pooling of interest method and details are as follows:

Particulars	Amount [Rs.]
<b>I. ASSETS</b>	
i. Fixed assets [Gross]	1,548,513
ii. Cash and bank balances	355,328
iii. Other advances	1,797,119
<b>Total</b>	<b>3,700,960</b>
<b>II. LIABILITIES</b>	
i. Current liabilities	1,231,753
ii. Accumulated depreciation	1,315,249
<b>III. RESERVES AND SURPLUS</b>	
i. Surplus in income & expenditure account	1,153,958
<b>Total</b>	<b>3,700,960</b>
Consideration for amalgamation	Nil



Audited financial statements for the year ended March 31, 2011

## SWAYAM KRISHI SANGAM

SCHEDULE 14: NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011.

### 2.3. Contribution from SKS Mutual Benefit Trusts:

During the year, five SKS Mutual Benefit Trusts [SKS Trusts] contributed an amount of Rs. 71,000,000/- to execute Education, Ultra Poor, De-worming and Business correspondent programs, and repay loans availed from Mr. Vikram Akula and SKS Microfinance Ltd, as an interim financial arrangement to finance welfare programs. The society has spent a sum of Rs. 60,999,604/- to meet the costs of their programs, and an amount of Rs. 10,000,000 refunded to the MBT's. The details of contribution made by each trust net of refund of Rs. 1,00,000/ are as follows.

S. No.	Name of the Trust	Amount [Rs.]
1	SKS Mutual Benefit Trust – Narayankhed	12,453,028
2	SKS Mutual Benefit Trust – Medak	12,136,743
3	SKS Mutual Benefit Trust – Jogipet	12,136,743
4	SKS Mutual Benefit Trust – Sadasivpet	12,136,743
5	SKS Mutual Benefit Trust – Sangareddy	12,136,743
<b>Total</b>		<b>61,000,000</b>

The contributions were partially utilized for repayment of interest free and low cost loans availed from Mr. Vikram Akula and SKS MICRO FINANCE PVT LTD. These loans were initially used for financing the approved activities..

### 2.4. 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.

2.5. The Society falls under level II enterprise as classified by the Institute of Chartered Accountants of India. Accordingly, the Society has complied with the accounting standards to the extent applicable to level II entity.

2.6. A sum of Rs. 856,227 remaining unspent out of the grant received from SIDBI to part finance the programme "SIDBI Fund for Micro Credit (SFMC)" has been credited to income as the programme has been completed.

### 2.7. Subsequent events:

The Society decided to transfer its Education division to a new society "Bodhi Educational Society" which will take effect from April 1, 2011.

### 2.8. Supplementary information:

#### 2.8.1. Auditors' remuneration:

Particulars	Rs.	
	31-Mar-2011	31-Mar-2010
Audit fee	115,815	44,120
Taxation and other consulting services	55,150	27,575
Fee for Certification including FCRA	27,575	24,818
Out of pocket expenses	-	1,210
<b>Total</b>	<b>198,540</b>	<b>97,723</b>

2.8.2. Previous year figures have been regrouped and rearranged wherever necessary to conform to current year's classification.

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

for Swayam Krishi Sangam

Place: Hyderabad  
Date: 30/07/2011

A. G. Sitaraman  
Partner  
M. No.: 017799

Chairperson  
Director




Audited financial statements for the year ended March 31, 2011





Yemen Ultra Poor Graduation Pilot Team visits Koraput Ultra Poor Branch on a cross learning program thanks to BDI and CGAP sponsorship. It was rich mutual learning as both the Asian Nations share same reasons for ultra poverty.

The divide between “haves and have nots” is no different story for both of our Nations. It is highly appreciable that Yemen is making sincere effort through its Pilot for creating a model of evidence based solutions.

*What is difference between our ultra poverty and yours as experienced by you in this visit?*

*Yemen Team took no time to reply:*

*“Nothing much except that ours is desert ultra poverty and yours is forest ultra poverty! Bottom line indicators are nevertheless same, like chronic hunger, state apathy and denial of opportunity. Both of us have common goal to eradicate extreme poverty from our mother lands.”*



*With bank loan facilitated by SKS, ultra poor graduates in Koraput turned into micro investors through SHGs taking up road contract works under NREGS and grounding a brick manufacturing unit.*

### Field Office

Swayam Krishi Sangam, Antwar Village  
Rudrar PO 502286, Narayankhed Mandal  
Medak District Andhra Pradesh, India  
Tel: 91-8456 - 284852

### Field Office

Swayam Krishi Sangam, Boipariguda  
PO - 764 043, Koraput DT, Odisha State, India  
Tel: 91-6854 -249441

### Swayam Krishi Sangam

D. No., 8-2-608/1, Road No., 10, Gaffer Khan Colony  
Banjara Hills, Hyderabad - 500034, Andhra Pradesh, India  
Ph. 91-40- 966416907

### Mail:

[info@sksngo.org](mailto:info@sksngo.org)

[divakar@sksngo.org](mailto:divakar@sksngo.org)

[www.sksngo.org](http://www.sksngo.org)

[www.facebook.com/pages/sksngo/132456736794222](https://www.facebook.com/pages/sksngo/132456736794222)

[www.twitter.com/sksngo](https://www.twitter.com/sksngo)

Our US Office [www.sksfoundation.org](http://www.sksfoundation.org)



Changing Lives

# Swayam Krishi Sangam

