

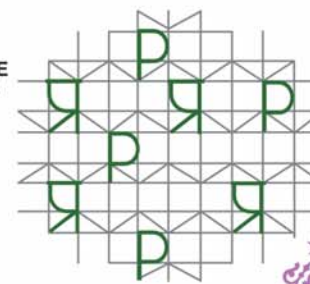
www.pradan.net

PROFESSIONAL ASSISTANCE  
FOR DEVELOPMENT ACTION

3 Community Shopping Centre  
Niti Bagh, New Delhi 110 049  
headoffice@pradan.net

प्रदान  
Pradan

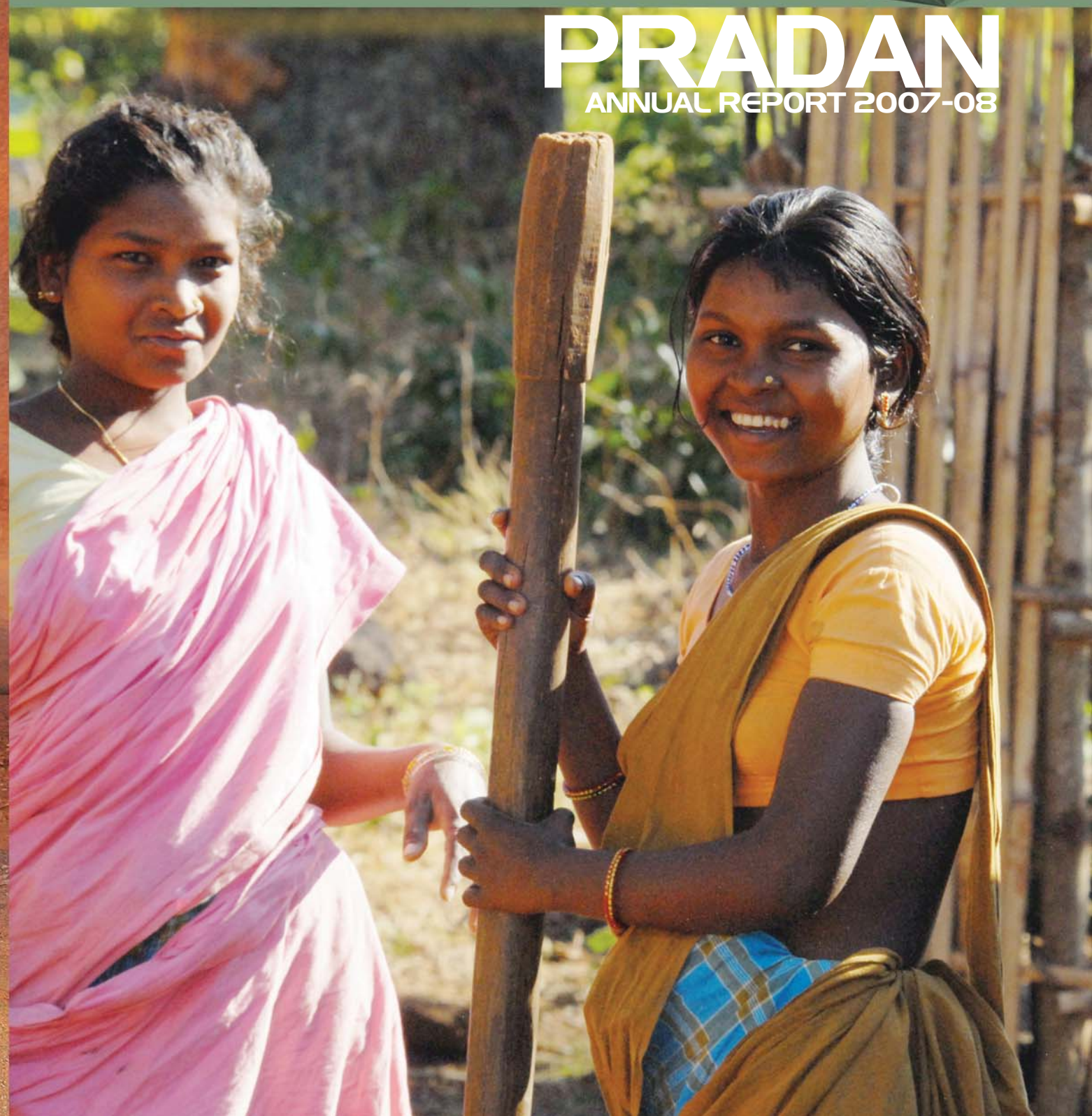
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FOR DEVELOPMENT ACTION



**PRADAN**  
ANNUAL REPORT 2007-08

PRADAN

ANNUAL REPORT 2007-08







# contents

## SECTION 1

OVERVIEW AND OUTREACH	1-5
Outreach	5
The SHG Programme	5

## SECTION 4

HUMAN RESOURCE DEVELOPMENT	27-30
Recruitment & Induction	28
Community Resource Persons	30



## SECTION 2

LIVELIHOOD PROGRAMMES	7-20
Agriculture based Livelihoods	10
Horticulture Development	11
Irrigation and Watershed Developmnt	12
Micro-enterprises	18
Tasar Yarn Production	18
Silileaf Plate Production	19
Resource Mobilisation	20



## SECTION 5

DOCUMENTATION & COMMUNICATION	31
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## SECTION 6

GOVERNANCE	32
Balance Sheet as at March 31	34
Income and Expenditure Account	35
Notes on Accounts	36
Acknowledgements	38
Pradan Offices	39

## SECTION 3

INFLUENCING POLICY	21-26
District Planning Exercises	24
Policy Advocacy	24
NREGA for INRM Elora Shows the Way	25

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SECTION 1

# Overview and Outreach





**P**RADAN worked with over 142,000 families during the year, up from 113,000 during 2006-07, achieving 26 percent growth in outreach. We now work in 3,408 villages, adding 364 villages during the year. This was the first year of the five-year perspective plan prepared following the Vision 2015 exercise and we have achieved the outreach targets for the year. This gives us the confidence to plan for an outreach of over two lakh families by the end of the next financial year, which if achieved will surpass our perspective plan target of 184,000 families for the second year, with an annual growth of over 40 percent. We began working in six new districts either by setting up new teams or by extending outreach from adjoining districts. We phased out from one district and handed over project responsibilities to an NGO set up by a colleague in another.

PRADAN is participating in NREGP (National Rural Employment Guarantee Programme) implementation in several locations across states. A pilot project sponsored by the Ministry of Rural Development, Government of India to demonstrate PRADAN's INRM (Integrated Natural Resource Management) models suitable for selection of NREGP works was implemented in two districts each in Orissa and Jharkhand and one district in Chhattisgarh. The pilot helped open up opportunities to work with Panchayats and gave us insights into the functioning of NREGP on the ground. We are working with the Madhya Pradesh Government in its new initiative to involve NGOs in implementing NREGP. This is an encouraging development since partnership has been identified as an important strategy for growth in the "Vision 2015" exercise.



We worked with more than 10,000 families to demonstrate the SRI (System of Rice Intensification) method of paddy cultivation, including a pilot project with the Bihar Rural Livelihoods Project (BRLP/Jeevika). The Bihar pilot has given excellent results with 78 percent families getting yield of 7 ton per hectare or more, the highest being 16.5 ton. A significant breakthrough has been achieved in lac cultivation at Khunti. The *Kusmi* variety of lac (the more remunerative among the two varieties, *Kusmi* and *Rangeeni*) was successfully reared by raising plantations of *Semialata*, a fast growing shrub. This will significantly reduce the risk in rearing, greatly shorten gestation period, facilitate productive use of fallow uplands and enhance returns to labour for the cultivator.

MASUTA Producers' Company Ltd., the tasar yarn producers' company promoted by PRADAN has set up two new initiatives, one a Joint Venture company with an entrepreneur to market tasar yarn based fabric and the other an arrangement with the Jharkhand Government owned company, Jharcraft, to procure and supply cocoons to tasar reelers and spinners. MASUTA is now the largest player in the indigenous tasar yarn market in India. A motorized tasar reeling machine developed by a couple of interns from the Delft University of Technology is ready for commercial fab-

rication. It has the potential to vastly enhance yarn production efficiency and will significantly increase reeler incomes.

We conducted a training programme on Case Writing and Case Teaching. Forty two PRADAN professionals participated in the programme, out of whom 32 also learnt case teaching. The participants developed 49 cases drawn from their own experience. These would be immensely useful for our in-house training besides being potentially useful to education programmes in management, development and public administration. We have initiated a three-year collaboration programme with "SHARE People" of the Netherlands to set up exchange visits for professionals. Under the programme mid career executives of PRADAN will visit the Netherlands for short periods for exposure to alternate work culture and models of business.

We organised a Workshop on Producer Companies under the aegis of the National Resource Centre on Livelihoods which is hosted by PRADAN. The legislation on producer companies was enacted to enable small producers to set up self-governed collectives as companies. There have been several initiatives by livelihood promoters among NGOs, State Governments and others to set up producer companies in the



## OUR OUTREACH

TABLE 1

Particulars	March 2008	March 2007
Project Villages	3408	3,044
Blocks	97	89
Districts	38	27
Households	142,620	112,900

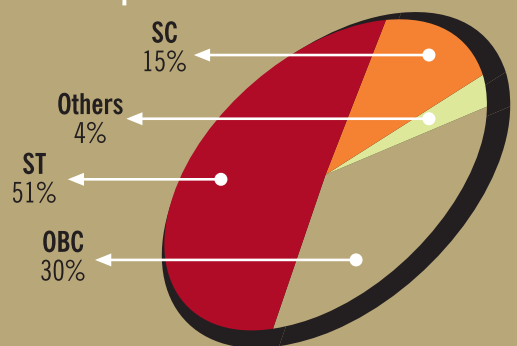
five years since the law came into force. The workshop brought several among these and other stakeholders together to share experience, understand the state of the art and cull out issues, opportunities and challenges for joint action. Following the workshop, a working group on Producer Companies has been formed, chaired by Mr. Nitin Desai, former Chief Economic Advisor to the Government of India. The working group will examine the concerned legislation and suggest ways to strengthen the Act.

## OUTREACH

PRADAN now works with 142,620 households in 3,408 villages in 97 Community Development Blocks of 38 districts across the States of Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan and West Bengal. A majority of these districts are among the 150 poorest in the country. Nearly all outreach is through women's Self Help Groups (SHGs). More than half of the families we work with belong to Scheduled Tribes and all are from socio-economically disadvantaged sections of the society. Outreach data is presented in Table 1.

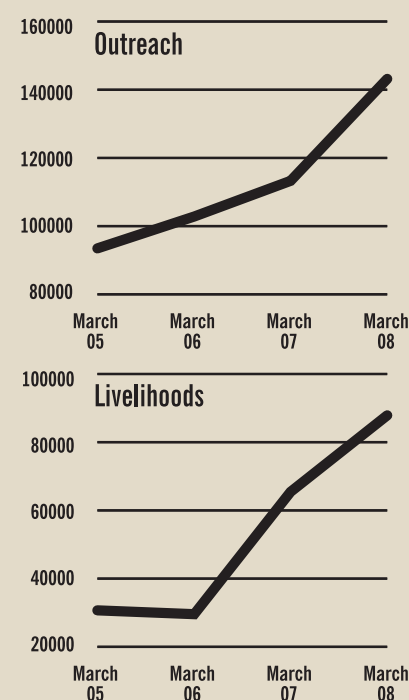
We set up new teams in Gaya in Bihar and Balaghat in Madhya Pradesh this year. Supported by the Bihar Rural Livelihoods Project (Jeevika), the Gaya team worked with small-holder farmers in Gaya and Nalanda districts, demonstrating and extending the SRI technology of paddy cultivation. In Balaghat be-

## Social Composition



## Growth in Livelihood Intervention

Number of Families Served



sides working directly in villages we are also working in partnership with other NGOs to promote SHGs and livelihoods. The IFAD aided Tejaswini Project of the State Government is supporting our work in Balaghat. We have also begun working in Kalahandi (Orissa), Mandla (M. P.) and Kanker (Chhattisgarh) by extending outreach from teams in adjoining districts. There has been consolidation and re-organisation of work in Rajasthan as per our Perspective Plan 2012. The team in Alwar has transformed into an independent organization led by an experienced PRADAN professional who led our work there and we have phased out from Dausa after fulfilling commitments. We have begun explo-

rations in the tribal populated and poorer districts in South Rajasthan to initiate action in future.

## THE SHG PROGRAMME

PRADAN organises women from poor households into self-help groups around savings and credit. Mature groups are enabled to get access to bank credit and may also be linked to suitable poverty alleviation programmes of the government for financial assistance.

The SHG is the base for promoting sectoral livelihood activities, beginning with exposure to such programmes nearby and livelihood planning exercises conducted with groups.

As shown in Table 2, the number of SHGs increased to 8,983 this year, a net addition of 1,471 SHGs and 16,755 families. As their numbers increase and groups mature, we promote informal federations of SHGs. These perform various non-financial functions, such as taking up issues to secure rights and entitlements for members, management and supervision of service providers including computer munshis, conducting peer-learning exercises and networking with external stakeholders, such as banks and government agencies.

As a strategy to expand outreach rapidly several of our teams have begun training SHG leaders to initiate new groups. The results would be known in a year. We also began to identify and train community resource persons (CRPs) to support, nurture and groom SHGs. The CRPs generally are members of existing groups who display leadership qualities, show interest to work on issues affecting women and the community and have a good rapport with most families in the community. A CRP may work with 10 to 20 groups and many are beginning to lead initiatives around securing rights and entitlements. With deepening of such community processes we are able to bring on board broader issues of women's well-being through systematic training of CRPs and group leaders and by building linkages with other stake holders.

## THE SHG PROGRAMME

TABLE 2

Particulars	2007-08	2006-07
Number of SHGs	8,983	7,512
Number of members all women	122,845	106,090
Cluster associations	526	494
Net owned funds Rs lakh, cumulative	3,026	2,454
Net own funds additional during the period	572	727
Internal credit disbursed Rs lakh	1,306	1,131
Number of bank linkages	3,060	2,276
Bank credit mobilised Rs lakh	532	794





## SECTION 2

# Livelihood Programmes







In most cases PRADAN begins working with rural communities by organizing women into SHGs. Facilitating SHG members make medium term livelihood plans has emerged as an important next step over the years. Livelihood planning is dovetailed into the current activities of members and their families and focuses on leveraging various sectoral possibilities to develop the potential of existing resources with the family to meet its livelihood needs. The importance of such planning has been reinforced by internal and external reviews and critique of our work over the years, highlighting the need for convergence of sectoral activities to maximise sustainable impact at the household level. Most teams now carry out livelihood planning exercises with SHG members before initiating sectoral interventions. Table 3 summarises the performance.

We continued with the two broad livelihood streams, namely, enhancing productivity of natural resources and promoting home-based micro-enterprises. Income enhancement (rather than expenditure reduction) remains the main focus of our programmes. The natural resource programme comprises of agriculture, horticulture and other tree-based activities, livestock rearing, small-scale irrigation and watershed development. Micro-enterprises are promoted in poultry, tasar silk processing, rearing and processing of mulberry silk and cultivation of mushrooms. Enhancing productivity, mobilising investments to create productive assets, building people's capabilities, setting up services and building people's organisations are the key components of our livelihood programmes. Outreach data is summarised in Table 4.

Livelihoods of poor people in the regions where we work predominantly revolve around natural resources. Farming is the primary occupation of a large majority of families we presently





TABLE 3

### STATUS OF LIVELIHOOD PLANNING WITH SHG MEMBERS, 2007-08

SHGs with whom livelihood planning was done during	2007-08	2,023
SHGs with whom livelihood planning was done up to March	2008	3,687
SHG members participating in livelihood programmes during	2007-08	34,764
SHG members participating in livelihood programme up to March	2008	57,674

work with as well as those we would work with in future as per our expansion plans. These regions are also ecologically vulnerable. Integrated natural resource management (INRM) therefore emerges as the obvious key strategy to enhance livelihoods. While some of our teams have already been practicing the INRM approach for the past few years, and have contributed to its development, we have decided to follow such an approach across the organisation. In each location families will be facilitated to harness natural resources available to them, emphasizing on land husbandry and using a farming system approach to enhance livelihoods. During the year, we have strengthened our internal systems and structures to adopt INRM approach across locations. A number of teams have made local level demonstrations and taken up pilots.

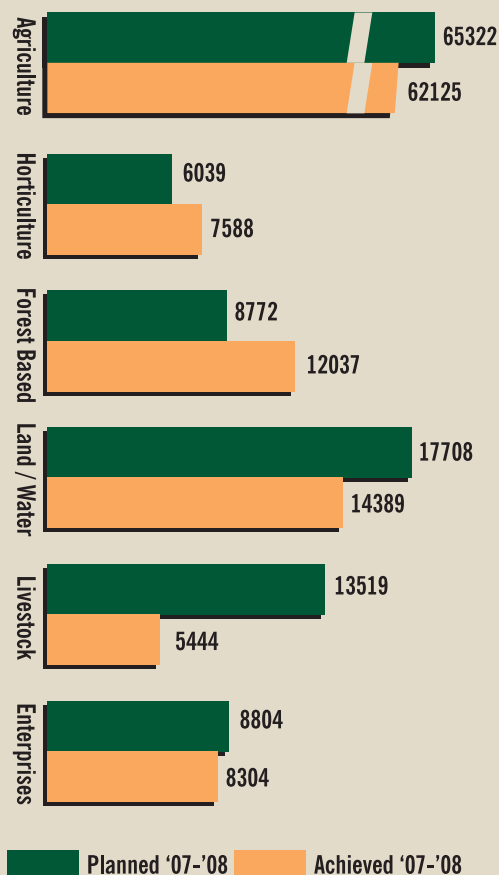
### OUTREACH OF LIVELIHOOD PROGRAMMES

PROGRAMME	PARTICIPATING FAMILIES*	
	2007-08	2006-07
Agriculture	62,125	36,522
Horticulture	7,588	5,442
Tree and Forest Based activities	12,037	7,792
Land and water development	14,389	10,155
Livestock	5,444	6,554
Micro-enterprises	8,304	7,692

\*Families overlap across activities

TABLE 4

### Livelihood Outreach

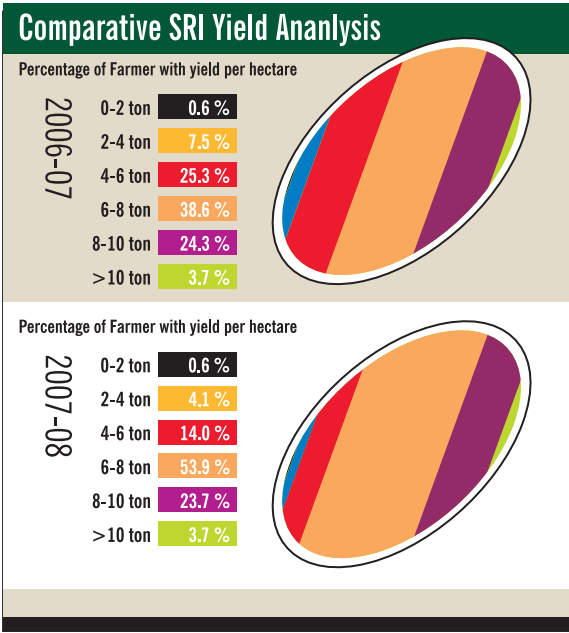




AGRICULTURE  
BASED LIVELIHOODS

The agriculture based livelihood programme has the widest coverage as agriculture is the principal source of rural livelihoods in the regions where we work. The programme comprises of increasing productivity of main crops, especially paddy and diversification into other crops and vegetables. Overall, outreach increased across all programme segments during the year.

Sixteen teams extended paddy cultivation through SRI method among 10,577 families in 1,098 ha. The performance has been highly encouraging in all locations. We collected paddy yield data for SRI from 786 farmers in Purulia (20 percent random sample from the participant families) during the past two kharif seasons. As shown in the graph, approximately 54 percent of the farmers attained yields in the range of 6-8 ton/ha compared to about 39 percent in the previous year. The high yields were sustained even though the number of participating farmers increased by 142 percent and the area coverage by 123 percent. This implies that the SRI technique under rain-fed conditions has been fairly standardized and has been sufficiently simplified for adaptation to local conditions and the



extension and technology delivery mechanism made very robust. Thus such yields are attainable by most of our resource poor farmers. The percentage of farmers achieving yields beyond 8 tons/hectare is more or less constant at around 28 percent. Some of the old farmers reported a drop in yield in village meetings. On tracking the yields for old farmers practicing SRI and comparing that with new farmers we found that the movement is within the band of 6.5 ton/ha to 8.5 ton/ha. Thus, while there is no cause for alarm, we



TABLE 5

PROGRESS OF AGRICULTURE PROGRAMME

Crop	2007-08		2006-07	
	Families	Area, Ha	Families	Area, Ha
Kharif Field Crops*	32,451	6,821	21,293	5,989
Rabi Field Crops ^	3,459	779	1,979	516
Kharif Vegetables	12,817	743	8,262	367
Rabi Vegetables	13,398	762	4,988	201
Total	62,125	9,105	36,522	7,073

\*(Paddy, Soybean, etc.) ^ Wheat, Gram, etc.



need to keep monitoring yields and also introduce green manuring to enhance soil quality and fertility.

The yield data in Jharkhand shows:

- ♦ 21 percent participants got productivity enhancement between 25 and 50 percent;
- ♦ 74 percent participants got productivity enhancement between 50 and 75 percent and
- ♦ 27 percent participants got productivity enhancement of over 100 percent.

## HORTICULTURE DEVELOPMENT

Several teams are now promoting horticulture, farm forestry and plantations on a large scale to diversify farming systems. Diversification into tree crops is an essential component of INRM strategies to enhance sustainable rural livelihoods in the undulating and hilly regions with limited irrigation potential. Fruit tree plantation programmes have been taken in Keonjhar, Godda, Gumla, Lohardaga, Khunti, West Singhbhum, Purulia, Bankura, Kesla, Dindori, Sidhi and Alwar. Mulberry sericulture as a livelihood option is gaining people's acceptance in Kesla and Dindori and has given

good results, though coverage at about 100 ha is yet modest. PRADAN is raising finances from the department of sericulture of the Government of M.P. for this programme. Table 6 summarises the progress of the horticulture programme.

## IRRIGATION AND WATERSHED DEVELOPMENT

Developing the potential of land and water resources to enhance productivity and carrying capacity is a sure way to remove poverty in the rain-fed regions where our projects are situated. As these tend to be capital intensive the scope of works depends on finances and the nature of schemes available from government and other public agencies. As in previous years this year too several of our teams took up a variety of land and water resource development activities under available programmes. Installing small-scale irrigation facilities, creating water harvesting structures and land development through bunding, levelling and terracing were the main focus of our activities in this arena. In Jharkhand, most of this was financed through funds raised from the State Government under the Special Central Assistance (SCA) and the IFAD-aided Inte-



TABLE 6  
PROGRESS OF  
HORTICULTURE  
PROGRAMME

PARTICULARS	2006-07		2007-08	
	Families	Area (Ha)	Families	Area (Ha)
Fruit Trees	3,659	789	5,513	1,266
Tasar host plantation	1,614	662	1,789	1,265
Mulberry plantation	169	52	286	93
All plantation activities	5,442	1503	7,588	2,624





grated Tribal Development Programme. NABARD is funding watershed development in Peterbar, Bokaro, West Singhbhum and Banka districts. In West Bengal apart from the Special SGSY Project; funds were mobilised from other Centrally Sponsored Schemes like RSVY, NREGP administered through the Zilla Panchayats. Finances in Madhya Pradesh were mobilised from MPRLP and NREGP. In Rajasthan finances were availed through watershed projects financed by SRF Ltd and ITC, respectively.

FOREST-BASED ACTIVITIES

Tasar sericulture and lac cultivation were the main forest based livelihood programmes taken up. As reliable supply of DFLs (Disease Free Layings) is a key constraint faced by tasar rearers, it has been our strategy to create a community-based production and supply chain. DFL production is a two stage process. The first stage is to produce “Basic Seed Cocoons”. These are cocoons reared under stringent hygienic conditions, in places where there has not been any tasar rearing activity for several years in the past, using eggs from moths

carefully chosen for productivity, fecundity, etc. These are carefully preserved for about seven months till the next reproductive cycle at the beginning of the monsoon. DFLs from moths coming out of these cocoons are called Basic Seed. Typically, Basic Seed is supplied by the Central Silk Board (CSB). The second step begins with rearing of Basic Seed locally by Seed Crop Rearers trained by us to produce Commercial Seed Cocoons used by the Grainage Enterprises promoted by us. DFLs made from these cocoons are reared by farmers for production of silk. Since CSB

OUTREACH THROUGH  
FOREST-BASED LIVELIHOODS

TABLE 7

	2007-08	2006-07
Tasar sericulture	6,270	4,436
Lac cultivation	3,004	2,107
Farm Forestry	2,763	1,249
Total	12,037	7,792

was not able to meet the entire demand for Basic Seed from our programme we decided to take up Basic Seed Cocoon production locally on a pilot basis this year by training the grainage entrepreneurs to produce Basic Seed. The pilot was successful and over 1.82 lakh Basic Seed DFLs were produced locally. This is the first time in the country that Basic Seed was produced outside the labs of the CSB, paving the way for sustainable growth in tasar cocoon rearing. We worked with over 3,700 seed crop rearers and 230 grainages to supply DFLs for the commercial crop. Over 10.4 lakh commercial DFLs were produced, exceeding the total requirement of the project. About 80,000 DFLs were



## PERFORMANCE OF TASAR SILK REARING

TABLE 8

	2006-07	2007-08
Arjuna Plantation Maintained (Ha)	1,265	662
No. Of Grainages	247	193
Seed Cocoons Produced ('000)	4,364	3,484
DFLs Produced ('000)	979	582
Commercial Cocoons Produced (million)	45.1	26.8

sold to various State sericulture departments and other NGOs. Table 8 summarises the progress in the tasar rearing programme.

The lac programme is now being scaled up. It is funded by the Planning Commission through an innovative project developed by us for the Jharkhand Government. This year 2,946 families participated in the programme and used 32 ton of brood lac for inoculation. Our Khunti team has been the main innovator in this programme, trying out different host plants and production cycles. This year the team tried rearing the premium *Kusmi* variety on *Ber* trees and *Semialata* bushes besides on *Kusum* trees which is the traditional host. Two cycles of *Rangeeni* variety on *Ber* trees were tried instead of one grown traditionally and production of brood by the farmers for their own use was promoted so that they do not have to depend on the highly uncertain supply of brood in the market. Improved cultivation is now done by farmers themselves without any on-field guidance or input subsidy. Experienced executives from Khunti team also assisted our projects in Bankura and Purulia in West Bengal, East Singhbhum, Dumka, Godda, and West Singhbhum in Jharkhand to take up lac rearing. They also promoted lac rearing through LAMPS in Latehar district and pockets of Khunti district outside our project area. A significant breakthrough has been achieved in lac cultivation at Khunti. The *Kusmi* variety of lac was successfully cultivated by raising plantations of the shrub *Semialata*. This will considerably reduce rearing risk, increase yield, greatly shorten the gestation period, enhance productivity of fallow uplands through lac cultivation and enhance cash income of the small-holder cultivator. A family can earn Rs 12,000 to Rs 15,000 in one crop cycle from two-tenths of an acre of land. This year a Khunti farmer, Sundar Pahan earned Rs 16,500 from a little over a tenth of an acre of land. Further, the *Kusmi* variety on *Ber* trees, the traditional host for the *Rangeeni* variety was reared successfully and gave 50 percent higher yields than *Rangeeni*. Table 8 summarises the progress made around forest based livelihoods.





# TASAR SILKWORM REARING

AJAMBER SOY  
ENTREPRENEUR  
COMMUNITY LEADER

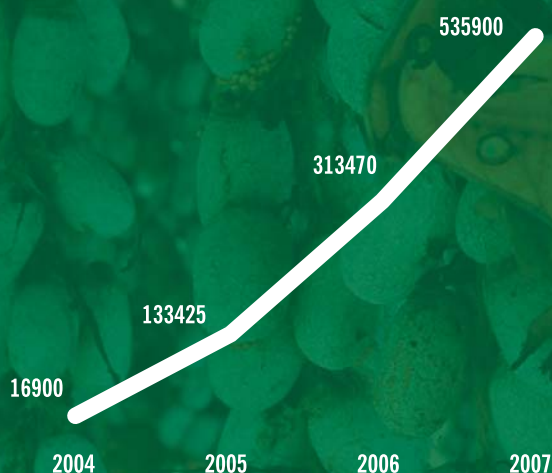


**TASAR** silkworm rearing was not new to Ajamber Soy, son of a poor tasar farmer. He had been rearing tasar since 1998, using traditional practices learnt from his father. Yields were low and the crop would often fail, but he did not give up unlike many a tasar rearer.

When PRADAN began working in his village in 2004, Ajamber readily agreed to visit Godda to see new methods of rearing tasar promoted by PRADAN. Back home Ajamber talked fellow tasar rearers in his village and the neighbouring one into forming Tasar Vikas Samiti to promote modern tasar rearing. Members of his Azad Jharkhand Samiti took their first crop in July 2004 using DFLs sourced from Godda as there were no grainages locally. The crop did not do as well as Ajamber had expected due to bad weather delays in transporting DFLs. Ajamber then persuaded his Samiti that they should set up a grainage locally to produce DFLs. The Samiti members pitched in to build a grainage and chose Ajamber to run it. PRADAN trained him to use the microscope to examine moths for diseases and in other routines of running a modern grainage. In 2005, the first year of setting up a grainage locally, Ajamber and two other Samiti members reared 600 DFLs to produce seed cocoons. Besides looking after his own crop Ajamber would help fellow Samiti members in rearing.



## Commercial Cocoon Production



Two years later in 2007 the number of seed crop rears has trebled to nine and the number of DFLs reared for seed crop has almost doubled to 1185, producing 77,000 seed cocoons, of which 55,000 have been preserved to produce DFLs next year. Ajamber also supplied 14,000 DFLs from his grainage for the commercial crop locally and sold 8,850 DFLs to outsiders. This fetched him Rs 107,535 net of costs in just one month. His rearers were not far behind. All of them produced 490,405 cocoons, earning Rs 764,000. Out of the income, 15 rearers have bought pump sets and two others have bought power tillers. With their persistence and perseverance, Ajamber and his Samiti members have set new bench marks in tasar rearing

and opened the way for a secure livelihood. Ajamber is now working to build a grainage of his own to meet the requirement of seed in nearby areas of Kuchai and Arwan.

## GRAINAGE DETAILS

TABLE 9

Earnings	Amount
DFLs reared in 1st crop	1,185
Cocoons processed, No.	77,000
DFLs produced, No.	14,050
Earnings from DFL, Rs	56,200
Earnings from cocoons, Rs	59,780
Expenditure on DFL production, Rs	4,740
Expenditure on cocoon preservation (Rs.)	15,370
Expenditure on cocoon processing, including family labour, Rs	9,000
<b>Net earnings, Rs</b>	<b>86,870</b>

## INVESTMENT PLAN

Grainage repairing	20,000
Purchase of Power Tillers and Pumpsets	39,000
Reserve fund of Samiti	27,870

TABLE 10

Year	Seed Crop Rearers	Dfls Reared	Seed Cocoons Produced	Seed Cocoons Preserved	Dfls Produced	Commercial Cocoons Produced
2004	2	500	17,000	No Grainage	Nil	-
2005	3	600	25,200	18,000	3,850	133,425
2006	5	700	31,500	28,000	7,645	313,470
2007	9	1,185	77,000	55,000	14,050	535,900





Our livestock based livelihoods programme is mainly focused on dairy and goat rearing. Coverage was less than the planned for the year as we wound up from Dausa where we were earlier working with nearly 1,000 families. In Dholpur we have been working closely with Mother Dairy to enable poor families get access to liquid milk market at fair prices. As a result of this intervention the local milk procurement rates offered by all players have risen to Rs 13 to 15 a litre from Rs 8 to 9 per litre earlier. Our team handed over to Mother Dairy the procurement centres it had developed. As marketing is no longer a key problem area the team is now focussing on productivity enhancement, animal health and management and input supply by training rearers and developing local cadre to provide veterinary care services. The livestock rearing programme in Dholpur has been integrated with SHG work and the community based service providers and animal insurance services are managed by Saheli Sangthan, an apex organisation of women rooted in the SHGs. A summary of progress of the programme is presented in Table 11.

**PROGRESS OF LIVESTOCK DEVELOPMENT PROGRAMME** TABLE 11

FAMILIES	2007-08	2006-07
Dairy (Milk)	3,858	2,397
Goat rearing	2,331	1,952
Small scale fisheries	365	1,095
<b>Total</b>	<b>6,554</b>	<b>5,444</b>



In Jharkhand four PRADAN teams are now implementing dairy development programmes. The key interventions include:

- Induction of quality cattle,
- training and capacity building of woman rearers,
- preventive and curative veterinary care,
- supply of balanced feed and
- marketing support

Our Godda and Deoghar teams began expanding the dairy programme with financial support from the Tribal Welfare Department. The Lohardaga team focused on reorganising the activity in the wake of disruption created by a local politician in a few villages last year. The participating women were organised into small peer groups to monitor input supply and milk marketing systems and as learning forums for the women. Staff members visited the Valsad Dairy in Gujarat to learn about systems and processes for running a large dairy enterprise. Community resource persons were also sent for training to Valsad. The Valsad Dairy

has agreed to send their senior staff to our projects to help set up systems. Negotiations with the Jharkhand Government led to an increase in the milk price offered by the government run Dairy to Rs 12 a litre. The government has also enhanced the financing norms for supporting poor families taking up dairy as a livelihood. This coupled with higher milk prices have made dairying an attractive livelihood proposition for poor women. However, changes in the Animal Husbandry Department towards the end of the year slowed down the pace of work.

Our teams in Orissa work mainly with very poor, tribal people. As agriculture is poorly developed rearing small ruminants like goats is more appropriate and is the focus of our livestock programme rather than dairying. Providing a wide range of services to reduce mortality and improve modern husbandry practices. The services include weekly health check-ups, awareness building, supplying medicines at the door step, routine vaccination of PPR and enterotoxaemia and de-worming. As the programme grows in scope and outreach, community based mechanisms are being de-







TABLE 12

**MICRO-ENTERPRISES**

FAMILIES	2007-08	2006-07
Poultry (broilers)	4,131	2,809
Tasar Yarn	2,557	1,894
Leaf-plate making	400	250
Vermi composting	1,056	1,362
Mushroom production	160	117
<b>Total</b>	<b>8,304</b>	<b>6,432</b>

veloped to ensure sustainability. In the Banspal area of Keonjhar the services are provided through Banspal Krushi Samiti, a community based organisation promoted by us. In Kandhamal, too, a similar approach is followed for promoting improved goat rearing. Goat rearing is also being promoted in Sironj in M. P. An informal community based organisation Sanjeevani provides the services there.

**MICRO-ENTERPRISES**

Smallholder poultry, processing of tasar cocoons into yarn and making plates from siali leaves are the main enterprises being promoted by us. Cultivating oyster mushrooms has not expanded because of limited market though the technology is in place. Progress in Micro-enterprise Development is presented in Table 12.

**SMALLHOLDER BROILER POULTRY REARING**

The poultry programme was taken up in one new location viz. Keonjhar and outreach expanded in other locations with the addition of new producers. Finances for expansion are now entirely mobilised from local sources. Poultry production doubled this year compared to year 2006-07 in spite of an outbreak of bird flu in January 2008 that adversely affected outreach and performance. The focus in all the cooperatives during the year was on developing membership and effective governance by members. Training programs and exposure visits were organised for this purpose. A comprehensive operating systems manual for poultry cooperatives is being developed and would be ready next year. Access

to working capital is a major issue faced by the cooperatives because of their small equity base. This is exacerbated by erosion in bankers' confidence in poultry due to repeated bird flu outbreaks. Efforts were made to increase the equity by mobilising members' contributions and support from donors. Members have subscribed to more share capital in several cooperatives. The Ministry of Rural Development of the Government of India contributed Rs 14 lakh as grant to poultry producers in Jharkhand to increase their share capital. Additional support of about Rs 40 lakh is expected in 2008-09.

**TASAR YARN PRODUCTION**

As the production and marketing systems had stabilised, tasar yarn production and marketing was hived off to producers' organisations in 2006. A two-tier organisation structure has been created. It comprises of





women spinners' and reelers' groups or producer institutions incorporated as Mutual Benefit Trust (MBTs) to manage production at the hamlet or village level and to provide technical support to producer members. A Producer Company (MASUTA Limited) has been incorporated under the Companies Act for marketing, procurement and to provide overall development support to the producer institutions. The Producer Company is owned by the producer institutions. A senior professional from PRADAN has been deputed to the Company as its chief executive. MASUTA has promoted two joint venture companies, one each with an entrepreneur to market tasar yarn based fabric and with the Jharkhand Government owned Jharcraft to procure and supply cocoons to spinners and reelers. There has been a significant jump in yarn production

and MASUTA is now the largest indigenous tasar yarn supplier in the country. A vastly improved motorized tasar reeling machine has been developed by a couple of interns from the Delft University of Technology in the Netherlands. We are in the process of mobilising finances to fabricate and promote it on a large scale. The new machine will vastly enhance productivity and reeler incomes.

### SIALI LEAF PLATE PRODUCTION

The siali leaf-plate co-operative in Kandhamal has now been registered and increased its membership to 410. The turnover was Rs 28.2 lakh, which is almost entirely the income of the women producers as the raw material is free.



Programme	Total 2007-08	Banks	Government subsidies	Donors	People's own resources
Agriculture	604	111	17	45	471
Horticulture	354	12	259	61	22
Forest-based	171	1	71	0	99
Livestock	265	66	102	65	32
Micro-enterprises	906	225	461	13	207
Land & Water Resource Development	764	1	659	52	52
On-going Subsistence Activities	1,271	238	0	0	1,033
<b>Total</b>	<b>4,335</b>	<b>654</b>	<b>1569</b>	<b>196</b>	<b>1,916</b>

TABLE 13



## RESOURCE MOBILISATION

As in previous years, we mobilised significant financial resources to enable poor people create or acquire livelihood assets and sustain production. Government contribution from various programmes for poverty alleviation, either through PRADAN or received by people's groups directly is the largest source of development finance. This was followed by people's own resources (including credit from SHGs) and credit from banks. Credit from own savings in SHGs contributes significantly, especially towards on-going subsistence activities and to meet contingencies. SHGs are able to leverage significant sums from commercial banks.

PRADAN leveraged Rs 43.35 crore in the reporting year from various sources as against Rs 44.80 crore in the previous year. The World Bank supported District Poverty Initiative Projects in Rajasthan, Madhya Pradesh and Chhattisgarh, Integrated Tribal Development Programme and Rashtriya Sam Vikas Yojana in Jharkhand and DFID supported Rural Livelihoods Project in M. P. were major sources of grants and loans. The State Tribal Welfare Department in Jharkhand, NABARD and the IFAD aided Tribal Development Programme supported our programme to develop land and water resources. Funds were also accessed from programmes like NREGS, SGSY, etc. Two teams (Alwar in Rajasthan and Rayagada in Orissa) received significant support from corporate bodies, namely SRF Ltd. and ITC Ltd.



# Influencing Policy







We participated in implementing NREGP in several locations across states. We also implemented a pilot project supported by the GoI Ministry of Rural Development (MoRD) and the United Nations Development Programme (UNDP). The focus of the project was to build capacity of Gram Panchayats (GPs) to plan and implement INRM activities under NREGP. This six month project was implemented in 10 selected GPs each in Khunti and Dumka districts of Jharkhand, Mayurbhanj and Kandhamal district of Orissa and Raigarh district of Chhattisgarh. High incidence of poverty, prior social mobilisation by PRADAN and the scope of INRM-based livelihoods for poor people were the criteria in selecting the GPs.

The pilot contributed significantly in generating awareness about NREGP among the households, the broader social milieu and the panchayats. However, more time would be needed to stimulate adoption of well designed INRM projects under NREGP that would generate full employment for poor people in the short term and create durable assets to enhance livelihoods sustainably in the long run. There is more awareness among officials at various levels about taking up INRM works under NREGP. Gramsabha attendance has increased and is leading to participatory planning and transparent practices. Panchayat ward members are taking interest in Gramsabhas and people at the hamlet level are beginning to make demands. Two or more Local Resource Persons (LRP) have been trained in every village to help the residents interpret the rules and regulations, claim rights and complete the





paper work. NREGP works are now not limited to large ponds and roads but also include plantations, land levelling, soil-moisture conservation works, diversion channels, small farm ponds etc. People are pressurizing Panchayats to accept job applications, earlier denied to obviate the need to create employment or pay unemployment allowance and are demanding proper wages, proper record keeping and worksite facilities. The practice of the Sarpanch keeping the job cards has stopped and people retain their job cards. Overall employment under NREGP has increased though it is yet to reach 100 days for all households. However, the demand for wage employment would be met if the Gramsabha plans developed during this project are executed.

The pilot highlighted several issues that affect programme implementation. For instance, it is difficult to ensure everybody's participation at a Panchayat-wide Gramsabha; participatory planning is most effective at the hamlet level. NREGP planning could be done in hamlets and such plans consolidated at the Panchayat level. Similarly, the local Vigilance and Monitoring Committee provided for in the programme would be more effective if it were formed by the Gramsabha and reported to it rather than the present practice of members being selected by Panchayat officials. The need to keep Panchayat offices open regularly and stocked with

the necessary forms; the need to set up bank extension counters to facilitate payment through banks; strengthening social audit; ensuring adequate funds at the Panchayat to enable them to take up INRM works and provide 100 days' employment; need for more clarity among officials at all levels about permissible works, sites and cost norms; enhancing remuneration to the Panchayat and Ward members; the need for trained personnel like the LRPs and the need to invest more resources to build people's awareness are some of the issues thrown up by the pilot.







## DISTRICT PLANNING EXERCISES

Under a new initiative by the Planning Commission, PRADAN was selected as one of the technical resource agencies to facilitate district level planning in Purulia and Bankura districts of West Bengal, West Singhbhum and Khunti districts of Jharkhand, Kanker and Raigarh districts of Chhattishgarh and Kandhamal and Mayurbhanj districts of Orissa. However, work could be completed only in Kanker and Bankura due to delays in the districts. In other districts, the process is about to begin.

In both Kanker and Bankura we began with a district level workshop for the district and block level officials. A common vision for the district was developed and the strategies to realise the vision, suitable planning process and a timetable were worked out. Block level consultations were also organised to orient the block and Panchayat officials. We demonstrated the approach in a few Panchayats and then the teams of officials conducted it in the remaining Panchayats. Panchayat-wise plans were collated at block and district levels and matched with the resources available under different government schemes. We then prepared the draft district plans by accessing information on various aspects in the district and presented them to the District Planning Committees for feedback. We worked on the feedback and sent the final plans to the districts for approval. The whole exercise took about four months.



## POLICY ADVOCACY

We organised a day-long workshop on Producer Companies. This was a learning event under the aegis of the National Resource Centre. The objective of the workshop was to bring together various livelihood practitioners, researchers and other interested stakeholders to understand the state of the art of producer companies and cull out issues, opportunities and challenges to guide policy advocacy. The workshop was chaired by Dr. Y. K. Alagh.

Subsequent to the Workshop, a working group on Producer Companies has been formed with Mr. Nitin Desai, former Chief Economic Advisor to the Government of India as the Chairperson. The working group will examine the Producer Company legislation in light of the issues thrown up by the workshop and suggest ways to strengthen the Act. Among the issues to be taken up are taxation, financing and other shortcomings that impede producer companies from becoming effective institutions to link poor producers to markets.



# NREGA FOR INRM

## ELORA SHOWS THE WAY

### CASE STUDY

WE have been searching for opportunities to demonstrate the use of NREGA funds to promote integrated natural resource management (INRM). INRM we believe is the way to remove mass poverty in the rain-fed farming regions in our country, especially in the east where rainfall is abundant but goes waste and NREGA has almost limitless resources to finance the largely labour intensive activities leading to INRM. Gopalpur Panchayat of Hirbandh block in Bankura district looked promising as it had won the national award for extraordinary work in NREGA in 2006-07 and we had already promoted SHGs in the Panchayat. There was also some anxiety for they had so far only focused on construction and renovation of big ponds and construction of roads to spend nearly a crore of rupees in a financial year.





We met a prominent Panchayat leader and convinced him to initiate a meeting with other panchayat members, the Panchayat Secretary, etc. In the meeting, while appreciating their managerial skills that fetched them the national award, we pointed out that they had spent almost Rs 10 lakh each to excavate large ponds, and each such pond would benefit no more than half a dozen farmers with land around it. We asked if they would consider digging smaller ponds in the fields of 100 farmers at the cost of Rs 10,000 each so that Rs 10 lakh would benefit 100 rather than half a dozen farmers! We also explained that if these farm ponds were dug in a contiguous area the water table would rise, a second crop might be feasible after the monsoons and who knows, with a bit of luck the local stream may come alive again!

Well, they took us on and asked us to demonstrate it as a model in three villages before the financial year came to a close in six months!

At our request six people were chosen from each village to function as community resource persons (CRP) to help others in the village to plan and execute the work. We organized a three-day training programme for the CRPs. The Block Development Officer (BDO) also responded positively and not only promised to approve the plans quickly but also financed the training of the CRPs. We took the CRPs to Bandudih in Purulia where we had done similar work. A few Panchayat members also went along. The exposure was an eye opener for all of them.

Following the training the CRPs went to their respective villages with PRADAN professionals and shared the ideas in village meetings. After getting the agreement from

the villagers detailed plans were made for each parcel of land and Elora, the poorest village in the Panchayat quickly came up with proposals for 300 small water harvesting ponds. The Village Development Committee approved and presented the plan to the Gram Panchayat which approved and sent it to the block.

We arranged a meeting in the village to discuss criteria for sequencing the work. We suggested a mix that would combine the NREGP guidelines with concern for equity and the technical consideration of saturating an area to get maximum impact on ground water. The three criteria agreed for setting priority were that the owner should be ST, SC or below the poverty line; one family must get only one pond in the first phase; and a contiguous patch should be treated as far as possible.

The Panchayat Secretary advised that estimates be made for larger patches of land rather than individual parcels to expedite the planning process and that each proposal should be limited to Rs 2.5 lakh, the sanctioning limit at the block. Thanks to this advice, we were able to make the proposals quickly and same were equally quickly approved by the BDO.

While implementing the project PRADAN professionals demonstrated to the CRP the procedure for laying out the plans on the field in presence of the land owners. Following this the CRPs and the rest of the villagers made the layout for the whole village in quick time. Wage rates were discussed in village meetings and the villagers were asked to bring the job card everyday to the excavation site. Two SHGs in the village were given the responsibility to make payments and were remunerated for that. Attendance schedules were kept at the site. To ensure timely payment of wages PRADAN professionals worked closely with the works assistant of the Panchayat to carry out measurements every week to 10 days.

A part of the land has already been treated in the first phase and the villagers have already made plans to adopt the SRI technique of paddy cultivation and cultivate vegetables around the small ponds.

Seeing the work in Elora the Panchayat leaders have now requested PRADAN to help them prepare similar INRM plans for all the villages of Gopalpur Gram Panchayat. We have begun planning in another village. So we can see a huge potential gradually unfolding in this area.



# Human Resource Development





## HUMAN RESOURCES IN PRADAN

Particulars	31 March 2008			31 March 2007		
	Total	Men	Women	Total	Men	Women
Executives	175*	143	32	188	150	38
Assistants	83	69	14	75	66	9
Apprentices	83	66	17	63	47	16
Total	341	278	63	326	263	63
Technical Support	56	52	4	58	56	2
Field Help	67	61	6	66	57	9
Grand Total	464	391	73	450	376	74

\*Excluding 20 on long leave (our reporting in Mar 07 included people on long leave)



## RECRUITMENT, INDUCTION AND ONGOING PROFESSIONAL DEVELOPMENT

The composition of human resources in PRADAN is presented in Table 14.

Fifty six Executives joined this year, for the first time exceeding our target to induct 50 Executives every year. However, there was an increase in attrition from 13 percent in the previous year to 19 percent. Consequently the net addition of Executives – 18 against 15 in the previous year – was well below our requirement. This is an area of serious concern and we are working on long term strategies to deal with it. A more aggressive and systematic recruitment of experienced professionals directly as Executives is part of the strategy and we were able to recruit six professionals this year.





We revised the curriculum for our Development Apprenticeship programme following an external review earlier. This was piloted with two batches this year. A pool of internal and external faculty is now in place for the two Foundation Courses that are part of the new curriculum. As apprentices learn from practice in our projects, we began giving systematic feedback to the project teams about the effectiveness of the learning process on the basis of data collected from graduating apprentices.

We conducted a four-phase Case Writing and Case Teaching programme for 42 PRADAN professionals. As the cases were based on the writers' practice the programme helped participants sharpen their analytical and problem solving abilities besides imparting concrete skills in writing and case teaching. We now have a pool of professionals as resource people for training programmes internally as well as outside PRADAN. The 49 cases deal with a wide range of issues pertaining to development as well as organisation management and would be published as a book.

We finalised an exchange programme with SHARE People of the Netherlands for visits by our mid-career professionals to the Netherlands and professionals from various Dutch organisations to our projects. It would give our professionals exposure to alternate work culture and models of business. The three year contract with SHARE People would become operative early next year.

Internal training programmes conducted during the year include a three-phase Field Guides Development Programme to expand the in-house pool of professionals responsible for grooming apprentices, a leadership orientation programme was piloted to orient new Team Leaders to their responsibilities and a two-phase livelihoods training programme that included participants from other organisations besides PRADAN. The third and final round of the Programme on Group Facilitation was completed. A brainstorming exercise was carried out on possible models for building Peoples' Organizations.





TABLE 15

Block	Number of CRPs	Roles	Compensation system
Kashipur	65	Promote SHGs, train and help SHGs	PRADAN pays on activity basis
Hirbandh	26	and families to plan and implement INRM	-do-
Saltora	33	works (rainwater harvesting structures,	-do-
Bankura-I	20	planting fruit and timber trees, agriculture, etc.)	PRI makes payment

## COMMUNITY RESOURCE PERSONS

We rely exclusively on professionals to establish ourselves and create outreach when a project is being set up in a new location. This creates a strong foundation, based on trust between the people we work with and PRADAN. The same applies to developing new livelihood prototypes and action strategies where much experimentation and trial and error is involved. Over time we groom and engage local people in various transactional roles as SHG accountants, Computer *Munshis*, grainage entrepreneurs, store keepers for co-operatives, supervisors for livelihood activities, etc. These tasks do not involve inducing behavioural changes among individuals and groups.

There is intense interaction with people in villages in the course of the project and livelihood activities get routinised. A large number of women and men from project villages are trained and undergo transformative experiences as members of primary groups and larger formations. Many among them pick up skills

and perspectives needed to facilitate change processes among people like themselves and are motivated to do so. This is the situation across most of our projects today. Scores of people in villages in each of our projects could perform some of the tasks hitherto performed by PRADAN professionals, such as mobilising groups, seeding new ideas, training for new skills, etc. Acknowledging this we began to train and engage such people in significant numbers this year as Community Resource Persons (CRP).

Nearly 1,500 CRPs worked in our projects during the year, helping individuals and groups. This excludes nearly 6,000 SHG accountants. Several of them were attached with producers' groups and organisations, while others were monitored and paid directly by PRADAN. We have initiated measures so that CRPs are governed and paid by organisations of the people they serve, such as producers' groups, SHG federations, PRIs, etc. An example of roles played by and compensation system for CRPs in different blocks in our Bankura project is given in Table 15.



PRADAN has a Research and Resource Center headed by a senior professional to facilitate documentation of experience, developing communications material, promoting research on issues relevant to our work and orchestrate advocacy on issues thrown up by our grassroots work.

## SECTION 5

### Documentation & Communication

#### Documentation

We prepared training and communication material on System for Rice Intensification (SRI) drawing on our extensive work in eastern India. This is aimed to aid large scale expansion of SRI envisaged in our projects. The material consists of a set of posters, banners, a *phad*, a training manual and a guide book. The materials are to be used as communication and training aids by field staff and local resource persons. Our in-house journal News-Reach is back on track with the engagement of a full time staff member.

#### Communication

A new set of films, "Lighting up the Hills" and "*Paharon Se Upar*" in English and Hindi, respectively, have been made on our work with the Pahariya community in Jharkhand. The film was made with financial assistance from the UNDP and highlights our livelihood interventions, with special emphasis on the health programme.

A new project to develop an intra-net for PRADAN has been initiated. The intra-net will be a facility for everyone in the organisation to share and access information. There will also be enhancement on the existing web-site, with addition of a special section targeted at the academic campuses and reach out to students.





## SECTION 6

# Governance

The Governing Board met thrice this year and the General Body had one meeting.

PRADAN professionals have always played a key role in its institutional development, in defining its mission and achieving its objectives since inception. Organisation structures and processes have been created to retain this spirit and ensure systematic involvement of PRADAN professionals at all levels of experience as the organisation has grown over the years. This year's Annual Staff Retreat was devoted to deliberating on grassroots methodology of PRADAN and to delineate ways to enhance the "agency" of the groups we work with. Two Consultative Forum Meetings attended by Team Leaders and other senior professionals dealt with planning, budgeting and review and also deliberated on various internal governance issues. The Executive Committee comprising of the Executive Director and Programme Directors met five times during

the year to decide on matters relating to management and internal governance.

Following from the Vision 2015 exercise, a new organisation structure was delineated for PRADAN to address the development challenges of the future. Among other things, the new structure calls for strengthening of group based decision making processes at all levels, initiation of State units led by Programme Directors and finding ways to formalise the *de facto* involvement of professional staff in institution building of PRADAN. With the consent of and support from our Governing Board we have begun implementing the new structure and processes in stages. State units have been organised. State Steering Committees consisting of the concerned State Programme Director, all Team Leaders in the State and other experienced Executives now function in all the seven States. Work is in progress to put in place other elements of the structure.

### MEMBERS OF PRADAN'S GOVERNING BOARD

Dr. Ravi Chopra	Chairperson
Ms. Bharti Gupta Ramola	Vice-Chairperson
Mr. Ajay S Mehta	Honorary Member
Mr. M.A. Krishnan	Honorary Member
Ms. Asha Swarup	Honorary Member
Prof. (Ms.) Kanchan Chopra	Honorary Member
Ms. Nivedita Narain	Nominated staff member
Mr. Satyabrata Acharyya	Nominated staff member
Mr. Soumen Biswas	Ex-Officio Member and Secretary

### MEMBERS OF THE FINANCE AND AUDIT COMMITTEE

Ms. Bharti Gupta Ramola	Convenor
Mr. Ajay S. Mehta	Member
Mr. Soumen Biswas	Member

### AUDITORS

Messrs V Nagarajan and Co



## AUDITORS' REPORT TO THE MEMBERS OF PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN)

We have audited the attached Balance Sheet of PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN) along with the accounts of various Income Generation Program based funds, a Society registered under the Registration of Societies Act and having its registered office at 3, Community Shopping Centre, Niti Bagh, New Delhi 110 049 as at March 31, 2008 and the Income and Expenditure account for the year ended on that date annexed thereto.

### RESPECTIVE RESPONSIBILITIES OF MANAGEMENT AND AUDITORS

These financial statements are the responsibility of the management of the Society. Our responsibility is to express an opinion on these financial statements based on our audit.

### BASIS OF OPINION


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 the management, as well as evaluating the overall presentation of financial statement. We believe that our audit provides reasonable basis for our opinion. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

We have no relationship with or any interests in the society other than our capacity as auditors.

### OPINION

1. In our opinion, proper books of accounts as required by the law have been kept by the Society so far as appears from our examination of the books maintained at the Head Office and all the branches of the Society visited by us
2. The Balance Sheet and the Income and Expenditure account dealt with by this report are in agreement with the books of accounts;
3. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Income and Expenditure Account and other accounts relating to various funds, read together with the notes on accounts attached thereto, give a true and fair view:
  - i. In the case of the Balance Sheet, of the state of affairs of the Society as at March 31, 2008 and
  - ii. In the case of Income and Expenditure account, of the Excess of Expenditure over Income of the Society for the year ended on that date.

PLACE: NEW DELHI,  
DATED: JUNE 7, 2008

for  
V. NAGARAJAN & CO.  
Chartered Accountant  
  
(V. NAGARAJAN)  
Partner





## BALANCE SHEET AS AT MARCH 31

2008

2007

## SOURCES OF FUNDS

CORPUS	85,768,241	65,565,343
CAPITAL AND GENERAL FUNDS	137,860,520	158,076,479
SPECIFIED FUNDS	1,843,896	7,699,024
<b>TOTAL</b>	<b>225,472,657</b>	<b>231,340,846</b>

## APPLICATION OF FUNDS

Owned Assets		
In possession	38,321,348	28,656,080
Less: Depreciation	13,161,529	13,458,352
	25,159,819	15,197,729

## Community Assets held by PRADAN

In possession	3,974,044	7,941,115
Work in Progress	1,543,239	13,592,082
	5,517,283	21,533,197

INVESTMENTS	78,401,795	71,279,544
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MICRO ENTERPRISES DEVELOPMENT FUNDS	2,355	206,018
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## CURRENT ASSETS AND ADVANCES (A)

Current Assets	125,420,912	120,292,713
Advances	19,734,186	23,664,779
	145,155,098	143,957,492

## CURRENT LIABILITIES AND PROVISIONS (B)

Current Liabilities	12,955,441	7,270,351
Provisions	15,808,251	13,562,782
	28,763,692	20,833,133

NET CURRENT ASSETS (A-B)	116,391,405	123,124,359
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<b>TOTAL</b>	<b>225,472,657</b>	<b>231,340,846</b>
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(V. NAGARAJAN)

Partner




Chairperson




Executive Director



Members of Governing Board



New Delhi,

Date: June 7, 2008



# INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31

2008

2007

## INCOME

Contributions/Grants Received	247,846,768	275,403,075
Income on Investments	20,836,466	14,836,267
Other Receipts	3,709,942	2,394,975
<b>Total</b>	<b>272,393,177</b>	<b>292,634,317</b>

## EXPENDITURE

Rural Livelihood Promotion Programmes	214,914,384	174,580,239
Livelihood Programme Support	32,729,305	25,023,172
Human Resource Development	18,397,546	9,522,620
Research & Documentation	8,813,032	4,937,477
Administration	10,955,490	8,654,098
<b>Total</b>	<b>285,809,756</b>	<b>222,717,606</b>


## Non-Cash Charges

Diminution in Value of Investments	5,495,213	1,797,615
Loss on Sale of Investment	-	673,485
Unserviceable Assets & Unrecoverable Advances Written Off	461,374	2,023,771
Depreciation	-	-
<b>Total</b>	<b>291,766,344</b>	<b>227,212,476</b>

Excess of Income over Expenditure	(19,373,168)	65,421,841
	<b>272,393,177</b>	<b>292,634,317</b>

## APPROPRIATION

Balance Brought Down	(19,373,168)	65,421,841
Transfer to/(from)		
Income Appropriated to Corpus	898,291	573,407
Assets Utilization Reserve - Acquisitions (Net)	(6,053,823)	1,090,842
Restricted Funds	(24,718,345)	57,613,194
Unrestricted Funds	10,500,710	6,144,397

  
(V. NAGARAJAN)  
Partner




  
Chairperson



  
Executive Director

New Delhi,  
Date: June 7, 2008

  
Members of Governing Board





# NOTES ON ACCOUNTS

## 1. INCOME RECOGNITION:

- a) All grants are recognised on cash basis and expenditure and liabilities are recognised on accrual basis.
- b) In the case of a programmes undertaken with the support of some Government and other agencies, though the funds received are in the nature of Program Execution Charges under a contract, the same is reported as grant in view of the restriction on the expenditure and is in the nature of reimbursement of cost.

## 2. FORMAT OF ACCOUNTS:

The Income and Expenditure has been classified based on the cost of activities carried out by the organisation, while Natural Head wise Income and Expenditure account is provided in Schedules 18, forming part of the accounts. The activity-based costs are identified, based through a documented process, by the Management.

## 3. FIXED ASSETS AND DEPRECIATION:

Rs 30,677,102

Fixed assets are stated at Cost, after reducing opening accumulated depreciation. Acquisitions of assets though they are charged to the Funding Agency's grants are retained in the books by creating a fixed assets utilization reserve. Direct Costs are capitalized until the assets are ready for use. Depreciation Rs 2,610,742 has not been provided for the year and the net worth of Fixed Assets is Rs 23,937,488.

Community assets held by the society represents assets created out of donor fund for the benefit and ultimate use by the community and are transferred to community in due course.

## 4. CORPUS INVESTMENTS

COST Rs. 85,694,623

MARKET VALUE Rs 78,401,795

- a) After providing a sum of Rs 7,292,828 (previous year Rs. 1,797,615) being diminution in the value, the estimated net worth of the portfolio of investments as per market/realizable prices as at March

31, 2008 was Rs 784.02 lakh (against the cost of Rs 856.95 lakh).

- b) Diminution in the value of investments amounting to Rs 7,292,828 has been calculated by comparing total cost of investment with market value of total investments as on March 31, 2008.

## 5. ADDITION TO CORPUS

Rs 20,202,898

This represents corpus grant Rs 7,500,000 and Rs 11,804,607 from Sir Dorabji Tata Trust and The Ford Foundation respectively, and interest income appropriated on corpus investments Rs 898,291 as per the term of grant agreement with Sir Dorabji Tata Trust.

## 6. SPECIFIED FUND HELD IN TRUST:

Rs 18,43,896

This includes Rs 628,112 held in trust by the Society to be used as revolving fund for specific project activities, and the balance fund represents loans for purchase of two wheeler vehicles for field staff.

## 7. EMPLOYEES WELFARE FUNDS / PROVIDENT FUND / GRATUITY / LEAVE ENCASHMENT / MEDICAL BENEFITS/ LEAVE TRAVEL BENEFITS

- a) Provident fund benefit from society: A total of Rs. 5,253,233 (Previous Year Rs. ) has been provided as society share of contribution to recognized provident fund.
- b) Gratuity: Provided during the year Rs. 1,910,396 (Previous year Rs. 943,503).
- c) Leave Encashment: Provided during the year Rs. 1,485,697 ( Previous Year Rs.1,219,807 )
- d) Society has not earmarked funds that represent the liability on gratuity and leave encashment.
- e) Medical Benefits:
- i) Society's contribution to medical fund during the year Rs. 1,802,750 corresponding contribution by employees to the fund amounts to Rs. 673,750 (Previous year Society Rs. 1,919,108, Employees Rs. 529,425).



- ii) As on March 31, 2008 total balance in medical funds stands at Rs. 1,712,675 (Previous Year Rs. 11,45,551).
- iii) As on March 31, 2008 total estimated liability against the medical fund, based on employees' entitlement stands at Rs. 3,649,453.
- f) Leave Travel Concession:
  - i) Paid during the year Rs. 228,308 (Previous year Rs.306,914 ).
  - ii) Estimated liability based on employees' entitlement is not ascertained.

#### 8. LOANS TO SELF HELP GROUPS:

- a) On Behalf of ICICI Bank  
The Society disbursed a total of Rs 15,645,352 (Previous year Rs 5,499,172, this year Rs 10,146,180), as loans to Self Help Group's for undertaking livelihood activities out of funds received from ICICI Bank. The liability to repay the loans remains with the Groups and the Society is responsible to collect the amount from the Groups and repay to ICICI Bank as per the contract between ICICI Bank and the Self Help Group's. The Society has repaid a cumulative of Rs 13,325,692 (till Previous year Rs. 10,146,180, paid this year Rs 3,179,512) to ICICI Bank out of this loan.
- b) On Behalf of Dewan Foundation, UK  
The Society disbursed a total of Rs 11,160,250 out of a total of Rs. 11,160,250 received in trust from Dewan Foundation (Previous year Rs 55,21,546, this year Rs 5,638,704), to Self Help Group's for undertaking livelihood activities. The liability to repay remains with the Groups and the Society is responsible to collect the amount from the Groups and repay to Dewan Foundation.

#### 9. BANK BALANCES

In Fixed deposits: Rs. 65,117,660

- a) Includes Rs.19,95,000 pledged with commercial banks as security against micro finance loans provided to Self Help Groups.
- b) Includes Rs 100,000 deposited as bank guarantee for MPRLP project undertaken in Samanapur and Amarapur blocks of Dindori district.

#### 10. EXPENSES INCURRED ON GOVERNING BOARD:

- a) During the year, the Society has incurred an expenditure of Rs.107,194 (Previous Year Rs. 107,395) on traveling, conveyance and boarding & lodging by the members of the Governing Board.

#### 11. INTERNAL AUDIT SYSTEMS:

- a) A structured Internal Audit system commensurate with size, nature and expanse of operations of the Society is in place and review of the same is conducted periodically.

#### 12. OTHERS:

- a) Auditors' remuneration includes Rs. 585,000 excluding service tax (Previous Year Rs. 561,200) as audit fee, while the balance is for other services rendered. Reimbursement of travel and conveyance Rs. 287,767 ( Previous Year Rs. 246,969 )
- b) Contingent liabilities in respect of liabilities of peoples' organizations and trusts where the Society is involved in the promotion and support of the same. - Not ascertainable.
- c) Previous year figures are regrouped and rearranged wherever necessary.

  
(V. NAGARAJAN)  
Partner




New Delhi,  
Date: June 7, 2008

  
Chairperson



  
Executive Director

  
Members of Governing Board





## ACKNOWLEDGEMENTS

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PRADAN received financial support from several Indian and overseas organisations. We gratefully acknowledge the support of all our donors as listed below:

### INDIAN FUNDING AGENCIES

Sir Ratan Tata Trust  
 Tribal Welfare Commission, Government of Jharkhand  
 Sir Dorabji Tata Trust  
 Ministry of Rural Development, Government of India  
 Central Silk Board  
 SRF Limited  
 District Rural Development Agencies (DRDA)  
 NABARD  
 ITC Limited  
 India-Canada Environment Facility (ICEF)  
 District Poverty Initiatives Projects (DPIP) MP & Rajasthan  
 Jharkhand Tribal Development Society  
 M.P. Rural Livelihoods Project (MPRLP)  
 Zila Panchayat (MP & Chattisgarh)  
 National Dairy Development Board (NDDB)  
 UNICEF  
 World Food Programme  
 Department of Science and Technology, Government of India  
 Department of Sericulture, Government of M.P.  
 Bihar Rural Livelihood Promotion Society (BRLPS)  
 Basic Tasar Silkworm Seed Organisation (BTSSO) Bilaspur  
 United Nations Development Programme (UNDP)  
 District Poverty Reduction Project, Chhattisgarh  
 Orissa Tribal Livelihoods and Empowerment Project (OTLEP)  
 Small Industries Development Bank (SIDBI)  
 Environment Planning and Coordination Organisation (EPCO)  
 DRDC Purulia, Government of West Bengal

### FOREIGN FUNDING AGENCIES

ICCO, The Netherlands  
 Poorest Areas Civil Society (PACS) Programme  
 American India Foundation  
 Aga Khan Foundation  
 FRR, A Division of THEIDL Group Ltd.  
 Rabo Bank Foundation  
 Fucid, Belgium  
 David Galloway, Canada  
 Australian Centre for International Agriculture Research  
 Lutheran World Relief  
 The Ford Foundation

We also gratefully acknowledge contributions to our Corpus Fund made in the past by the Ford Foundation, the Industrial Development Bank of India, the Industrial Credit and Investment Corporation of India, the Industrial Finance Corporation of India, ICCO of the Netherlands, Sir Dorabji Tata Trust and Sir Ratan Tata Trust. We further acknowledge additional contributions to the Corpus Fund made this year by the Ford Foundation and Sir Dorabji Tata Trust.

# PRADAN Offices

Mr. Anil Verma  
PRADAN  
C/o Ayodhya Prasad Verma  
Road No.6, Shastri Nagar  
North Side of Jail Press Quarter  
Gaya  
Bihar – 823 001  
Telephone: 0631 – 2410088

Mr. Kashi N. Metya  
PRADAN  
Vinobha Nagar  
Boirdadar Chowk  
P.O. - Boirdadar  
Raigarh  
Chattisgarh – 496 001  
Telephone: 07762-225887

Mr. Satyabrata Acharyya  
PRADAN  
Rukmini Tower  
3rd floor, Harmu Bypass Road  
P.O – Ranchi  
Jharkhand -- 834 001

Mr. Saroj Mahapatra  
PRADAN  
Near NABARD Office  
Gandhitola New Colony  
Chaibasa  
Jharkhand – 833 201  
Telephone: 06582-257679

Ms. Dhrubaa Mukhopadhyay  
PRADAN  
Flat No. 1, Chetna Apartments  
Opposite DC's Residence  
P.O. & District B. Deoghar  
Jharkhand – 814 112  
Telephone: 06432-231355

Mr. Jibdas Sahu  
PRADAN  
C/o Pradip Kumar Yadav  
Rampurhat Road  
Near Police Line, Dumka  
Jharkhand – 814 101  
Telephone: 09334112538

Mr. Binod Raj Dahal  
PRADAN  
Behind Block Quarters  
Gandhi Nagar, Godda  
Jharkhand – 814 133  
Telefax 06422-222624, 222503

Mr. Pankaj Das  
PRADAN  
2nd Floor, Narsaria Complex  
Jashpur Road, Gumla  
Jharkhand – 835 207  
Telephone: 06524-223807

Mr. Bishnu Parida  
PRADAN  
Quarter. No.341, F-Road  
West Layout, Sonari  
Jamshedpur  
Jharkhand – 831 011  
Telephone: 0657-2301093

Mr. Ashis Chakraborty  
PRADAN  
Ashirwad Bhawan  
Saketpuri, Near Shiv Mandir  
Hazaribagh  
Jharkhand - 825 301  
Telephone: 06546-272522

Mr. Avijit Mallik  
PRADAN  
C/o Mr. Kishore Chatterjee  
Devi Mandap Road  
Jhumri Telaiya  
District: Koderma  
Jharkhand – 825 409  
Telefax 06534 – 225533, 224427

Mr. Alak K. Jana  
PRADAN  
Near Check Post, Torpa Road  
District- Khunti  
Jharkhand – 835 210  
Telephone: 06528-220164

Mr. Santosh Tiwari  
PRADAN  
Raghutoli, Lohardaga  
Jharkhand – 835 302  
Telephone: 06526-224358

Mr. Rabindra Nath  
PRADAN  
169, Cooperative Colony  
First Floor, Bokaro Steel City  
Jharkhand  
Telephone: 06542-320971

Md. Amjad Khan  
PRADAN  
P.O. Sukhtawa  
Kesla, District Hoshangabad  
Madhya Pradesh – 461 553  
Telephone: 07572-271338, 271508

Ms. Archana Singh  
PRADAN  
Khanuja Colony  
(Opp. Seva Bharti Hostel)  
Dindori  
Madhya Pradesh – 481 880  
Telephone: 07644-234665

Mr. Om Prakash  
PRADAN  
Above Allahabad Bank  
Hospital Chowk  
At & P.O. - Sidhi  
Dist: Sidhi  
Madhya Pradesh – 486 661  
Telephone: 07822 – 251835

Mr. Jogen Kalita  
PRADAN  
Above Majdoor Bedi Works  
Talkies Lane  
At & P. O. Sironj  
District Vidisha  
Madhya Pradesh – 464 228  
Telephone: 07591-253963



Mr. Amulya Kumar Khandai  
PRADAN  
Patra Sahi, Balliguda  
Dist: Kandhamal  
Orissa - 762 103  
Telephone: 06846-243119

Mr. Manas Satapathy  
PRADAN  
MB - 36  
Bada Gada Brit Colony  
Bhubaneswar  
Orissa - 751 018  
Telephone: 0674-2314140

Mr. Surjit Behera  
PRADAN  
At: Karadia (Ward No.2)  
Thakurmunda Road  
Karanjia  
Dist: Mayurbhanj  
Orissa - 757 037  
Telephone: 06796-221201

Mr. Ajaya K. Samal  
PRADAN  
Gourtoti Sahi  
Near Telephone Exchange  
Keonjhar  
Orissa - 758 001  
Telephone: 06766-253066

Mr. Ajit K. Naik  
PRADAN  
C/o A. S. Rao  
At & P.O. Jaykaypur  
Infront of Pentecostal Church  
District: Rayagada  
Orissa  
Telephone: 06856-233075

Mr. Shouvik Mitra  
PRADAN  
1/363 Anand Nagar  
Saipau Road  
Dholpur  
Rajasthan - 328 001.  
Telephone 05642-223671

Mr. Dibyendu Chaudhuri  
PRADAN  
H/O Bidyut Nandi,  
Kathjuridanga  
Uttarayan Pally  
P.O: Kenduadih  
Bankura  
West Bengal  
Pin: 722102  
Telephone: 03242 - 252385

Mr. Avijit Choudhury  
PRADAN  
Lal Mohan Trivedi Lane  
Nilkuthi Danga  
Dist - Purulia  
West Bengal - 723 101  
Telephone: 03252-223144

Ms. Sahana Mishra  
PRADAN  
Plot No.3, Gayakhuri Road  
SBI colony, Balaghat  
Madhya Pradesh  
Telephone: 07632 - 243506

Mr. Pramod K. Sahu  
PRADAN  
Mishra Colony,  
Ram Nagar Pada  
Bhawanipatna  
Dist: Kalahandi  
Orissa-766 001  
Telephone: 06670-231999

Ms. Madhu Khetan  
PRADAN  
C/o Mr S R Kanhai  
61 Amaltas 2 Colony  
Chuna Bhatta  
Kolar Road, Bhopal  
Madhya Pradesh  
Telephone: 0755-2561183

Md. Amjad Khan  
PRADAN  
Near I.K. Bhojanalaya  
Housing Board Colony  
Behind Avatar Singh's House  
Betulganj, Dist: Betul  
Madhya Pradesh - 460 001  
Telephone: 07141-232871

Mr. Manoj Kumar  
PRADAN  
Kailashpati Nagar  
Rudri Road  
Dist: Dhamtari - 493 773  
Chattisgarh  
Tel: 09893536079

Mr. D. Narendranath  
PRADAN  
D-69, Gulmohur Park  
New Delhi - 110 049  
Telephone: 011-26851171

Mr. Soumen Biswas  
PRADAN  
3, CSC  
Niti Bagh  
New Delhi - 110 049  
Telephone: 011-41640611



Enhancing peoples' capability to take charge of their development and lead a life of dignity is basic to PRADAN's approach



**THE** inspiration to set up PRADAN was the belief that capable and caring people are critical for social development. PRADAN believes that well educated and socially inspired people need to work with village communities to hasten social development. Enhancing peoples' capability to take charge of their development and lead a life of dignity is basic to PRADAN's approach. We work in teams with poor and disadvantaged sections of society, such as adivasis, scheduled castes, the landless or small and marginal cultivators, and especially women, to enhance livelihoods and well-being.

Following an area saturation approach, PRADAN works with 142,000 poor families in 38 districts across seven States in the poorest regions of the country. Our work involves organising poor women into savings and credit based Self Help Groups, developing and introducing locally suitable sectoral activities to expand economic opportunities in the hands of poor families, imparting skills, mobilising finances from government agencies and financial institutions, and nurturing local institutions to ensure that poor people sustain these livelihood gains. In the course of its work, PRADAN collaborates extensively with government agencies, banks, market institutions, panchayats, other voluntary organisations and research bodies.

For more information please visit PRADAN's website [www.pradan.net](http://www.pradan.net)

