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*With Blessings of Lord Manjunatha!:*

## **A Case of Shri Kshetra Dharmasthala Rural Development Project linking Microfinance with Livelihood Augmentation**

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### **Abstract**

*The organisations engaged in providing financial services continue to struggle to link their intervention with generating livelihoods that is the larger challenge of the country. Somewhere the MFIs get bogged down by the requirements of a financial institution to perfect systems for 100% repayment and quantitative parameters of self-sustainability. SKDRDP shows how it has been able to meet this challenge through backing of a religious shrine and a socially concerned Trustee of the shrine. At the same time the institution has been able to incorporate all the systemic advancements of an institution to provide finance services despite it's beginning primarily as a charity. This institution, now one of the biggest organisations in providing microfinance services in the country, both in terms of outreach and portfolio outstanding, is on an expansion spree from a concentrated geographical region. And this is when the true model of its success so far will be tested.*

*"The greatest challenge for SKDRDP, Dharmasthala is to prove itself in a place, where there is no aura of Dharmasthala. And we are ready to face this challenge!"*

### **1.0 Introduction**

Located around 300 Kms west of Bangalore, the capital city of Karnataka state, India, Shri Kshetra Dharmasthala is famous for the religious shrine of Lord Manjunatha. The place that has a history of about 600 years and was originally known as 'Kuduma' is a pious pilgrimage site for the people of the region.

The Heggades have been the trustees of this shrine from beginning. Discharging their responsibilities acting on the precepts of religion, the Heggades acquire an aura of divinity, which enables them to function as representatives of Lord Manjunatha. The Heggade executes his socio-religious responsibilities by extending the four traditional Danas (donations) Anna (food), Aushada (medicine), Vidya (education) and Abhaya (assuring economic security). As a result he acquires an aura about him and is regarded as the lawgiver, saviour and voice of Lord Manjunatha, dispensing justice, advice and munificence to all those who approach him with their problems and needs.

Twenty generations of the Heggade lineage have devoted their lives to manage and develop the Shri Kshetra Dharmasthala, along with carrying out improvements in health, education and infrastructure activities in the area. The current Heggade, Shri Veerendra

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Heggade, became the Dharmadhikari at the age of 20, in 1968. In addition to the responsibility of maintaining the religious shrine, he initiated various social and economic programmes in the region, which have made the place well known in Karnataka and beyond.

While the Dharmadhikaris have been renowned for charity, the Dharmasthala is known for the offerings of its Bhaktas (pilgrims). Interestingly these offerings are mostly by very common people, because it is the poor and ordinary rural folk who visit the shrine the most. The same offerings after meeting the establishment and maintenance expenditures of the temple are given away as charity. Charity is given by the Dharmadhikari in response to any help sought by poor and destitute families, either in the temple premises or at the village of the beneficiaries when the latter goes on a visit.

The Sri Kshethra Dharmasthala Rural Development Project (SKDRDP) evolved as a result of the interest of Shri Veerendra Heggade in the social and economic empowerment of the poor communities of the region. Though money generated from the poor was in some way going back to them in charity, it was being carried out in an ad hoc manner. Shri Heggade, realised that it was difficult to track the charity of Dharmasthala and its end use and deliberated on how the same charity

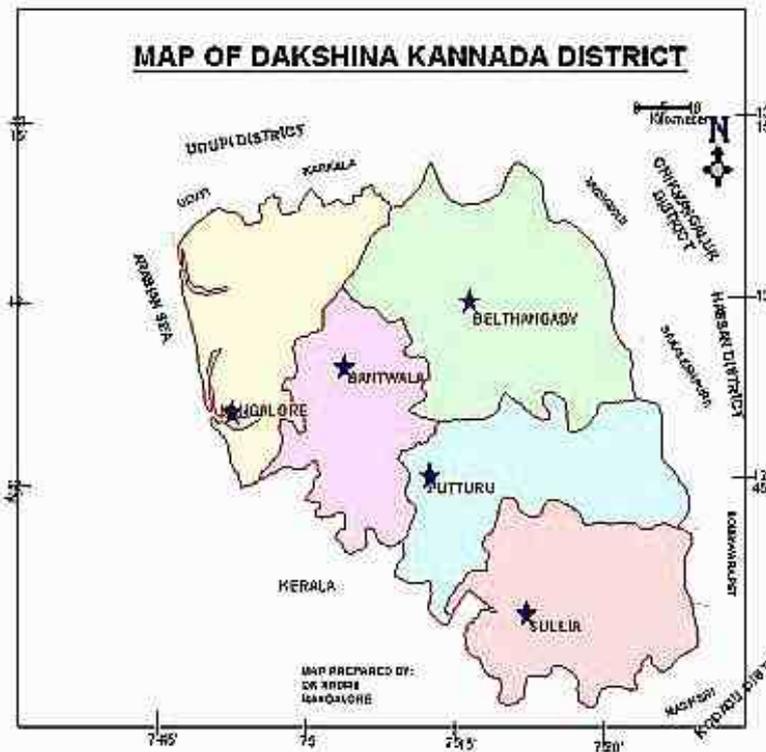
could be utilised in a much more productive manner. In the year 1982, when the Maha Bahubali statue was being coronated at Dharmasthala, Shri Heggade, conceived of two institutions SKDRDP and Rural Development and Self Employment Training Institute (RUDSETI), to serve the people in the rural hinterland, who were responsible for what Dharmasthala was. While Shri Heggade, promoted SKDRDP independently, RUDSETI was formed as a joint venture with Canara Bank and Syndicate Bank, the two nationalised banks having their origin in this region.

This case documents the efforts made by SKDRDP to augment the livelihoods of local communities through microfinance and other interventions.

## **2.0 Background**

### **2.1 Background of the region**

Dharmasthala is located in Belthangady taluka (block) of Dakshina Kannada district, on the banks of river Nethravathi, in southwest Karnataka on the west coast of India. The district from the Western Ghats towards the Arabian Sea is bounded by Udupi district in the North, Shimogga, Chikkamagalur and Hassan districts in the East, Coorg district and Kasaragod taluka of Kerala in the south.



The District is gifted with the bounty of nature viz., land, forest, water, livestock, flora and fauna. The important rivers of Dakshina Kannada District are Suvarnanadi, Shambavi (Mulki), Gurpur, Nethravathi, Pavanje, and Nandini. Only 36% of the total land area in the district is available for agriculture. The average landholding in the district is less than 1 ha. 70% and 18% of the farmers are marginal and small farmers having less than 1 and 2 ha. of land respectively. The total population of the district is 18, 97, 730, out of which 10% belong to SC and ST.

Belthangady taluka, lying in the eastern part of the district is covered by forests of the western ghat and has very low proportion of its land available for agriculture. The undulating terrain of the available cultivable land makes it suitable for a limited number of crops mostly plantation crops of rubber and areca nut. The habitation pattern is marked by low density with the families staying in isolated huts/ houses in the hillocks. So, a normal village or a panchayat in the taluka has relatively higher geographical spread. While the menfolk are farmers or daily wageworkers, the women apart from their domestic work and helping the men in farming, engage in beedi rolling.

Back in the 60s and 70s, very few people in the region had land and most used to work as agriculture labourers or tenants. The Abolition of Tenancy Act of 1974 and subsequent distribution fetched land for the erstwhile labourers and tenants. Though the law was able to provide land rights to the landless, the new landowners were not able to do much due to the nature of cropping in the region, which requires high investment with still higher gestation period.

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Alcoholism was also rampant in this region as it was backed by legitimacy of drinking during the rituals for the local gods.

## **2.2 Evolution of SKDRDP's Interventions**

### **2.2.1 Charity**

It is in this context that SKDRDP started its intervention in the villages of Belthangady taluka in 1982. The farmers were struggling to cultivate their own land due to lack of simple resources like agricultural implements, seeds, and fertilisers. Moreover the food that they used to get from the landlord for working in the latter's land also stopped.

The initial intervention of SKDRDP focussed on marginal and small farmers. The organisation started to give all possible support to carry out cultivation for land improvement to seeds to agriculture implements to fertilisers to disseminating technology for using all the above. The programme even provided all basic assets required for running a household from basic food requirements to household utensils. People remember truckloads of rice being distributed by the organisation in the villages.

The field animators or Sevanirathas, as they are called, identified poor families and tried to develop agriculture land and infrastructure through food for work programme. The beneficiaries hired labour, when required, to do the work and SKDRDP paid for the same in kind. The field animators also spread the message of benefits of anti alcoholism.

### **2.2.2 Self help**

This continued for a long period of time as the agriculture here is of high gestation crops and require 5-7 years to provide yield and hence, income. This being so, the programme identified another intervention that of labour sharing by a small group of people living nearby and having similar labour requirements, but could not do it alone. The field animators formed groups of 4-6 farmers, of similar land holdings to work together in the field of group members alternately, whenever required. Even here, the arrangement of food was made by the project.

The intervention in agriculture gave rise to increasing incomes to the families, though not very significant; still it was more money in hand and this money went mostly to alcohol consumption. The organisation also became conscious that it has so far neglected two important stakeholders women and landless, as the farmers owning land by default were all men. In the evaluation and deliberation that took place within the organisation, it was recognised that the interventions had not led to any significant change in the lives of people though there has been some economic improvement. This is also when the microfinance movement was beginning to take shape in the country.

As a first step, it was consciously decided to move away from charity and give the existing programmes a systemic shape, take it to a higher scale; and start involving members of the community left out so far. This is how the programmes of Pragatibandhu, Jana Jagruti and Jnanavikasa Kendra (JVK) took shape in the period 1992-1993. While Pragatibandhu and Jana Jagruti were the systemic versions of labour sharing and anti

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alcoholism awareness programmes, JVK was initiated to get the women involved and make them equal stakeholders in development of the community. Gradually, the group members of Pragatibandhu and JVK were encouraged to save; internal lending promoted among the groups and the groups linked to the banks after a while. The savings and credit programme took a formal shape in 1996, when Syndicate Bank provided a loan, and was given a name Pragatinidhi.

It was also during this period that Ms Hemavathi Heggade, wife of Shri Heggade, started involving herself in the programmes of SKDRDP. It was consciously decided to promote the value system of Dharmasthala in a much more proactive manner. So, certain value-based stances were taken by the organisation and Shri Heggade and Ms Hemavathi led the organisation staff in promoting these values, by linking the same to the religious perception associated with Lord Manjunatha. RUDSETI, started at the same time as SKDRDP, was roped in to provide training to the staff as well as the community members. The organisation also got into areas outside agriculture and allied activities.

With all the above activities, the organisation was able to improve the living conditions of communities that it worked with. Much of the movement against social vices and awareness generation happened during this time. This in a sense was the consolidation phase, when economic programmes were emphasised as a supplement to the value based awareness generation. This was also the period, when Shri Heggade started getting prominence as a Dharmadhikari all over the state and getting appreciated all over the country for the way Dharmasthala was being run with a social concern and not as a pure religious body. The taluka became liquor free. The awards of recognition included Indira Priyadarshini Award for the work in Belthangady taluk. He was himself awarded with Padma Bhusana in the year 2000 for his work in social awareness.

### **2.2.3 Sustenance**

All this while, the programmes of SKDRDP were being run by the money that Dharmasthala provided, raised from donations by the pilgrims. However, towards the end of the 90s and beginning of the millennium, when the organisation again took stock of the situation, it realised that with almost two decades of service, the organisation has not moved beyond the taluka. Even within the taluka, the numbers of communities that it affected was substantially lower than what the promoters expected.

While the older staffs were now highly experienced with very rich knowledge base combined with the right values and raring to go, the organisation did not provide them the opportunity to utilise their potential. The credit and savings groups were slowly moving away from the organisation as the banks were now too happy to lend them on their own. However, it was difficult for the poor among the villagers to access loans and the quantum was insufficient to meet the requirements. There was also a leadership change during this period, with the current ED taking charge of the day-to-day affairs of SKDRDP.

The organisation deliberated on the above issues and decided that the good work has to be spread outside Belthangady, which would simultaneously provide the rich human resources an opportunity to exploit and realise their full potential. Since the scale expansion would require more fund commitments, the organisation deliberated a lot and

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came to the conclusion that it would itself provide credit to the groups that it promoted and expand out of the earnings from these operations, leading to the sustenance of the organisation itself. It was not easy to convince the trustees at that point of time to earn income out of micro credit operations, though the banks were too eager to buy into this model. It was also decided to seek outside funding support to expand the programme beyond Belthangdy.

Once the decision was taken, the organisation under the new leadership went on an expansion spree, first spreading out to all the talukas of the district and then getting into neighbouring districts of Udipi and Uttara Kannada. It also took up programmes in the semi urban areas and undertook a community development programme covering the whole state, focusing mainly on education, rural infrastructure and crematoriums.

The organisation modified its Pragathinidhi programme to focus on micro credit; women SHGs were carved out of JVKs, linked them as well as Pragathibandhu groups with livelihoods generation programmes, started collaborating with the government in SGSY scheme and has gone into providing a comprehensive insurance scheme.

Starting with their first intervention in agriculture, where it placed sevanirathas to work with the farmers, the organisation has now grown into implementing programmes in almost every facet of life that affects the communities in the area, having interventions in health and sanitation, education, housing, livelihoods and microfinance. However, the case focuses on the aspects of intervention that deals with microfinance and livelihoods.

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## **Native Nomenclature**

The organisation has used the local words (owing origin to Sanskrit) to name their programmes to very effective use. These words have religious connotations, making it that much powerful so that the communities identify with the programmes. Unlike other organisations, the common English words (that could mean the same) are never used in the discussions or common talk, e.g. no one uses the term 'micro credit' for Pragathinidhi.

### *Sevanirathas*

Eternally at the service (of gods), that's what is the literal translation of the term, Sevanirathas. The frontline staffs of the organisation, Sevanirathas have got the most blessed term among the staff as designation and without doubt are the most crucial link in the programmes of the institution. By terming them as such, the institution has served the purpose of conveying the meaning of them being the representatives of the institution (and of the Dharmadhikari) at the service of the community. This also gives the Sevanirathas the respectability among the communities that they work with, in the larger society that they live in and most crucially a self respect.

### *Pragathinidhi*

The term meaning 'fund for development' is the micro credit programme of the organisation. Finance is extended for just about every conceivable reason to the members of the groups from production to consumption to infrastructure development.

### *Pragathibandhu*

Usually this is the first intervention in a village that the organisation enters into. The term means friends in progress and that's what it is! This is a group of farmers who get together to share labour in their agricultural fields. The Pragathibandhu groups are now involved in microfinance programmes, participating in savings, credit and insurance programme.

### *Jnanavikasa Kendra*

This is how the organisation first gets the women together to spread awareness in a village. The term means enriching knowledge (for development). It is a group of up to 50 women who get together at regular intervals to discuss everything that is relevant for them to lead a happy life from health to incomes to culture to cooking lessons. They are also involved in the microfinance programme.

### *Jana Jagruthi*

The programme meaning 'mass awareness' is for wiping out the menace of alcoholic abuse and one of the most successful social movements in this part of the country.

### *Nava Jeevana Samiti*

'Staring Life Fresh' is a group where all the people who have gone through the de-addiction camp conducted by the organisation successfully, come together to bring other people into their fold.

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*Jeevan Dhama*

The term meaning 'place for life' is the housing programme for the organisation, where credit is provided for building, and renovating of houses and to build houses for the destitute for free.

*Suraksha*

The programme meaning, 'safety' focuses on health and sanitation programme. country.

### **3.0 MICROFINANCE**

From 1992, when the interventions started the concept of linking its group formations with regular savings to 1996, when it got its first fund from Syndicate Bank to start its micro credit programme, the organisation has now expanded its microfinance programme that now works in three districts and runs a successful micro insurance programme.

#### **3.1 Pragathibandhu**

As the name indicates, the members of the group are partners for progress of each other, which not only relate to the group transactions but also take care of all the members in times of difficulty, emergency and share their joys also. The programme started with the concept of sharing of labour, as the small and marginal farmers, in absence of any resource used to work as labourers with big landholders keeping their own land fallow. However, with time, the groups have become much more flexible, keeping the initial concept intact and increasing the scope many times by being involved in the development of the village.

*Pragathibandhu* is essentially a group of 5-8 small and marginal farmers who possess land in same village/hamlet. The group engages once in a week sharing labour, thrift and micro credit. The group members work in the field of one member on the day of meeting, nature of work being identified by the latter. It is the responsibility of the member, in whose field the work is done, to feed the other group members that day, without any wage payment. On this day, they also collect their weekly savings, credit repayment instalments and decide on any new loan request. By design, this also ensures that the meetings are held in different houses every week.

Whenever the organisation thinks of intervening in any village for the first time, it starts with the *Pragathibandhu* programme. It is somewhat different as the groups are only that of male and the size usually limited to 8. However, lots of flexibility has now been built in into the programme, though essentially remaining a male farmer dominated. Now, non-farmers and women, including labourers and persons engaged in petty trade, are allowed in the groups. The labour sharing concept is now not limited to agriculture and used for the development of infrastructure also i.e. repair house, construct shed or put tiles. If it is not possible to contribute labour due to some genuine reasons, the groups allow the concerned person to employ another person from or outside the household to work instead on the appointed day of labour sharing. It is also not essential that the labour sharing work rotate to all members strictly it is primarily based on need of the members the members do keep the records and it evens out over a year.

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### **Madiga Harijana**

Madiga Harijana is amongst the eight siblings born to Soma Harijana and Badvethi, a SC family in Maya village of Belthangadi taluk. With absolute poverty prevailing, all the family members including women consumed alcohol, but had hardly anything to eat. To quote him 'Kudiyodu Namma Parampare' (drinking is hereditary for us). However, he is the only one amongst his siblings to have studied till standard 6th. This did not deter him from drinking, and if at all, this intensified, when he left school as he used to get Rs 60 per day in the 70s for felling timber.

In 1992, the joint family of Madiga Harijana got separated. He along with his wife and two children had to leave the ancestral house, with no assets of their own. Those were the most tragic days in his life with no house to live, no land to cultivate, at the same time maintain a family of four, with alcohol as the evil. In the end of the year somehow he was able to persuade and utilize Dharmasthala trusts' Jeevanadhama project for house to houseless with 50% subsidy on the actual cost. In 1993, the local Sevaniratha persuaded him to join Pragathi Bandhu group, but fearing that he must have to give up liquor, he avoided. But due to continuous counselling and motivation from the Sevaniratha, he joined Southe gadde Pragathi Bandhu group.

The family was dependent on daily wages for food. Group members knowing his situation persuaded him to acquire 60 cents of government land, and then supported him by giving free labour to make the land suitable for agriculture. He started cultivating the land for paddy and grams. Then in 1998 he took Rs 5000 credit through Pragathinidhi to establish 50 rubber plants. In 1999, he attended the de-addiction camp of SKDRDP and left alcohol completely. The same year he constructed a toilet in his house. In 2001 he took Rs 25000 to dig a well in his plot, in 2002 he installed solar lighting in his house, in 2003 he took Rs 27000 for livestock and Rs. 25000 for purchasing gold for his daughter's marriage, in 2005 he took Rs 25000 to get his twin daughters married.

Presently with a good house and rubber and cashew growing 60 cent agricultural land, livestock, daily wages and beedi rolling, he is earning Rs 40,000 per annum and leading a respectful and dignified life.

### **3.2 Jnanavikasa Kendra**

A popular saying in Kannada goes by 'Hennondu Kalithare Shaleyondhu Theredhanthe' meaning - if one woman learns, it is equal to opening of a new school in the area. For more than a decade, SKDRDP worked only with farmers, excluding the women from its programme. The idea of making the women equal stakeholders in the development of the community received a boost, when Mrs. Heggade got involved in the institution and the concept of JVK came into being.

JVKs are centres of socio economic empowerment for uneducated, underemployed rural women from the poorer sections, backward classes, minority and SC/ST community, landless labourers and working class women. The major occupation of the under privileged women of the area has been beedi rolling. In the JVKs, such women empower

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themselves with knowledge during weekly interaction of up to two hours with each other. JVK started as a group of 30 to 50 women aged 40 years and above in each village, who join together for the purpose of women empowerment. In the stages of inception of JVKs, the women met every week at a common place in the village to interact with each other and discuss the day-to-day issues. At regular intervals, the staff of SKDRDP would come and use the forum for educating the women on aspects of health, sanitation, leadership, education, culture, even new culinary skills. They would go on exposure visits and arrange cultural programmes.

However, with time, the concept was modified and flexibilities introduced, as it was difficult to get such a large number of women together solely for the purpose of discussion on day-to-day issues every week. When microfinance was taken up by SKDRDP, women got involved in the same - starting with thrift, the women became clients of credit also. Smaller groups were formed with 10-20 women forming a group and later 4-5 such groups joining to form a JVK. Now there is no age restriction - women of any age could become members of the group. The older JVKs were divided into 4-5 groups, depending on the members' affinity.

It was observed that women would continue to roll beedis, if not provided with alternate employment opportunities. The focus then shifted to income generating activities. These groups after a period of experience in thrift and credit take up group enterprises in the village. However, the bigger group activities continued, though at a lesser frequency of once a month.

### **Pushpavathi**

Pushpavathi was born to Anna Gowda and Bommi in a very poor family in Aadhur Peral of Belthangady Taluk. Her parents toiled hard as daily wage earners to feed the nine siblings she had. The family, having no capital/asset worth the name apart from the kutchra house, struggled for two meals a day. Her memory of childhood is the siblings sharing gunny bags as blankets during winter. The happiest moments for the family would be buying of bangles for the girls for Rs two, which came once in a while.

She started rolling beedis at the age of 11 to support her family's income. Out of this income, she used to make some savings and was proud to contribute in her two elder sisters' marriage. When she got married to a person from neighbouring village, it turned out that he was a drunkard and would always doubt her fidelity. This invariably resulted in verbal abuse and physical harassment of Pushpavathi. When this became a routine affair, she tried to resolve it by consulting the seniors of the village and even filing a police complaint. But, when all this did not work, she finally decided to break the marriage and came back to stay with her mother. By this time, she also had a son to support.

She again started rolling beedis, to support her son, and contribute to the younger sisters' marriage. However, the village elders and her own family members did not take her decision of leaving her husband very kindly. She was unable to stay in her parent's house. She started making attempts to get a house through government/

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panchayat programmes and somehow managed to get a household plot.

At this time, when she had reached the age of 36, she joined Sri Dhurgambika Mahila JVK, started by SKDRDP and became the president of the group. From then she started moving out of the house for weekly group meetings, regularly saving part of the money earned through beedi rolling. After completing two-year tenure in the group she was able to get a loan of Rs 20000 from the government under Aashraya Yojane. She was able to build her own house with help of the group members. The group, apart from savings, was also carrying out activities like cultural events, tours, health classes, and waste recycling and management. This frequent interaction with the community and trainings made Pushpavathi a more confident woman and slowly the fear of being alone in the society faded away.

Sitha, a supervisor from SKDRDP guided Pushpavathi to undertake an activity apart from beedi rolling to become economically more stable. Then with the moral support of the supervisor she got a loan of Rs 500 for bangle business. Later with the guidance of Sitha, she thought of increasing the scale of her enterprise. That made her to go for a bigger loan of Rs 10,000 in which she established a petty shop in the village. Today she earns both from her petty shop and beedi rolling in spare time. She is now completely independent and intends to leave beedi rolling when she becomes somewhat sure of income from the petty shop.

### 3.3 Swasahaya Sangha

Women, who do not want to become part of the JVKs, but are open to the idea of savings and accessing credit through the groups, come together to form Swasahaya Sanghas (SHGs).

Annexure # 1 provides the break up of various group statuses as on March 2006, which is graphically depicted in Chart 1. The Pragathibandhu groups, which has less numbers now, is the oldest programme of the organisation, consisting of male members. The SHG group formation of women only started in the mid 90s and has now overtaken Pragathibandhu groups in terms of numbers. Though SHGs account for highest numbers of groups, in most of the cases, JVKs have broken into SHGs to participate in microfinance programme, as mentioned earlier. The existing JVKs are truncated JVKs, the members of whom chose not to participate in microfinance programme. There is a possibility that the current JVKs will gradually move to become SHGs. There is also a category of urban development groups. The average member size of the different types of groups is Pragathibandhu 5.9, JVKs 12.4, SHGs 12.3, Urban Dev. 12.8.

*Chart 1: Status of Various Groups as on March 2006*

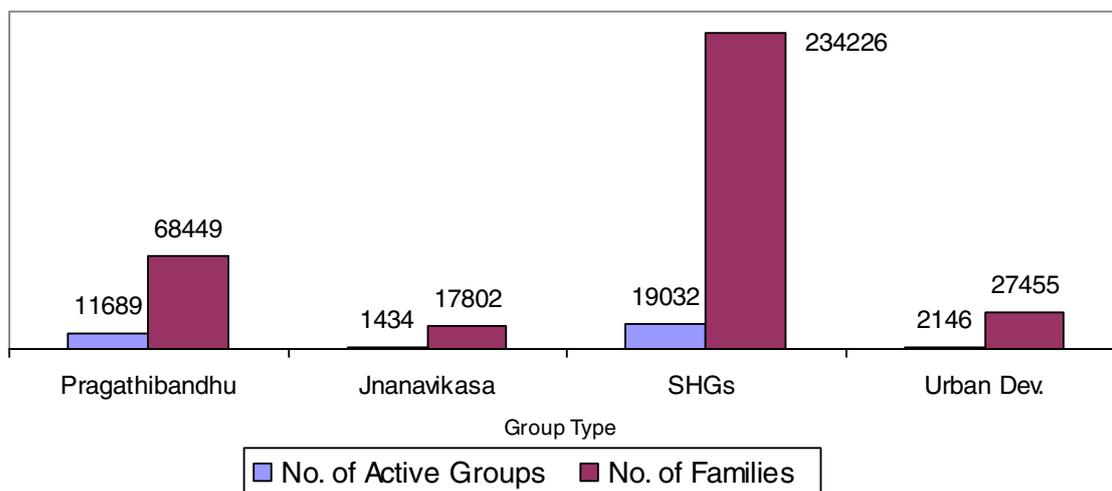
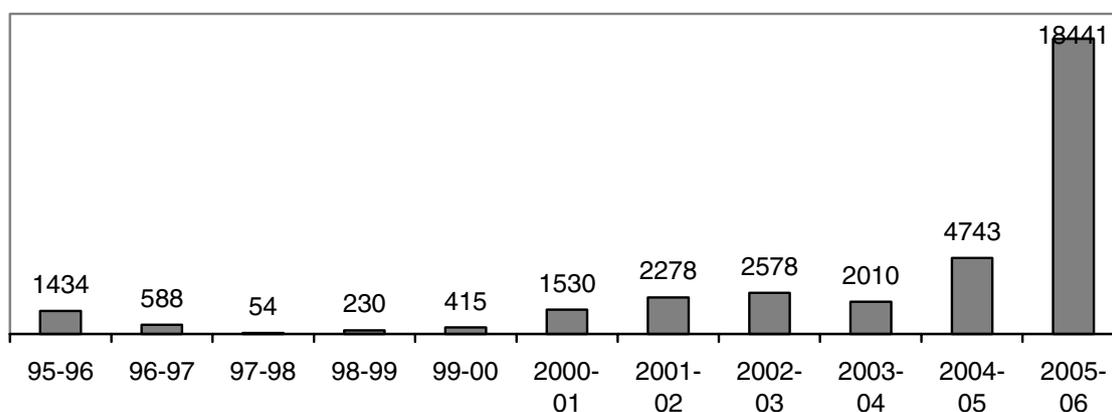


Chart 2 depicts the group formation by the organisation over the years. Though no data is available prior to 1995-96, the graph clearly indicates that the group formation process slowed down in the late 90s and then slowly picked up in beginning of the new millennium. The year 2005-06 has seen the highest number of group formations, surpassing the number of groups formed in its entire history of about 25 years.

*Chart 2: Group Formation by SKDRDP over the years*



### 3.4 Pragathinidhi

SKDRDP believes that the groups promoted by it modelled on the lines of SHGs, with its own unique modifications and flexibilities; provide a base to empowerment of families below the poverty line (BPL) through the strength of unity. The Pragathibandhu and JVK groups benefit from activities such as labour sharing, joint training, and group enterprises for income generation in agriculture & allied and non farm activities. SKDRDP only assists these groups by providing micro-finance to ensure success.

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However, SKDRDP has blended its microfinance programme with the experience it has had. The loans are provided for all conceivable needs – consumption, income generation such as agriculture or non-farm activities, and infrastructure development such as house, toilet, electricity, gohar gas plant etc. The funds are sourced through the savings of the members as well as from bank loans. The funds provided under the programme are called 'Pragathinidhi'. Necessary training is given for handling the funds along with providing required forward and backward linkages.

After group formation, the Sevanirathas train them on aspects beginning right from conducting meeting, writing accounts, lending policies with the aim that the group will take all responsibility. The Sevanirathas then transform into the facilitator role of vigilance and monitoring.

The Pragathibandhu groups, JVKs and SHGs in every village organise themselves into one or two federations depending on the total number of groups in the village. Here in this region, though the hamlets are smaller, the revenue villages are fairly large with around 500 households. So it is common for the villages to have 50–60 groups. The village level federations have representatives from the groups. At federation level, there is an executive committee and an audit committee. The members are selected very carefully as they take up major responsibility of running and guiding the groups. It is compulsory that the leadership and membership of the groups as well as federations is rotated every two years. Apart from monitoring the microfinance programmes the federation identifies the needs of the village and through participation gets many community works accomplished. Village level federation come together to form taluka level federation, who guide the former and work as a representative organisation at taluka level for all activities.

#### **3.4.1 Principles of Pragathinidhi**

The Pragathinidhi programme was implemented as a conventional SHG programme till the beginning of 2000 with focus on bank linkage and small loans with durations of 1-2 years. The repayment rates were 100% consistently, with the organisation taking a very high value based approach and continuous follow up by the Sevanirathas. However, there were some hard realisations

1. Small quantum of credit was not very effective in impacting the livelihoods of members
2. Many of the banks started lending to the groups directly, as can be seen from Annexure # 2 with the bank lending being almost 100% of the total lending in 2001 and 2002. SKDRDP did not have any stand on whether it wanted to act as a facilitator or as a credit institution. Banks themselves were unable to fulfil the entire requirements of the groups. The cohesiveness within SKDRDP groups and that of between the groups and the project staff started to wane in areas where the Pragathinidhi programme was absent or present in a very loose manner

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3. The organisation was completely dependent on donations from the Dharmasthala Trust
  4. The organisation still was working in only one block where it started two decades earlier

With the organisation gaining experience and subsequently confidence of running the programme for almost a decade, it decided to expand. With the focus also on sustainability of the programme as well as institution, it was decided that the institution would itself extend credit by opening a separate account named Pragathinidhi. Accordingly some modifications were made in Pragathinidhi's rules and regulations to intensify the programme for larger and better impact.

1. SKDRDP intensified group-building activity. Earlier, the organisation used to take multiple members from one family. Though it put restriction to this practice, it allowed multiple members from socially and economically backward joint families, who are practically separate families.
2. The membership criteria were relaxed any one with landholding of less than 5 acres could become member. Similarly, anyone irrespective of whether unmarried, married, young or old could become a member. This almost meant most families residing in the village could become members. This ensured that many groups were formed in a short period of time. This was also due to the fact that the organisation already had a base in the village in the form of Sevanirathas since the beginning of 80s.
3. The credit could be given to multiple members of a joint family as long as they are in different groups and had different income sources. A member can take credit on his/her family members' behalf, even though the latter does not belong to the group, for creating an income generating activity.
4. The purpose of lending was expanded beyond only productive. A member could take more than one loan as long as it was within his/ her individual limit.
5. The credit limit was expanded up to 40 times the savings amount (from the earlier 4 times) or 100000 INR, whichever is less; and the repayment capacity calculation was done in a realistic manner considering the multiple income sources of the individual and family. The table used by SKDRDP to calculate repayment capacity of the SHG is elaborated in Annexure # 5.
6. The loan tenure was extended to 10 years for long term investments like house construction.
7. The groups that completed 9 months could seek external credit after recommendation by the Sevanirathas and federation. Earlier it was two years, before a group could access credit beyond internal lending. Now, the period has been further reduced to 6 months and 3 months in exceptional circumstances.

8. The grading system of groups was introduced. while groups graded C and D were ineligible for credit, they were intensively followed up to improve their grading to A and B, where in after being rated the same for 3 continuous months, the credit was extended.

The fund flows for the Pragathinidhi programme is shown in Annexure # 6. The funds for the groups for Pragathinidhi financing come from their own weekly savings, profit from lending, direct bank loans and refinance from SKDRDP, which in turn gets its funds from financial institutions. The members do not take interest on the savings, so the profit from internal lending becomes an additional source of fund. The groups maintain a single account into which all these funds are deposited and then loans disbursed. It is also the same account in which the members repay their loans to.

The organisation similarly worked around the rules and regulations on other aspects like service charges depending on the loan tenures, loan tenures itself, instalments, and security. Whereas the member pays weekly instalments to the group, the groups repay on a monthly basis to the organisation. Due to longer tenure and weekly payments, the instalments are very small, even for big size loans (e.g. 33 INR per week for a 10000 INR loan of 10 years duration). A collateral is required in case of any individual loans more than Rs. 50000 and it is also considered that all the assets bought under any loan purpose is the security. Table # 1 shows the service charges for availing services from Pragathinidhi.

*Table # 1: Service Charges*

	<i>&lt; 3 years</i>	<i>&gt; 3 years</i>	<i>Surcharge</i>
<i>SKDRDP to SHGs</i>	11% daily reducing balance	1.25% daily reducing balance	1%
<i>SHGs to Individuals</i>	9% annual reducing balance	2% annual reducing balance	1%

While intensifying the Pragathinidhi programme, the organisation also put in checks and balances. The checks by Sevanirathas are now supplemented by the audit committees of the federations. The internal audit team of the organisation also audits the groups on an annual basis and the branches on a quarterly basis. The disbursement to the groups is done by cheques and the repayment deducted from the bank accounts of the groups on instructions by the organisation.

The loans are now advanced in four broad categories

1. Revolving Fund primarily consumption loans for repayment of earlier loans, health, education, marriage, building assets that could be non productive like buying radio, gold etc. The total loan eligibility of the group is 10 times the savings or repayment capacity whichever is less and for an individual it is Rs. 25000 or 10 times his/ her savings, whichever is less.
2. Non-farm sector loan- The total loan eligibility of the group is 20 times savings. For an individual it was fixed at Rs. 30000 or 20 times the savings, whichever is less.

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3. Infrastructure houses, land and its development, pumps, electricity - The total loan eligibility of the group is 20 times the savings or repayment capacity whichever is less. For an individual it was fixed at Rs. 100000 or 20 times the savings, whichever is less
  4. Group enterprises - The total loan eligibility of the group is 30 times the savings.

### **Dharanamma**

Dharanamma and Channana Gowda, of village Maya of Belthangdy Taluk have three children. Dharanamma was unable to provide full two meals to her children, as her husband was a drunkard and did not bother about the family. She, an uneducated woman, always remained within four walls of the house and had very little say in decision making of the house excepting for cooking.

Channana always came home late and abused his wife, she enduring what ever happened in the house. Even when their first daughter attained marriageable age, Channana did not worry. He was busy drinking 5 packets a day, on credit from the neighbours. Dharanamma, would depend on help and loans from her relatives to feed her children. Loans, irrespective of the purpose, for both husband and wife were mounting day by day.

When in 2000, the Sevaniratha from SKDRDP visited her and had a chat, sensing her helplessness the former encouraged her to join the Jnanavikasa Kendra in their village. With the Sevaniratha's constant persuasion, Dharanamma became a member in Anantheshwari Jnanavikasa Kendra. In the initial stages she was just attending the meeting saving her part of the stuff and was returning home without able to grasp anything. But as the days progressed, she interacted with other members and shared her problems. Once, she just opened up and started narrating her story to the group with tearful eyes. In turn the discussion was carried over to the federation meeting in the village. Yogish Gowda, who is a member of the Nava Jeevana Sameethi, moved by her story visited her home and forced Channana to attend the de-addiction camp. Since they were very poor, expenditure in de-addiction camp was borne by all the members of the Anantheshwari Jnanavikasa Kendra by paying Rs five each.

Channana was completely transformed in the camp and lot of changes were noticed, while at the same time becoming concerned about family. He became a member of the local Pragathi Bandu, took loans and started cultivating their land. When not cultivating, he works as a wage labour.

In the meanwhile, Dharanamma's participation in the Kendra made her mingle freely with the community. They found a suitable boy for the couple's daughter and Dharanamma took a loan of Rs. 40000 for the marriage. Channana is now the vice president of the village level federation.

#### **3.4.2 Closer Look at the MF Figures**

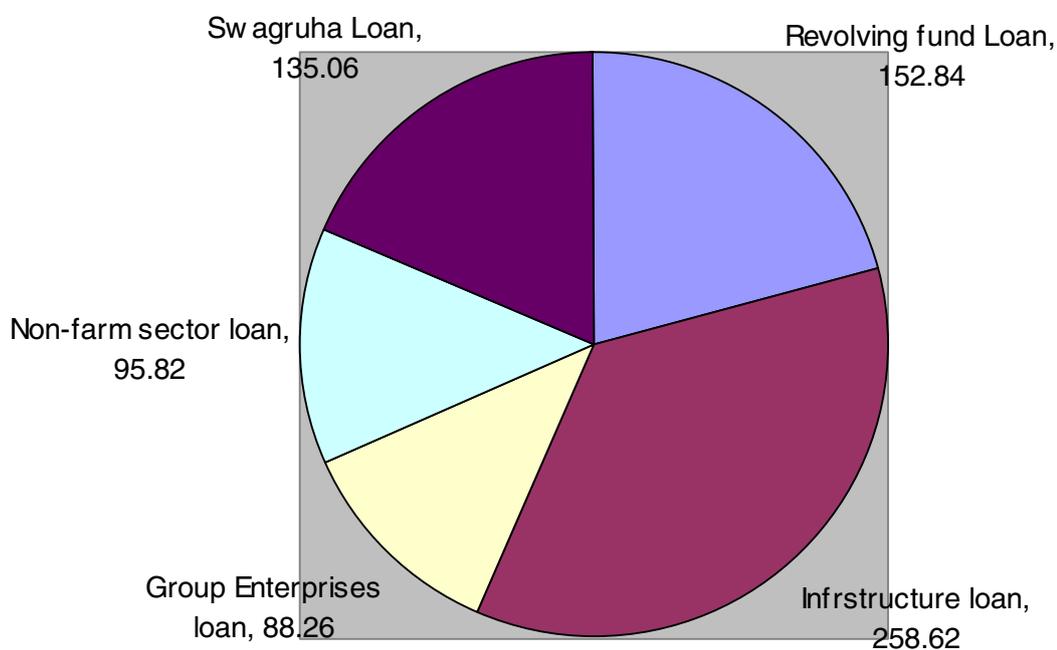
Annexure # 1, 2, 3, & 4 gives the various aspects of MF activity undertaken by SKDRDP.

The spread of outreach has been rapid over the past years. The organisation as on March 2006 works in 1529 villages/ towns spread over 3 districts, with 34301 groups and 347932 members. The number of branches has grown from 2 to 16 in the last 5 years. The total savings of members stand at 475.7 million INR and the disbursements as on March 2006 is 730.62 million INR. The organisation now works in 10 times the villages, 8 times the groups and 13 times the number of members as compared to 2001. The disbursements have grown also by almost 20 times over a period of just 5 years. The loan outstanding on March 2006 stood at 1086.76 million INR, a growth of 30 times over 2001.

The organisation started the programme with Pragathibandhu groups and the loans to these male groups dominated the portfolio till 2001-02, when the women JVKs/ SHGs took over. Now credit to women account for two thirds of the entire disbursement from almost negligible amount in 2001. However, the loan size of male Pragathibandhu members is almost twice the size of that of the SHG/ JVK members. This can be explained by the nature of loans taken by the above groups. While Pragathibandhu members take credit for investment in infrastructure or agriculture, the women are taking loans for group enterprise activities.

Chart 3 gives the break-up of current years' loan disbursement category-wise. Swagruha loan has been shown as a separate category, which earlier used to come under Infrastructure. The groups take maximum amount of credit for infrastructure and then consumption (revolving fund) comes as next priority.

**Chart 3: Purpose wise Loan Disbursement in 2005-2006 (Million INR)**



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The big size loans to groups (more than 15000 INR) have been growing rapidly from 33.7% in 2000-01 to constitute 94.23% of the total disbursement in 2005-06, confirming SKDRDP's shift to higher loan size as a strategy. It has been decided that in the days to come, all the loans (100%) to groups would be higher than 15000 INR.

As can be seen from Annexure # 2, the average group size has steadily increased from 6.5 in 2001 to 10 as on March 2006, going in line with increasing number of female SHGs from the earlier emphasis on only male Pragathibandhu groups. This is also confirmed by the figures of women now constituting 60% of total borrowers. With rapid expansion of members, the organisation works and the growth of branches, the number of members and loan accounts per branch first show a declining trend and then start increasing rapidly. The loan handled by a credit officer has been around 0.4 million INR figure except for 2003-04 and 2005-06, when it has been 0.74 and 0.93 million INR respectively. This is bound to go up with the recent consolidation.

The loan amount per group hovers around 40000 INR, except for 2001 when it was about 25000 INR. However, the average loan amount per borrower has been between 1000 INR (in 2001-02) and 4577 INR (in 2003-04), whereas the highest loan outstanding per borrower was at the peak in 2003-04, that of 5804 INR.

Though the above loan sizes reveal very small loan quantum, it is not the true picture as the figures are from the audited annual reports. There is a significant amount of funds available beyond the balance sheet due to effective internal circulation of savings, profit thereof, and bank linkage.

The savings money is now a significant amount 475 million INR even higher than any years' disbursement of SKDRDP except for the 2005-06. This also being the group's own money, it can be rotated much faster. A recent accounting has revealed that the groups have a profit of 250 million INR due to efficient circulation of money (personal communication). A significant number of credit requirements can be fulfilled by the savings accrued.

Further the term loans given by SKDRDP to groups up to March 2005 were normally of a longer duration (3 to 8 years) whereas the groups recovered the loans much faster and the incremental recoveries were used for lending again. Now, of course, the organisation is matching the loan tenures with that of the member level recoveries in view of the reduced tenures of loans sanctioned by the banks to SKDRDP. Also, up to June 2005, the groups had an additional % interest charged to their members vis a vis the lending rate of SKDRDP. This also helped the group earn additional income. This has been now stopped.

Similarly, the bank lending directly to the groups is almost 100% in the 1st two years (2000-01 and 2001-02,). We do not have data of direct bank lending in the earlier years, when SKDRDP was still trying to find out whether it should get into MF.

Essentially, all the above indicates that the loan size to individuals is much more than the balance sheet figure reveals. This is proven by the figures on individual borrower loan outstanding sizes, as on 31st Mar 2005 (as per personal email communication and the

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figures of Mar 2006 are not ready as yet (30th May 2006):

Members having loan outstanding > 50000 INR:	7872
Between 25000 50000 INR:	25278
Between 10000 25000 INR:	55472
Less than 10000 INR:	39651

The above shows that out of total of 128273 member borrowers as on 31st Mar 2005, 88622 members had loan outstanding of more than 10000 INR and 33150 members had loan outstanding of more than 25000 INR, as on 31st March 2005. Nearly 80% of the total members had loan outstanding against them as on 31st Mar 2005. The numbers are significant for an organisation working in just about a Taluka 5 years back. This proportion would have shown a significant improvement, in the latest figures of March 2006.

The other big positive for the organisation has been 100% repayment consistently over the years, as the repayment of the groups to the organisation is done from their savings account. Any delay in payments by the individuals to the groups is easily discernible when the three tier system of checks takes place and rigorous follow ups are done to deposit savings and instalments.

### **Intensive Credit**

It is very difficult to find people speaking Hindi in this region. However, Kurappa Pujary can speak Hindi in both Mumbai and Hyderabad accent. He has been to most of the big towns in Karnataka as well as to the major towns in Maharashtra, and Andhra Pradesh. He left studies at the age of 12 to work in small teashops in the area and then slowly graduated to working in restaurants, while going further away from Koyyuru, his village, to Belthangadi town, then Mangalore to Bangalore to Hyderabad to Mumbai. Mostly sticking to restaurants, once in a while engaging in being a hawker, he ended up in a beer bar in Mumbai. In the meanwhile he had got married in 1992.

He decided to come back in 1996 to his village for good, as he had been almost out for 20 years. But he had not much to do in village, as the family did not have any land to speak of for the four brothers to share. He started a teashop. This went on for some 3 years and while he was contemplating what to do or whether to go back to Mumbai again, his elder brother was able to take a loan on Kurappa's behalf through the Pragathibandhu group.

The elder brother has been a member of the group since the beginning in 1982 and when Pragatinidhi was intensified; it was possible to take multiple loans as per the family plan, as long as the total outstanding was below Rs. 1 lakh. Though the elder brother himself had an outstanding loan, the group decided to extend a loan to Kurappa, to expand his teashop. He went on taking credit for 4 cycles, the first three of Rs. 10000 each and the last of Rs. 35000, for constructing his separate house.

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In between, he went to RUDSETI for training on self-employment in 2000, and drew some very good lessons about running a business. His shop now has almost everything a person in the village wants on a daily basis. He has also housed a tailor in the shop, again a member of another Pragathi Bandhu group. Kurappa also sells the products of SIRI, which are within the reach of the villagers. He proudly declares that the other two petty shops in the vicinity have lost business due to his shop.

Last year, he himself became part of a Pragathibandhu group, looking at the benefits. Now, in addition to the Rs. 35000 loan for house construction, has taken another loan of Rs. 10000 for getting electricity connection to his shop. While he is now able to sell Rs. 1000 - 1500 a day from his shop, he has employed another labourer on a regular basis to work on group members' field, one day a week @ Rs. 65, to contribute his part of the labour in Pragathibandhu.

He was also among the first in his village to become part of the Sampoorna Surakhya Yojana, year before last, and could avail benefit, when his wife became ill and had to be hospitalised. While his wife stayed for more than a week, in the hospital, he did not have to pay a single paisa to the hospital. Now, he has become an active campaigner for the scheme and encourages others to enrol in it, though, this year, he says all things have gone well on the family's health front. He is also a member in the audit committee of one of the federations in the village.

Of course, he continues to run the teashop that he started with, in the same premises!

### **3.4.3 Incentive distribution**

There has been one occasion in the past, when the Belthangady branch distributed profit from its Pragathinidhi to the members in 2003. There is a provision that the profits made in the MF by the groups branch wise be distributed among the members. However, the profits per branch has been squeezed in the current operational structure, due to the low margins with which the organisation operates and the aim to make the programme self-sufficient. It is also due to the fact that the tenure and interest rates have been matched and so dividend cannot be distributed every year. The organisation is estimating the profit earned by the groups for distribution of profit this year.

### **3.5 Sampoorna Suraksha**

Despite the organisations' role in mobilising communities, facilitating better education and health, providing credit and making individual/ group enterprises viable through need based trainings; there is still something that makes the members of the community vulnerable. This is primarily due to the health of the family, the uncertainties attached with the same and the amount of expenses borne, which can at times offset all the calculations. The savings and assets of such families, kept for the purpose of investment in productive purposes, are drained.

With this realisation, SKDRDP came out with a scheme called Sampoorna Suraksha in collaboration with the insurance companies (United India Insurance in the 1st year and

ICICI Lombard in the 2nd/ current year) where members and their family are covered under medical insurance. Sampoorna Suraksha of SKDRDP is unique of its kind as it covers the some of the livelihoods risks apart from the hospitalisation expenditure - Maternity expenses, Rest Period, Funeral, Natural calamity, Damages to Properties and Agriculture, Accidents and Miscellaneous

SKDRDP, along with the insurer has identified the hospitals, in which the treatment is done in cash less system. The members can take loans from the group to pay the premium. The scheme has been popular with the members with the number of families subscribing to it growing by 50% in first 8 months of the 2nd year.

However the programme incurred massive losses in the 1st year of its implementation. When the initial insurer left the programme midway due to these losses, the organisation itself had to bear almost a crore of rupees to establish credibility. But a 2nd insurer decided to join hands and it was also decided to raise the premium amount by around 50%. The popularity and success of the programme can be appreciated in this context.

*Table # 2: Sampoorna Surakshya Coverage*

	<b>No. of families Covered</b>	<b>No. of lives Covered</b>	<b>Premium Collected</b>	<b>Claims settled</b>	<b>Network hospitals</b>
<b>2004-2005</b>	54,000	1,86,000	.54	3.5	76
<b>2005-2006</b>	77,000	1,96,000	2.82	2.2	41

## **4.0 LIVELIHOODS**

The mission of the organisation is to enable the living environment of the region it works in so that the communities become self reliant and live in harmony with each other. To this effect, the institution has worked with small and marginal farmers in promoting sustainable farming practices, helped create rural infrastructure, motivated individual families to plan for self development in realizing their dreams, promoted entrepreneurial skills and socially and economically empower women.

### **4.1 Agriculture**

While the microfinance programme does not differentiate on the basis of land holdings, it is the farmers owning less than a hectare of land that are the targets of the project in its livelihoods programme. In addition to the financial credit that is provided to the groups, following are the ways in which SKDRDP goes about supporting the small and marginal farmers:

#### **4.1.1 Farm Planning**

The group members, usually in this case belong to Pragathibandhu groups, are facilitated in preparing a five year farm plan to develop the small agricultural land into a high yielding commercial land, as it is the cash crops of areca nut, rubber, cashew, vanilla, and coconut that is cultivated here due to the agro-climatic conditions. Fencing, digging open wells,

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water conservation techniques, planning plantation crops, short duration crops, creation of family assets such as toilet, house, electrification etc. are all planned in a detailed manner. The family maintains a separate book to implement and review the plan along with the staff every year and necessary mid term corrections made.

#### **4.1.2 Nurseries and Quality Seeds**

While more than 60000 families have been facilitated to prepare and implement such plans, the organisation has provided finances to select farmers in each village to develop nurseries for seeds development. SKDRDP has its own nurseries and co-ordinates with other seed manufacturers to provide quality seed material to take up various plantations at subsidised rates.

The organisation also facilitates the farmers invest in irrigation infrastructure such as sprinklers, dug wells, and pump sets.

#### **4.1.3 Organic Farming**

The organisation encourages the farmers to take up organic farming, with inputs provided on indigenous methods of farming. The organisation provides training and finances to take up vermi composting. It also aids farmers in selling the surplus organic manure generated.

It also encourages the farmers to use the non conventional energy sources such as gobar gas and solar energy. The project claims that it has the largest concentration of Solar Home lighting systems in the smallest geographical area anywhere in the world. 3538 solar home lighting systems have been installed in Belthangady block. One of the models of SKDRDP has been the installation of Pico Hydro Electric Project in Banjarumale tribal area in Belthangady, where the 32 tribal families have almost contributed 50% of the total project cost as labour.

#### **4.1.4 Collaboration with line departments and agriculture extension**

SKDRDP has been organising many events for dissemination of appropriate technology in collaboration with various line departments. It introduces technologies and agro practices, and acts as liaison between the farmers and research centres. The organisation enables the farmers construct water and soil conservation structures in dry lands through finance and shared labour. The watershed programmes have been taken up with the support of Govt. of Karnataka. Annexure # 7 gives the quantitative details of the programme carried out in the above activities.

#### **Southegadde Pragathi Bandhu group**

Southegadde is a hamlet in Belalu village in Belthangady taluk of Dakshina Kannada district. In the 60s and 70s, Southegadde comprised eight families, without any basic infrastructure of housing, drinking water, electricity, or toilets. Moreover, seven of the eight family heads, were habitual drunkards, as they had access to easy money seasonally - working for an outsider to cut and transport the forest trees

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illegally, in the process, earning 10 times more than the daily wages they would have got otherwise. At other times, the male members of the family worked as tenants to the local landlord. Irrespective of the yield in the land the tax payable to the landlord was fixed. The women and children rolled beedis to support the family.

In the 70s, when the eight families got ownership of land due to the land reforms, it was all barren. They were also left without any implements, as the landlord snatched all of it. Continuing as agriculture labour for most of the time, despite being owners, the no. of families increased to 13 over a period, the economic status worsening by the year. Some of the farmers cultivated paddy and grams once a year depending on the rains. A major hindrance for agriculture at that time was inability to hire labour for intercultural operations, as all other suitable crops were labour intensive, had high gestation period requiring high investments.

It is in this context that SKDRDP started its intervention in 1982. In the initial stages it identified the poor families in the region through its field animators and distributed freely minimum house hold goods like mat, glass, plate, blankets, photo of a god, lamp, agricultural implements, rubber graft, areca nut graft, and cashew graft. Only 2 families were chosen to receive the charity. This did not help them much and moreover, the conditions of the other families, despite higher land holdings, were not much different from these two.

In 1987, SKDRDP launched food for work programme to build infrastructure in the village. The farmers developed their own agricultural field and got wages for the same from SKDRDP. 6 families, including the former two benefited from this programme, as they could level their lands, build bunds and pits for water storage, and removed tree stumps. Some farmers availed loans from moneylenders at usurious interest rates to buy agriculture implements and were afraid to go for bigger loans for fear of losing land, if they failed to repay the loan. In 1993 the project provided tiles to renovate the houses of all the families. However, the situation did not improve much with these interventions.

In 1993, with the facilitation of Sevaniratha of SKDRDP, 9 farmers of Southegadde formed a group for labour sharing and named it as Southegadde Pragathibandhu Group. This system made all the group members meet every week and prepare a vision plan for their land and contribute free labour every week on rotational basis to all the members of the group. Initially, there were minor scuffles, as some members would not contribute labour due to alcoholism and gambling. Slowly they started adhering to the Pragathibandhu regulations due to the constant prodding of the Sevaniratha. From the second meeting they also decided to go for a fixed savings of Rs 10 every week. In 1995 the group availed first loan from a local co-operative bank and started investing on agriculture. The group members took small loans in the beginning for getting agricultural implements, fertilizers, grafts of rubber, areca nut and the like.

Through SKDRDP, the drunkards of the group attended a de-addiction camp in 1999 and left alcohol. Yogish Gowda proudly shares that his present respect in society is because he is no more a drunkard and has helped 30 others to get out of the evil of alcoholism.

SKDRDP supported the group through trainings on agriculture and later provided credit of higher quantum. Then gradually, the members moved on to higher loan size, and building on assets - pumps, dug wells, hybrid cattle and orchards. All their landholdings are now productive. Later as the years advanced, the organisation facilitated them to access govt. programmes and subsidies through which they now have solar lighting, toilets, gobar gas plants, and electricity.

The details of utilizing loan and the amount after forming Pragathi Bandu group are given below.

Sl. No.	Name	Land Holdings in acres and cents	No. of Loans availed	Cumulative Loan Availed	Size of last loan	Present Loan outstanding	Purpose of big loans
1	Yogesh Gowda	2.40	25	1,71,500	76,000	56,000	Cattle house, water tank, well, cattle, water pump, gobar gas, rubber and areca nut.
2	Ananda Gowda	3.50	27	1,94,000	83,000	62,000	Renovation of house, water tank, well, water pump, gobar gas, and sprinklers.
3	Shekar Gowda	3.60	15	54,940	18,500	18,000	Areca nut, medical, rubber and cashew.
4	Maniga Harijana	0.60	22	1,08,745	62,000	38,000	Housing, cattle, marriage, well, rubber and medical.
5	Gururaja Gowda	6.50	18	40,800	1,000	1,000	Areca nut, cashew, water pump and medical.
6	Nonaiah Gowda	2.50	21	2,40,050	1,00,000	80,000	Housing, areca nut, rings for well, rubber, sprinkler and water pump.
7	Dombaiiah Gowda	0.90	20	98,540	45,000	30,000	Housing, areca nut, well, water pump, water pipes, medical and education
8	Yashodara Gowda	1.10	16	77,245	30,000	25,000	Housing, marriage, well, cattle house, rubber, areca nut and medical.
9	Deekaiah Gowda	7.00	19	1,81,400	1,05,000	85,000	Cattle house, water tank, rubber, water pump, sprinkler, gold, medical and areca nut.
<b>Total</b>		<b>28.1</b>	<b>183</b>	<b>11,67,220</b>	<b>5,20,500</b>	<b>3,95,000</b>	

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## 4.2 Group Activities

Apart from financing individual activities for livelihoods promotion, SKDRDP has consciously promoted many group activities by extending finances for the same and then facilitating its management power tillers, retail outlets, huller units, leased cultivations, vegetable vending and dairy. Of late, the organisation has been actively promoting non-farm income generating activities on a massive scale. They include dairying, horticulture, floriculture, food processing, chemical items, agarbathi rolling, bee keeping, tailoring, etc.

In all its group activities, the modus operandi is similar help the groups access assets through the government programmes, provide group loans primarily for the working capital, help the groups procure raw materials, provide training and then help sell the final products. The sevanirathas, supervisors, and the subject specialists continue to extend help in all possible ways till the groups are able to manage the enterprises.

In 2003, SKDRDP decided to implement special SGSY project in the Dakshina Kannada district in collaboration with the Zilla Panchayat. The project aims to bring 30% of the total BPL population in the district above the poverty line. The target is to form 1265 groups of 11165 members to take up agro / service/ product based activities as income generation programs in more than 50 activities.

The organisation in the SGSY programme, identifies the groups having BPL families among its Jnannvikasa or SHG groups and then facilitates them in choosing an income generation activity. Two three groups join together to implement the programme, when it is not possible to do the same by one group. After identification of the activity, SKDRDP helps them access the schemes of SGSY by providing loan along with the subsidy component and constructing sheds or buying the fixed assets as the case may be. The organisation has been able to form some 300 groups in about 35 activities. The organisation also collaborated with KVIC in promoting some group enterprises.

Another notable feature of the group activities is that SKDRDP aims that the groups operate as an independent entity with forward and backward linkages with the organisation. The implication is that, SKDRDP becomes a service provider to the groups in their operations. In this case, all the profit and loss calculations is done by the groups, and in case of profits, the group distributes it among its members. This has already happened in case of one of the groups engaged in making rexine bags.

The wide variety of activities taken up for the groups and the related training has been listed in Annexure # 8. A total of 38257 families from 3385 groups have benefited by income generation activities promoted by the end of Mar 2005. Similarly during 2005, 13495 participants were trained in 14 different income generating activities. The details of activities taken in SGSY specifically, its target and achievements so far, have been listed in the Annexure # 9.

### **REXINE unit**

Sri Lakshmi Jnanavikasa Swa Sahaya Gumpu, a group of 13 adolescent girls, at Gerugatte village in Belthangdy taluk runs a rexine unit.

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## **REXINE unit**

Sri Lakshmi Jnanavikasa Swa Sahaya Gumpu, a group of 13 adolescent girls, at Gerugatte village in Belthangdy taluk runs a rexine unit.

Initially when the group showed interest for self-employment, SKDRDP encouraged them to take training in RUDSETI on preparing rexine bags and running a business. After the training, in November'2002, due to lack of capability to invest on establishing a unit by the group, SKDRDP encouraged the group (then eight girls) to keep their confidence, provided them everything, which was required to start a business - a common rented place, two tailoring machines, raw materials and even small things like scissors, and screw driver. At that time the members would come together, cut and stitch rexine file bags, get their wages for the day and go back. The finished bags would be taken by SKDRDP through SIRI and sold in the market. The losses were borne by the organisation.

However, slowly SKDRDP realised that the rexine unit has the potential to run on its own, it encouraged the group to avail a group loan from the nearby bank, so that they will have the stake/ownership of the unit. The group availed Rs 1,73,000 loan from Corporation Bank to expand its business. They expanded the product profile to include vanity bags, key bunch, purse, luggage & school bag. They bought two more machines and expanded the scale of production. In August' 2003 the group/unit availed the subsidized loan facility from SGSY, repaid the loan of Corporation Bank and shifted to a newly constructed building of their own through SGSY grant. The number of machines increased to 6.

All through, the group depended on SKDRDP for purchase of raw materials and marketing of goods. The finished goods were priced by SKDRDP depending on the demand supply conditions and the final payment to the group would vary accordingly. The losses would be borne by the organisation, but the profits passed on to the group.

In the meanwhile, the group profile has changed, with old members quitting due to marriage and new ones joining. The older members would train the new members on the job. When profits from the unit was distributed in 2005, all the members including the ones who had left, got their share as per individual productivity.

### **File Bags**

It is a very simple procedure until we try it ourselves to know the skill required for perfection. Initially rexine is cut into desired size in rectangular shape, the number of pieces depending on the number of compartments in the bag. The zips length and number of zips also depends on the size of the bag and number of compartments respectively. Buckles are put on lateral sides for shoulder support of the bag, with a cardboard pasted with fevicol to give rigidity to the bag. The bags are then screen printed for the appropriate designs and colours. The file bag is ready to use after some hammering to fit rewets to crucial places.

### Returns

Sl. No.	Particulars	
1	Production of File bags	1500
2	Sale of Bags @ 100/bag	150000.00
3	<b>Total cost incurred</b>	
	a) Variable cost - 101740.00	
	b) VAT 12% - 12208.00	
	c) Capital Depreciation - 400.00	
	d) Labour - 21840.00	
	<i>Total Cost -</i>	<b>136188.00</b>
	<b>Net Annual Income for a Month</b>	<b>13812.00</b>

### 4.3 SIRI

SKDRDP promoted group income generation activities in a significant scale in 2001, as the beedi rolling activity by women, prevalent in the region, faced disruption and the women did not have anything to do. The beedi rolling activity was anyway, seasonal. Groups of women started working on varieties of enterprises. Once the production started by the groups involved in the enterprises, it was the people themselves who had to sell the products. It was not successful and hence the organisation took the responsibility of selling the products. It started selling the products door to door or in the weekly shandys.

However, it realised that procurement of raw materials and marketing of products is not an easy task. While SKDRDP put lots of efforts in standardising the quality and price of products as they were being produced manually by the group members, market development for these products became a challenge, as products faced competition in local markets. The individual groups were unable to sell the products that they produced and it went beyond SKDRDP's means to always come to their rescue, as it lacked expertise of dealing with the market.

Ultimately, it was difficult to run the group enterprises, which have to be profit oriented to sustain them, under the umbrella of SKDRDP. After a lot of deliberations, the organisation went on to form a separate entity for promotion of group enterprises by the name of 'Shri Dharmasthala SIRI Gramodyoga Samsthe' as a section 25 company, to provide forward and backward linkage. The brand name chosen was, 'SIRI'. SIRI is the name of a woman who fought against social injustice, presently worshipped as god in the region. In Tulu, the most popular language in the region, SIRI means sprouting or germination and in Kannada, it means wealth.

At the moment, more than more than 10000 women are engaged in group enterprises that produces more than 75 items under the broad categories of chemical items, food products, readymade garments, rexine bags and organic products. The enterprises chosen are mostly manual, as the aim of the enterprises is to provide maximum employment to people. The following table gives the broad category of enterprises the organisation is engaged in and the turnover by the end of 1st year of its operation. The detailed products list is attached in Annexure# 10.

<b>Enterprise</b>	<b>Business turnover of groups (INR Million)</b>
Food items	13
Chemical items	7.6
Textiles	3
Rexene bags	0.75
Vermin compost	3
Others	1.15
<b>Total 28.8</b>	

The share capital of SIRI has been provided by the 2000 old groups, exclusively from Belthangdi taluk engaged in Pragathinidhi, each of the groups contributing Rs. 1000. While there are still discussions going on as to structure the capital requirements of the entity, SIDBI and SGSY have come up in providing long-term capital at a nominal interest rate. The later has provided all the infrastructure support in the villages as well as the central office. Based at Belthangady, SIRI provides the following to rural women:

1. Motivation for taking individual and group enterprises
2. Providing entrepreneurial and technical inputs to the groups
3. Facilitating financial assistance to start the enterprise
4. Assistance in purchase of machineries, construction of work sheds, etc.
5. Locating the raw material suppliers buy in bulk, and supply to groups
6. Provide marketing assistance and promote network
7. Develop a common brand
8. Advertising and sales promotion
9. Help the groups to deal with local taxation laws

The project has made the following arrangements so far for marketing the goods

1. Appointed sales representatives
2. Installed SIRI shops at villages, and taluk headquarters
3. Identification of dealers at cities and towns
4. Door to door sales agents
5. Line sale by vehicles
6. Advertisement and publicity through various channels
7. Appoint marketing consultants for extensive marketing network

It is envisaged that the profit earned by SIRI will be used for the welfare of shareholding community, e.g. for purchasing and distributing the school uniform.

## **5.0 OUTCOMES of the INTERVENTIONS**

SKDRDP initiated its intervention in the region with agriculture programmes. From the day the programme commenced primarily as a charitable activity to help the then marginal and small farmers to cultivate their fallow land; it has come a long way. The organisation now

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encourages and supports all kind of income generating activities by providing finance and all other necessary support. From a role of a doer, the organisation has slowly graduated to that of being a facilitator.

In the meanwhile, it has taken care to modify its way of supporting the communities and worked towards impacting the general economy of the region by coming out with its own model of microfinance, breaking most of the conventional rules of SHGs, while not compromising its basic tenets that of supporting life and livelihoods.

The organisation as on March 2006 works with 34301 groups, out of the 35321 it formed, and 347932 families. The organisation has helped these families accumulate 475 million INR worth of savings. The current loan outstanding stands at 1087 million INR. The loan defaults have been very low - only 0.79 % of loans have been waived in the organization's history. Nearly 67% of the total members had loans outstanding against them as on 31st March 2006. The proportion is lower this year as more than 50% of the groups have been formed in the last financial year alone. The numbers are significant for an organisation, which started to look beyond the taluka they started with after working there for almost 15 years. And the microfinance programme was systematised only in 2000 and in its current form has been in implementation only since 2003.

The most successful intervention of the organisation, labour sharing in Pragathibandhu groups has facilitated more than 10 million person days worth 777 million INR over the last 25 years.

In the agriculture development sector, roughly 7 million saplings have been distributed and 15320 acres of land have been brought under plantation. This has to be seen in the light of the fact that the same farmers survived mostly as agriculture labourers and had very little capacity to invest in plantation crops that suit the agro-climatic conditions, when the organisation started its intervention. More than 20000 families have been assisted to construct irrigation wells and about 17000 families have been assisted to buy pump sets. About 7700 irrigation tanks have been constructed in this very period.

In addition to the agriculture development, SKDRDP has helped the families it is working with in promoting group activities both in food processing as well as in the non-farm sector. About 40000 families have been involved with this and it has further accessed SGSY and KVIC schemes to expand it. This has resulted in a new organisation being launched (SIRI), which is now responsible for the forward and backward linkages.

The organisation helped 20000 families construct their own houses through loans and partial subsidy, while assisting about 1000 destitutes to build their homes through grant. The organisation also has helped communities' access government programmes of solar light systems and gobar gas plants. SKDRDP also has programmes of education and health awareness, which has helped communities move towards holistic development.

## **6.0 ANALYSIS**

The organisation has completed 25 years of working in the region. It has been a rather long

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evolutionary process from starting as a charitable organisation by helping the communities in the local area through donations in kind to an organisation working for integral rural development. There have been some contextual facilitating factors through the growth of the organisation and its achievement in being able to help the communities to help themselves. Though the land is undulating, the area is rich in natural resources. This makes agriculture less risky. The enterprising spirit of the people of the region has played a role in the organisation being able to harness the potential through its interventions. Another factor contributing to the success may be the absence of high level of social and economic inequity.

However the success of the intervention can largely be attributed to the strategic thinking, which enabled the organisation to make course corrections from time to time.

## 6.1 Strategy

The interventions of the organisation have evolved from charity to self sustenance over the years. It might look a slow process from the outside, but the organisation has been able to identify the crucial issues and shift gears as per the requirement of the region and the wider happenings in the sector. The responses have been always timely and there have been major strategic shifts (at least 3) in its lifetime as detailed out in the evolution process.

The organisation started its work 25 years back when wage labourers in the region became land owners without the wherewithal to cultivate their own land. Identifying this, the organisation initiated programmes to help the labourers become true landowners. Starting with donations in kind, the organisation encouraged the farmers to share labour later. Though now women's groups form the majority amongst the members, the concept of labour sharing among farmers, primarily men, has really been given a new dimension and gives the institution a solid foundation.

This aspect with which it started its interventions continues till this day as an entry point activity. It is a very different sight to see the male members get together and start their group proceedings remembering God through prayer, and welcoming the guests with an organised clapping, same as that done by the women members in their meetings.

Moreover, labour sharing has helped thousands of small farmers to achieve important farm works like fencing, well digging, land levelling, house/shed construction through participatory labour. This technique has stimulated the progress of the stakeholder families and unity in the neighbourhood due to less conflict and antagonism. Pragathibandhu is perhaps the only set of groups having men as members of microfinance programme modelled on SHG lines in the country and working successfully.

Similarly with the women groups, after more than a decade of interventions, it is observed that they have become confident, self respecting and determined. JVKs have been successful in training and engaging women in multiple income generating activities. As a result, it is observed that beedi rolling is on a decline - if not entirely eliminated.

The microfinance programme has been modified to suit the context. As the major bottleneck identified was that of agriculture that requires higher investment with long

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gestation period, the quantum of loan as well as loan tenures has been higher than conventional microfinance programmes. While the quantum and loan tenure has been high, the interest rate has been low and affordable, comparable to the SHG programmes elsewhere. The programme also provides the flexibility of taking credit for all conceivable purposes from consumption to productive to required asset creation.

As the microfinance programme has been systematised and the defaults rates are low the focus is on generating livelihoods. Unlike other organisations, who have to continuously worry about repayments, the staff time of SKDRDP in ensuring the same is lesser. So automatically, much more time of the staff is devoted in identifying and helping in livelihoods opportunities.

The institution took almost a decade to realise that it has neglected the most important stakeholders in the development of the community, women. However, once decided, it went on to include the women

in its programmes with full vigour. While in 1996 there were no women beneficiaries at present 2/3rd of the current lending through SHGs is to women.

Also as a strategy, in the older areas when it found that the credit demand for agriculture is reaching a plateau, the emphasis shifted to group enterprises to be run by women. Now it has promoted an independent entity, SIRI to take care of the enterprises. The strategy has so far been to work on as many products as possible to be produced and / or processed by women groups, and provide the groups the vertical and lateral linkages.

## **6.2 Factors contributing to Success**

Some of the factors contributing to the success of the intervention include: 1. Institutional Strength, 2. Value System, 3. Human Resources. These are discussed in some detail below

### **6.2.1 Institutional Strength**

The key strength of SKDRDP lies in its lineage to the Dharmadhikari of the Manjunatha temple. The Heggade family has been the head of the religious institution for over 800 years and hence is regarded highly and revered in the area. Apart from Shri and Mrs. Heggade, the three other trustees of SKDRDP have good standing in the area one an economist, the other an ex-banker with interest in rural development and the third an educationist.

In addition to the value-based support, it is also financial support that has mattered over the years as the trust is financially rich and bails out the organisation in times of crisis. In most of the interventions, like insurance and income generation activities, the organisation has incurred heavy losses, but continues to stand by the programmes because of conviction.

Till about 5 years back, all the funds for the development programme came from the parent trust. Since then, the current management has diversified its fund source by accessing the

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government schemes and financial institutions.

### **6.2.2. Value System**

So, what are the values that have resulted in the organisation being able to make an impact in the region? The values are primarily associated with religion and taking a higher moral stand. The faith in the shrine, fear of God and the social stigma of wrong doing to a highly revered religious institution are the major factors of the successful programme delivery of the organisation.

The base of the organisation has been labour sharing among men. Then, it is anti alcoholism, with which the organisation has been strongly associated with. Another aspect has been the almost invincible faith in the local people, who may not have very high formal qualification, and importance given to age and seniority in terms of career progress.

The religious values that are given so much of importance here have been possible due to continuous reinforcement by the chairman and his wife at regular intervals. The continuous interaction of the top management has resulted in all the staff identifying completely with the Dharmadhikari, who is the head of the organisation. The association with the Dharmasthala notwithstanding, SKDRDP has promoted its unique brand of values amongst the staff.

### **6.2.3 Human Resources**

The management for operations is independent of the board and is headed by an Executive Director, an ex-banker with significant experience in rural credit. The executive committee includes the directors and project officers of all the projects, who have been drawn from locals and have been with the organisation for a significant period of time. They meet once a month to take decisions on day-to-day management.

However, it is the grassroots staff of the organisation named as Sevanirathas, who as foot soldiers, have carried on the good work of the organisation quietly. As has been mentioned earlier, the staffs, drawn from locals, have very high growth opportunity and identify absolutely with the top of the organisation, resulting in high motivation levels and morale. The attrition rates in the organisation among the staff are very low at all levels. Only 100 people have left the organisation in the period from 2001-2006, when the staff strength has grown from 229 to 1120.

The Sevanirathas are the frontline staff of SKDRDP. From being one among three staff in the village in the earlier days of the project, they are now the sole representatives of the organisation in a village, responsible for all the programmes facilitated by the organisation. The Sevaniratha is now a multitask staff having been trained in the basics of SKDRDP's entire programme set. The specialists supporting Sevanirathas are based in project offices, located at taluk levels and only come on requests of the later.

Selected very carefully from amongst the local youth, it is the attitude that the organisation looks for after a basic qualification of 10th or maximum 12th pass. Once selected and sticking with the organisation for about a quarter, a lot of investment is made on them. Apart from a salary that comes to around Rs. 2500 a month, the Sevanirathas are provided

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with free housing, loan to own a vehicle, maintenance and fuel expenses and magazines to keep abreast of the current developments.

All this comes with conditions of performance and strict adherence to rules the Sevanirathas cannot be posted in their own villages. They have to stay in the village where they are posted. They are transferred after 2 years in one village. They are not allowed to smoke or consume alcohol. Any non-official relationship with colleagues of opposite sex is frowned upon, if not approved by the parents of the concerned staffs.

The professional advancement is also very swift. Most of them get promoted every 2 years into a higher grade. The talented among them can even get promoted earlier with higher responsibility (not necessarily accompanied by higher pay, but this works wonders). The older sevanirathas have now become directors of the organisation functional or district heads.

They are imbued with strong values attached to Dharmasthala. It is ensured that the senior management of the organisation spends time with them at regular intervals. Even Shri and Mrs. Heggade make it a point to spend time with them every quarter and talk to them. Any personal issue is taken care of immediately. They are in effect taken as representatives of the Dharmasthala.

### **6.3 Challenges**

The biggest challenge of the organisation is to prove itself in a place, where there is very little influence of Dharmasthala. The organisation moved beyond the taluk it started with around 5 years back and has just started expanding to other districts. The biggest strength of the organisation is the support of Shri Kshetra Dharmasthala and Dr. Veerendra Heggade, and the value based system that comes attached with it. This weakens once the intervention moves beyond the taluk and the districts. It is early to forecast, how the organisation will deal with this situation.

For almost two decades, it worked in Belthangady Taluk intensively. The programmes have scaled up in the very recent past, particularly in the past one year. Now it will have to perhaps rely on stronger systems of checks and balances, monitoring and evaluation and administration in general. Already, some of the conventional group criteria are being imposed in the areas where SKDRDP is starting work in the recent times. The organisation does not allow more than one member in the family to participate in the programmes.

The older human resources have been one of the major strengths of the organisation they are now all senior people in their early 40s, with higher responsibilities. The organisation has made heavy investments in them over the years and it is paying back now. However, with massive geographic and programmatic expansion, lot more people are required and have been inducted. Now the staff are getting faster promotions and getting into higher responsibilities very soon due to the expansion the organisation has to deal with this. So far, it has stuck to the earlier strategy of recruiting locals at the entry level and then grooming them up for higher responsibilities.

But is it possible to continue to do so? SKDRDP has already started taking people, though

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very low in comparison to the total intake, from outside at a higher level professionals who have experience in other organisations, who come from different cultures. These professionals will command higher pay and positions on account of their superior skills and qualifications. This may create tension between

the local staff, which has grown with the organisation over the years. This is going to be big issue to handle for the management in the near future, as the newcomers are alien to the organisation culture of SKDRDP, which in a sense is unique and difficult to replicate. How the leadership addresses this issue remains to be seen.

The work of SKDRDP in agriculture has been very successful. But in the older areas, the work on agriculture has saturated. This is one of the reasons, why SKDRDP has been increasingly focusing on agro processing and non-farm activities for the past few years. The organisation is now scaling up the group activities to cater to the growing numbers. SIRI, wants to sell the products manufactured by the groups in its own brand name.

SIRI is now involved in numerous products, too high for any enterprise to sustain all of them and make profits. Despite increasing sales through the pilgrims coming to Dharmasthala and some sales due to the brand associated with it, the management is admittedly struggling to give the enterprise a shape to make it financially viable. The ability to act as a financial cushion for new enterprises and initiatives will be tested once the operation increases in scale.

## **6.0 CONCLUSION**

SKDRDP is an institution that has evolved from a charity and aspires to move towards its own self-sustenance. Through its lifetime it has had to change courses when the need arose and learnt to work with all stakeholders in the development of the region from focus on farmers in its earlier days to women, and labourers. In its growth it has learnt admirably to combine the backings of a religious trust with the professional but locally rooted management of interventions.

However, it will be difficult to replicate this model of organisation elsewhere, as it is primarily dependent on the spiritual leaders to take the initiative where they have the influence. Even the success of the same model needs to be seen in the same institution when it expands to regions where it has less or no influence.

One of the questions that the larger development sector needs to explore is whether the backing of the spiritual / religious bodies and persons can be successfully utilised in the larger agenda of addressing the complex issue of livelihood promotion and poverty eradication.

**Annexure # 1: Status of Group formation as on March- 2006**

Particulars	Pragathibandu	Jnanavikaa	SHG	Urban Dev.	Total
No of Federations					816
No. of Groups formed	12294	1462	19407	2158	35321
No. of active groups	11689	1434	19032	2146	34301
No. of Families involved	68449	17802	234226	27455	347932
Total savings (INR Million)	173.85	40	215.18	46.65	475.71
Labour exchange days	10365006	0	0	0	10365006
Value of labour exchange @ 75/- (INR Million)	777.37	0	0	0	777.37

**Annexure 2: Organisation Growth over the Years**

Indicators	03-2006	03.2005	03.2004	03.2003	03.2002	03.2001
	<b>OUTREACH (Number)</b>					
Districts covered	3	3	3	3	2	2
Branches (1)	16	12	9	8	2	2
Villages/towns covered	1529	698	435	239	169	169
Groups (2)	34301	15860	11117	9107	6529	4251
Members (3)	347932	161745	101263	80730	56706	27432
Loans disbursed (SKDRDP to Groups) (4)	20693	5029	7521	2650	12	328
Borrowers – SKDRDP (5)	234786	110121	65481	53313	31918	21787
Loans disbursed (SKDRDP + Bank to Groups) (6)	20693	5806	7521	2650	1042	1444
Total Borrowers (SKDRDP + Banks) (7)	234786	118273	66256	58192	37977	26118
Active Loans to Individual Borrowers (8)	282738	128273	68112	58433	37423	26818
New Loans (First time borrowers) Disbursed	15185	2872	3874	1262	12	223
Dropouts	78	39	26	-	-	
	<b>FINANCIALS (INR Million)</b>					
Disbursements (SKDRDP to Groups) (9)	730.62	170.3	303.3	98.7	0.12	2.7
Disbursements (SKDRDP + Banks to Groups) (10)	730.62	227.2	303.3	98.7	39.2	36.9
Loans Outstanding (INR Million) (11)	1086.76	491.9	380.1	119.1	27.6	34.0
Total Savings (INR Million)	475.7	283	180.4	119.9	73.3	54.6

	<b>HUMAN RESOURCES (Number)</b>					
Total Employees	1120	632	485	353	259	229
Field worker/credit officer (12)	844	562	412	252	81	81
Number of branch employees	909	584	424	316	223	201
Employees who left during period	25	11	6	8	12	38
	<b>ANALYSIS (Number or INR)</b>					
Members / Group (3/2)	10.0	10.2	9.1	8.9	8.7	6.5
Members / Branch (3/1)	21746	13479	11251	10091	28353	13716
Loan Accounts/ Branch (8/1)	17671	10689	7568	7304	18711	13409
Loan Amount / Group (10/6)	37825.35	39131.9	40327.1	37245.3	37620.0	25554.0
Loan Amount / Borrower (10/7)	3333.76	1921.0	4577.7	1696.1	1032.2	1412.8
Loan Outstanding / Borrower (11/5)	4628.73	4466.9	5804.7	2234.0	NA	NA
Loan Disbursed / Credit Officer (10/12)	927393.36	404270.5	736165.0	391666.7	483950.6	455555.6
Women borrowers to total borrowers (%)	60	60	60	60	50	50
Loan waived (%)						

### **Annexure # 3: Microfinance Details (INR Million)**

#### **Groups Category**

	<b>95-96</b>	<b>96-97</b>	<b>97-98</b>	<b>98-99</b>	<b>99-00</b>	<b>00-01</b>	<b>01-02</b>	<b>02-03</b>	<b>03-04</b>	<b>04-05</b>	<b>05-06</b>
Amt lent to Pragathibhandu Groups	5	8.25	7.84	7.28	5.59	1.3	0.12	44.42	145.6	68.1	482.76
Amt lent to JVK/SHGs	0	2.75	3.36	3.92	3.01	1.4	0	54.29	157.7	102.2	817.27
<b>Loan types amount lent</b>											
Revolving fund Loan	5	11	11.2	11.2	8.6	2.7	0.12	18.8	54.5	46.2	152.84
Infrastructure loan	0	0	0	0	0	0	0	60.1	145.6	94.8	258.62
Group Enterprises loan	0	0	0	0	0	0	0	8.9	16.6	11.4	88.26
Non-farm sector loan	0	0	0	0	0	0	0	10.9	86.6	17.9	95.82
Swagruha Loan	0	0	0	0	0	0	0	0	0	0	135.06
<b>Total</b>	<b>5</b>	<b>11</b>	<b>11.2</b>	<b>11.2</b>	<b>8.6</b>	<b>2.7</b>	<b>0.12</b>	<b>98.7</b>	<b>303.3</b>	<b>170.3</b>	<b>730.04</b>

**Annexure # 4: Loan Size to Groups Over the years**

Loan Size (INR)	Total Value (INR Million) and Proportion (%)											
	00-01		01-02		02-03		03-04		04-05		05-06	
< 5000	0.6	22.2	0.12	100	0.40	0.4	0.83	0.3	0.37	0.2	0.44	0.06
5001 - 7500	0.42	15.6		0.22	0.2	0.47	0.2	0.21	0.1	5.26	0.72	
7501 - 10000	0.15	5.6	3.74	3.8	17.1		5	5.7	5.65	3.3	8.91	1.22
10001-15000	0.62	23		5.2	5.3	9.45	3.1	6.87	4.0	27.52	3.77	
>15000	0.91	33.7		89.14		90.1	275.4	90.8	157.2	92.3	687.91	94.23
Total	2.7	100	0.12	100	98.7	100	303.3	100	170.3	100	730.04	100

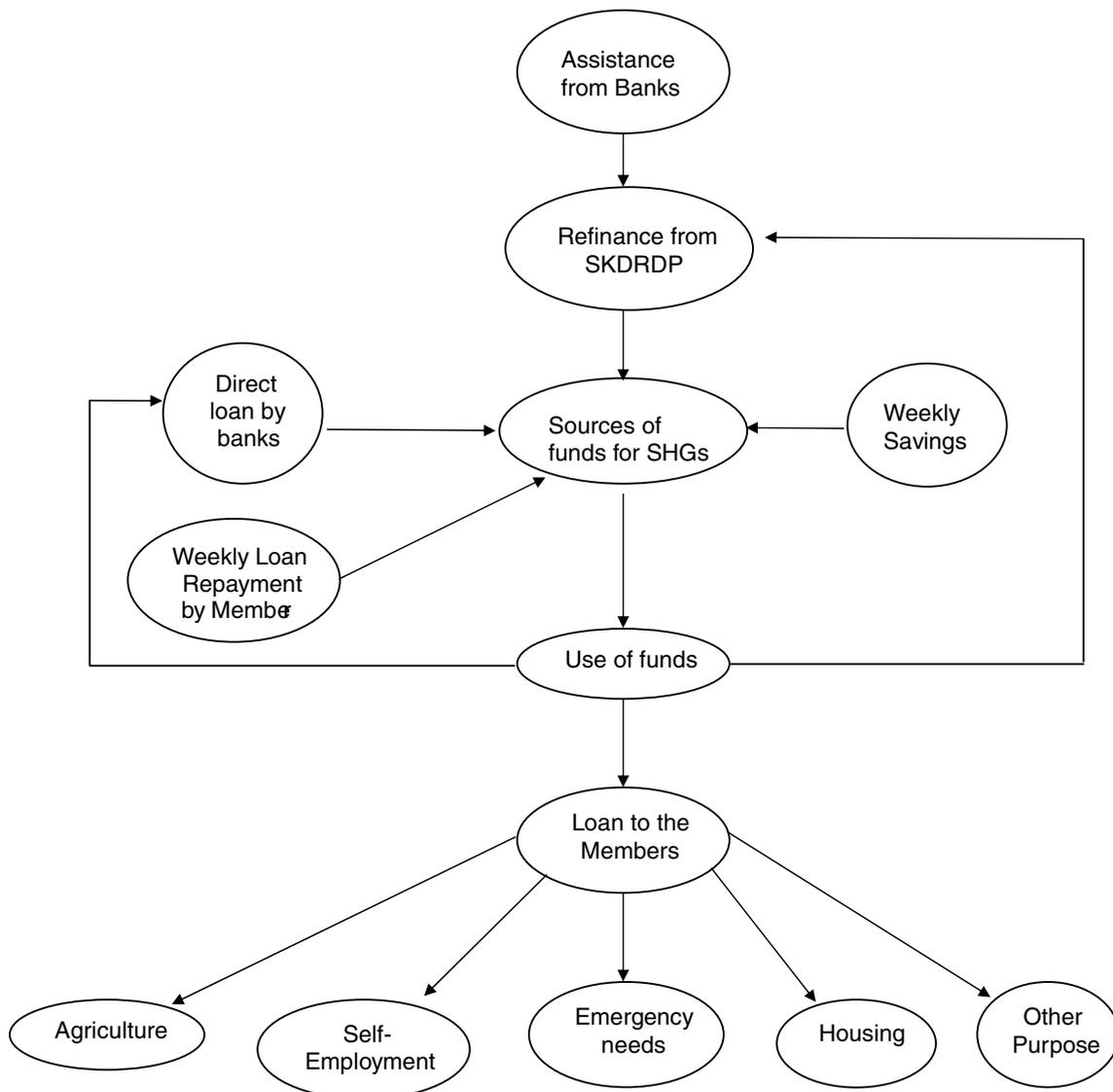
Annexure 5: Measurement of Repayment Capacity of Groups for availing loans

Group Name:            Village:            Year:            No. of members in Group    Years Completed:

Total savings of Groups

1	Annual Group Income	Members				
		2	3	4	5	
	1					
	Agriculture					
	Wages					
	Self employment					
	Other sources					

## Annexure 6: Movement of Pragathinidhi Funds



**Annexure # 7: Farm and Infrastructure Development Programmes**

<b>Activities</b>		<b>2004-2005</b>	<b>Since inception(area in acres)</b>
Fencing	Families assisted	2011	19653
	Area	1763	32977
Coconut cultivation	Saplings distributed	40000	339425
	Families assisted	3251	18518
	Area	934	5917
Arecanut cultivation	Saplings distributed	71977	1050112
	Families assisted	3561	7677
	Area	1070	3515
Cashew	Saplings distributed	82323	335048
	Families assisted	2423	5090
	Area	2138	6458
Rubber	Saplings distributed	55540	2001250
	Families assisted	1182	2167
	Area	1109	11993
Vegetable cultivation	Families assisted	6424	12866
	Area	1729	5354
Paddy Cultivation	Families assisted	1775	12866
	Area	1777	5354
Watershed	Demonstration Plots	65	172
	Percolation Pits	247000	532061
	Rubble Dam	40	40
	Check Dam	190	190
House Construction	Families Assisted for Construction	4654	13097
	Constructed for Destitute	351	962
Irrigation	Families assisted to construct wells	3252	20140
		2583	16838
	Purchase of pump sets	136	7715
	Installation of irrigation tanks etc.		

**Annexure # 8: Income Generating Activities Promoted by SKDRDP**

Income generating activity	Groups Formed				Agricultural Trainings During 2004-05	
	2004-05		Since inception		No.	Participant s
	SHGs	Familie s	SHGs	Familie s		
Dairying & fodder cultivation	363	3056	575	4613	84	1335
Jasmine and vegetable cultivation	422	7339	517	7944	70	1780
Vanilla cultivation	82	656	144	1024	6	551
Vermin composting	237	1219	325	1725	88	537
Bee-keeping	23	316	92	1384	23	790
Food products	16	124	33	335		
Chemical items	6	62	56	572		
Petty business	58	348	237	888		
Tailoring	11	110	35	350		
Poultry	24	96	44	256		
Agarbathi rolling	11	88	86	538		
Banana cultivation	261	3903	481	7215		
Ginger cultivation	22	327	78	1176		
Watershed & water management		68	4983			
Paddy					24	386
Areca, cashew, rubber					58	713
Farm planning	97	1720				
Maintenance of power tiller					18	150
Organic farming	12	155				
Soil conservation		16	110			
Beetle leaves					7	285
Others	453	6809	682	10237		
<b>Total</b>	<b>1989</b>	<b>24453</b>	<b>3385</b>	<b>38257</b>	<b>571</b>	<b>13495</b>

**Annexure # 9: SGSY Projects: Target and Achievement (as on Jan 2006)**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Groups to be Formed</b>	<b>Achievement</b>
1	Minor Irrigation	25	3
2	Sericulture	20	2
3	Medicinal plants	15	7
4	Banana cultivation	60	13
5	Vanilla cultivation	25	1
6	Vegetable cultivation	50	13
7	Jasmine cultivation	50	24
8	Orchids	20	0
9	Power tillers	60	7
10	Threshers	60	0
11	Vermin composting	100	40
12	Dairying	50	67
13	Bee keeping	25	8
14	Poultry	15	0
15	Inland fisheries	10	0
16	Fish catching	20	0
17	Fish marketing	40	1
18	Honey bee extraction	5	0
19	FMCG (Chemical)	150	50
20	Food products	150	22
21	Garments manufacture	200	18
22	Pottery	15	2
23	Stone cutting	15	6
24	Fancy item	15	3
25	Recycled paper	5	4
26	Coir unit	5	0
27	Leaf cup making	15	4
28	Plastic waste recycling	5	0
29	Rexine bags	6	3
30	Flower arrangements	5	1
31	Service units	5	1
32	Huller unit	6	0
33	Marketing of NFS groups	18	9
	<b>Grand Total</b>	<b>1265</b>	<b>309</b>

**Annexure # 10: List of Items Manufactured by Groups Promoted by SKDRDP and Marketed by SIRI**

Particulars			
<b>Food Products</b>	<b>Chemical Products</b>	<b>Readymade Garments</b>	<b>Rexin Products</b>
Khara	Shubra super	Nighty	File bag
Sweet boondi	Shwetha detergent	Small nighties	Vanity bag
Avalakki mixture	Shubra cake soap	Chudidhars	Shubra care soap
Vermicilli	Shubra super cake	Frock	School bag
Masala Channa	Maxima discleaning powder	Shirt top	College bag
Butter Chakli	Bleaching powder	Kurta type	Key purse
Sweet corn	Hand wash	Childrens wear	Executive bag
Khara corn	Vehicle wash	Shirts	Traveling bag
Dhal mixture	Floor wash	Bermudas	Ladies bag
Chakli	Black phenoyl	Saree	Gents bag
Potato chips	White phenoyl	T Shirt	Optical glass cover
Sweet potato	Colour phenoyl	Lungies	Suitcase
Sweet thukdi	Agarbathi	Briefs	Home bag
Khara thukdi	Agarbathi powder	Panties	Fancy item
Potato sunte	Agarbathi sandal	Brassier	
Banana chips	Agarbathi rose	Middy top	Paper Products
Salt channa	Agarbathi roll	Night dress	Files
Pea	Agarbathi 3 in 1	Petty coat	Covers
TTK	Small champak	Chudidhar set	Paper bag
Rasam powder	Small gold	Banians	Envelops
Sambar powder	Small mallige	Blouse piece	Greeting cards
Badam powder		Saree piece	Gold covering box
Birinda squash	<b>Areca Plates</b>		Table calendar
Grape squash	Deep round 12 inch	<b>Vermicompost Manure</b>	Photo frames
Orange squash	Deep round 10 inch	1 kilogram	Photo stand
Tamarind pickle	Tray	5 kilogram	Photo album
Lemon pickle	China bowl		Gift box
Mango mince pickle	Deep round 6"		Parcel box
Mango pickle	Bowl type		Visiting card holder box
Mixed pickles	Square		
	Boat shape		