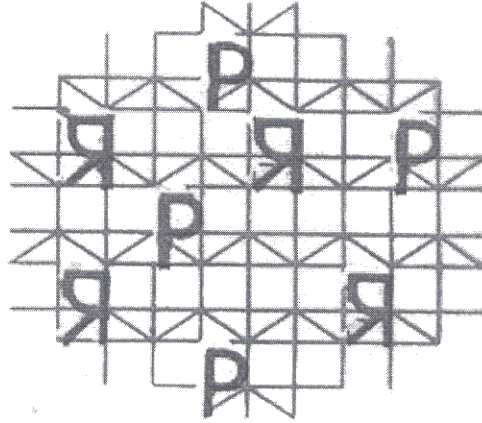


PROFESSIONAL ASSISTANCE FOR DEVELOPMENT
ACTION (PRADAN)



FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2009

3 Community Shopping Centre Niti Bagh, New Delhi-110049
Tel/Fax (91) 011- 26518619 ☎ 26514682, 26528534, 41640611
email: pradhanho@ndb.vsnl.net.in, pradan_del@touchtelindia.net

Auditors

V.NAGARAJAN & CO.,

Chartered Accountants

D-2058 Gurgaon Palam Vihar, Haryana-122017,

Ph: 0124 4078742-43, Fax 0124 2368743 :

Email: nagarajan@accountant.com



V. NAGARAJAN & CO.,

Chartered Accountants

AUDITORS' REPORT TO THE MEMBERS OF

PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN)

We have audited the attached Balance Sheet of **PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN)** along with the accounts of various Income Generation Program based funds, a Society registered under the Registration of Societies Act and having its registered office at 3, Community Shopping Centre, Niti Bagh, New Delhi 110 049 as at March 31, 2009 and the Income and Expenditure account for the year ended on that date annexed thereto.

Respective responsibilities of Management and Auditors

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

Basis of Opinion:

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of financial statement. We believe that our audit provides reasonable basis for our opinion. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

Opinion:

1. In our opinion, proper books of accounts as required by the law have been kept by the Society so far as appears from our examination of the books maintained at the Head Office and all the branches of the Society visited by us
2. The Balance Sheet and the Income and Expenditure account dealt with by this report are in agreement with the books of accounts;
3. **During the year due to a change in the policy of recognizing diminution or appreciation on long term investments held to maturity, as per Accounting Policy no. 2.7 of Schedule 22 and as per Note no. 3.3, the society did not recognize the reduction in the value; the corresponding value was being provided in the books until last year. To this extent the net income over expenditure has been over stated by Rs 25,883,325.**
4. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and the Income and Expenditure Account and other accounts relating to various funds, read together with the notes on accounts attached thereto, give a true and fair view, subject to our observation in para 3 above, :
 - i. In the case of the Balance Sheet, of the state of affairs of the Society as at March 31, 2009 and
 - ii. In the case of Income and Expenditure account, of the Excess of Expenditure over Income of the Society for the year ended on that date.

Place: New Delhi,
Dated: May 30, 2009

for V. NAGARAJAN & CO.,
Chartered Accountants

(V. NAGARAJAN)
Partner



PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN)

Rs

BALANCE SHEET AS AT MARCH 31,		2009	2008	
	Sch.			
SOURCES OF FUNDS				
CORPUS FUNDS	1	85,985,762		85,768,241
OTHER FUNDS	2			
Capital Assets Fund		53,027,239	30,677,102	
Restricted Project Funds		57,195,261	69,278,134	
Un-restricted Funds		26,358,685	37,905,285	137,860,521
REVOLVING FUNDS	3	4,621,954		1,843,896
Total		227,188,901		225,472,658
APPLICATION OF FUNDS				
FIXED ASSETS	4			
Owned Assets		45,659,908	25,159,819	
Community Assets held by PRADAN		7,367,331	5,517,283	30,677,102
INVESTMENTS	5	65,984,123		78,401,795
CURRENT ASSETS AND ADVANCES (A)				
Cash & Bank	6	127,412,679	123,289,004	
Advances	7	13,785,260	17,520,471	
Other Current Assets	8	4,625,122	4,347,979	
		145,823,061	145,157,454	
CURRENT LIABILITIES AND PROVISIONS (B)				
Current Liabilities	9	37,456,003	28,169,654	
Provisions	10	189,519	594,039	
		37,645,522	28,763,693	
NET CURRENT ASSETS (A-B)		108,177,539		116,393,761
Total		227,188,901		225,472,658

Fund Based Receipts and Payments Accounts	20
Natural Head based Income and Expenditure Account	21
Accounting Policies and Notes on Accounts	22

As per our Report of even date

for **V. NAGARAJAN & Co.,**

Chartered Accountants

New Delhi,

Date: May 30, 2009

[Signature]

(V. NAGARAJAN)

Partner



[Signature]
Ravi Gupta
Chairperson

[Signature]
Executive Director

[Signature]

[Signature]
Members of Governing Board



PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN)

Rs

**INCOME AND EXPENDITURE ACCOUNT FOR
THE YEAR ENDED MARCH 31,**

I N C O M E

		2009	2008
Contributions/Grants Received	11	296,588,388	247,846,768
Income on Investments	12	8,620,028	20,836,466
Other Receipts	13	1,961,452	3,709,942
Total		307,169,868	272,393,177

E X P E N D I T U R E

Rural Livelihood Promotion Programmes	14	220,097,793	214,914,384
Livelihood Programme Support	15	39,025,004	32,729,305
Human Resource Development	16	18,329,086	18,397,546
Research & Documentation	17	17,208,487	8,813,032
Administration	18	12,695,251	10,955,490
Total		307,355,621	285,809,756

Non-Cash Charges

Diminution in Value of Investments		-	5,495,213
Unserviceable Assets & Unrecoverable Advances Written Off	19	876,064	461,374
Total		308,231,686	291,766,344

Excess of Expenditure over Income

(1,061,818)	(19,373,168)
307,169,868	272,393,177

A P P R O P R I A T I O N

Balance Available for Appropriation	(1,061,818)	(19,373,168)
Transfer to/(from)		
Income Appropriated to Corpus	217,521	898,291
Assets Utilization Reserve - Acquisitions (Net)	22,350,137	(6,053,823)
Restricted Funds	(12,082,872)	(24,718,345)
Unrestricted Funds	(11,546,604)	10,500,710

Fund Based Receipts and Payments Accounts	20
Natural Head wise-Income and Expenditure Account	21
Accounting Policies and Notes on Accounts	22

As per our Report of even date

for **V. NAGARAJAN & Co.,**

Chartered Accountants

Ravi Anshora
Chairperson

[Signature]
Executive Director

New Delhi,

Date: May 30, 2009

[Signature]
(V. NAGARAJAN)
Partner



[Signature]

[Signature]
Members of Governing Board



PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN)

Rs

SCHEDULES TO BALANCE SHEET AS AT MARCH 31,

	2009		2008		
Schedule 1: Corpus Funds					
Grants from :					
<i>Society Members</i>		1,100		1,100	
<i>The Ford Foundation</i>		22,444,384		22,444,384	
<i>The Ford Foundation - PRADAN CF</i>					
Opening Balance	11,804,607		-		
Add: Additional Grant Received during the year	-	11,804,607	11,804,607	11,804,607	
Sir Dorabji Tata Trust					
Opening Balance	5,759,827		5,674,706		
Add: Interest Appropriated for the year	86,397	5,846,224	85,121	5,759,827	
Sir Dorabji Tata Trust - PRADAN CF					
Opening Balance	28,802,714		20,489,544		
Add: Additional Grant Received during the year	-		7,500,000		
Add: Income Appropriated for the year	131,124	28,933,838	813,170	28,802,714	
Sir Ratan Tata Trust		9,200,000		9,200,000	
<i>Industrial Development Bank of India Ltd.</i>		3,000,000		3,000,000	
<i>Industrial Finance Corporation of India Ltd.</i>		1,000,000		1,000,000	
<i>Industrial Credit and Investment Corporation of India Ltd.</i>		1,000,000		1,000,000	
<i>Interchurch Organisation for Development Co-operation</i>		2,752,509		2,752,509	
<i>Others</i>		3,100		3,100	
Total		85,985,762		85,768,241	
Schedule 2: Capital Assets Funds					
Assets Utilization Reserve					
Opening Balance	30,677,102		36,730,925		
During this year	22,350,137	53,027,239	(6,053,823)	30,677,102	
Restricted Funds - Project Funds (Net)					
Opening Balance	69,278,134		93,996,479		
During this year	(12,082,872)	57,195,261	(24,718,345)	69,278,134	
Unrestricted Fund - Own Funds					
Opening Balance	37,905,285		27,349,075		
During this year	(11,546,600)	26,358,685	10,556,210	37,905,285	
Total		136,581,185		137,860,521	
Schedule 3: Revolving Funds					
	Balance as on April 1, 2008	Receipts	Loan Repaid	Loan Given/ Utilised	Balance as on Mar 31, 2009
Staff Vehicles Loan, ICCO	1,215,784		3,646,446	3,740,718	1,121,512
SHG Livelihood Promotion, Sir Ratan Tata Trust	628,112		874,795	1,007,000	495,907
SHG Micro-enterprise Promotion, Dewan Foundation	-	5,777,409	5,418,760	8,191,634	3,004,535
Total	1,843,896	5,777,409	9,940,001	12,939,353	4,621,954
Previous Year	7,699,023	-	4,265,290	10,120,418	1,843,896

As per our Report of even date

for **V. NAGARAJAN & Co.,**

Chartered Accountants

New Delhi,

Date: May 30, 2009

Ravi Chopra
Chairperson

[Signature]
Executive Director

[Signature]
(V. NAGARAJAN)
Partner

V. NAGARAJAN & CO.
NEW DELHI
GURGAON
Chartered Accountants

[Signature]
[Signature]
Members of the Governing Board



PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN)

SCHEDULE 4: FIXED ASSETS

RS

Assets	GROSS BLOCK			DEPRECIATION			Written down value as at	31-Mar-09	31-Mar-08
	As at 01-Apr-08	Additions	Deletion/ Transfer	As at 31-Mar-09	As at 01-Apr-08	Deletion			
Owned Assets									
Land and Land Development	376,832	-	-	376,832	-	-	-	376,832	376,833
Buildings	9,012,146	22,251,905	-	31,264,051	4,318,300	-	4,318,300	26,945,751	4,693,846
Furniture and Fixtures	3,568,345	1,003,617	134,442	4,437,520	932,829	34,670	898,159	3,539,361	2,632,916
Office Equipment	700,955	37,275	31,858	706,372	289,444	22,973	266,471	439,901	411,511
Professional Equipment	11,945,352	2,801,642	817,571	13,929,423	4,234,224	412,591	3,821,633	10,107,790	7,713,729
Electrical Fittings	3,372,483	1,003,763	359,458	4,016,788	731,983	108,003	623,980	3,392,808	2,651,975
Vehicles	3,049,930	2,392	454,917	2,597,405	2,583,225	444,655	2,138,570	458,835	466,705
Plant & Machinery / Loose Tools	442,152	-	72,000	370,152	31,523	-	31,523	338,629	399,154
Copy Rights	100,000	-	-	100,000	40,000	-	40,000	60,000	60,000
Total in Possession	32,568,196	27,100,595	1,870,245	57,798,545	13,161,529	1,022,892	12,138,636	45,659,908	19,406,667
Work in Progress - Buildings	5,753,152	17,240,103	22,993,255	-	-	-	-	-	5,753,152
Total Own Assets	38,321,348	44,340,698	24,863,501	-	13,161,529	1,022,892	12,138,636	45,659,908	25,159,819
Community Assets held by PRADAN									
In possession	3,974,044	6,927,951	3,534,664	7,367,331	-	-	-	7,367,331	3,974,044
Work in Progress	1,543,239	-	1,543,239	-	-	-	-	-	1,543,239
Total Community Assets	5,517,283	6,927,951	5,077,903	7,367,331	-	-	-	7,367,331	5,517,283
Grand Total	43,838,631	51,268,649	29,941,404	7,367,331	13,161,529	1,022,892	12,138,636	53,027,239	30,677,102
<i>Previous year March 31, 2008</i>	<i>50,189,277</i>	<i>24,784,239</i>	<i>31,134,885</i>	<i>43,838,631</i>	<i>13,458,351</i>	<i>296,822</i>	<i>13,161,529</i>	<i>30,677,102</i>	

As per our Report of even date
for V. NAGARAJAN & Co.,
Chartered Accountants

New Delhi,
Date: May 30, 2009

(V. NAGARAJAN)
Partner



Ravi Chopra
Chairperson



Executive Director

Members of the Governing Board

PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN)
SCHEDULES TO BALANCE SHEET

Rs

Schedule 5: Investments	Face Value	Opening Balance on 01-Apr-2008		Purchased/ Dividend/ Reinvested		Sale/ Conversion Nos.	Sale Amount	Profit/ (Loss) on sale	Holdings on 31-Mar-2009		Rate per Unit	Market Value as on 31-03-2009	Deemed Profit/ (Loss) as on 31-03-2009
		Nos.	Amount	Nos.	Amount				Nos.	Rs			
Sir Dorabji Tata Trust													
HDFC Equity Fund - Dividend	10	239258	10,491,118						239258	10,491,118	22	5,228,751	(5,262,367)
Reliance Diversified Power Sector Fund - Div	10	122167	5,223,000						122167	5,223,000	25	3,067,793	(2,155,207)
DSP Merrill Lynch India Tiger Fund-Div	10	189803	5,223,000						189803	5,223,000	12	2,206,650	(3,016,350)
Reliance Growth Fund - Retail Plan (G)	10			13807	3,630,000				13807	3,630,000	207	2,859,646	(770,353)
Reliance Liquid Plus Fund (G)	10			3597	4,000,000	3190	3,630,000	82,328	407	452,328	1,186	482,606	30,278
Templeton Fixed Horizon Fund - Series VIII Plan	10			350000	3,500,000				350000	3,500,000	11	3,742,060	242,060
The Ford Foundation													
Reliance Banking Fund - Dividend Plan	10	220264	6,000,000						220264	6,000,000	15	3,407,291	(2,592,709)
JM Basic Fund - Dividend Plan	10	123106	3,000,000						123106	3,000,000	6	768,832	(2,231,168)
Others													
SBI Magnum Multicap Fund - Div. Plan	10	250501	2,500,000						250501	2,500,000	7	1,838,677	(661,323)
HDFC Long Term Equity Fund - Div. Plan	10	300000	3,000,000						300000	3,000,000	7	2,062,200	(937,800)
ABN AMRO Multi Manager Fund Series 2A Growth	10	2000000	20,000,000			2000000	21,478,800	1,478,800					
DSP Merrill Lynch Opportunities Fund - Div. Plan	10	182336	5,039,192						182336	5,039,192	16	2,878,724	(2,160,469)
Franklin India FLEXI CAP FUND - Div. Payout	10	494643	9,074,943						494643	9,074,943	9	4,632,534	(4,442,409)
Bitra Midcap Fund - Dividend Payout	10	75650	2,510,889						75650	2,510,889	12	907,799	(1,603,090)
Fidelity India Growth Fund - Dividend	10	244499	2,500,000						244499	2,500,000	6	1,372,127	(1,127,873)
Tata Indo Global Infrastructure	10	250000	2,500,000						250000	2,500,000	5	1,145,550	(1,354,450)
Reliance Diversified Power Sector Fund Dividend Plan	10	8664	511,722						8664	511,722	25	217,568	(294,154)
Reliance Vision Fund Div	10	31626	2,000,000						31626	2,000,000	26	820,388	(1,179,612)
Sundaram BNP Paribas Select Focus -Dividend	10	335601	6,120,759						335601	6,120,759	7	2,461,600	(3,659,159)
			85,694,623									40,100,797	(33,176,154)
			7,292,829										
			78,401,795										
													65,984,123

Less: Provision for diminution in market value

As per our Report of even date
for V. NAGARAJAN & Co.,
 Chartered Accountants
 New Delhi,
 Date: May 30, 2009

(V. NAGARAJAN)
 Partner



Ravi Gupta
 Chairperson
 Executive Director



Srinivas Anantha
 Members of the Governing Board

PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN)

Rs

SCHEDULES TO BALANCE SHEET AS AT MARCH 31,

2009

2008

Schedule 6: Cash and Bank

Cash in Hand

Bank Balances

In Savings/ Current Accounts
Cheques under collection/ in transit

34,467,055
2,962,817

51,711,294
4,332,323
65,117,660

Fixed Deposits

Corpus Fund
Restricted Fund
Unrestricted Fund
Interest accrued but not realised

20,868,100
56,908,678
10,779,700
1,426,329

127,412,679

2,127,727
123,289,004

Schedule 7: Advances

Employees' Advances

Travel
Work
Salary
Medical
Peoples' Groups for Project Execution
Beneficiary Organisations
Others for Work Execution

143,102
366,089
2,141,438
219,406
3,853,990
2,842,342
4,218,894

2,870,035

10,915,226

285,956
1,053,705
910,680
219,406
4,575,032
3,050,462
7,425,231
15,050,725

2,469,747

13,785,260

17,520,471

Schedule 8: Other Current Assets

Income Tax Refund Due
Deposits/Pre-Paid Expenses

2,766,268
599,673

3,365,941

1,136,343
2,216,071

Postage Stamps

355

393

Stock

Materials for use in Development Programme (at cost)

1,258,826

2,131,515

Total

4,625,122

4,347,979

Schedule 9: Current Liabilities

Overdraft from banks (Against Fixed Deposits)
Employee Contributory Welfare Fund
Expenses Payable
Sundry Creditors
LIC for Gratuity
LIC for Leave Encashment

6,418,539
2,792,944
3,129,700
10,974,261
9,340,356
4,800,203

23,315,444

37,456,003

1,881,317
1,712,675
1,896,407
6,871,004
8,892,443
6,915,808
15,808,251

28,169,654

Schedule 10: Provisions

Telephone and Electricity Expenses

189,519

594,039

As per our Report of even date
for **V. NAGARAJAN & Co.,**
Chartered Accountants

New Delhi,
Date: May 30, 2009

(Signature)

(V. NAGARAJAN)
Partner

(Signature)
Chairperson

(Signature)
Executive Director



(Signature)

(Signature)
Members of the Governing Board



PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN)

Rs

Schedules to the Income and Expenditure Account for the year ended March 31,		2009	2008	
Schedule 11: Contributions/Grants Received				
Indian Funding Agencies				
Philanthropies				
Sir Dorabji Tata Trust	46,975,000		26,625,000	
Sir Ratan Tata Trust	59,000,000	105,975,000	52,800,000	79,425,000
Departments of Government of India				
Central Silk Board	37,848,919		13,002,604	
Department of Science and Technology, Government of India	1,758,152		990,000	
Ministry of Rural Development, Government of India	8,776,746	48,383,817	23,685,400	37,678,004
Departments of State Governments				
Department of Sericulture, Government of M.P.	1,526,100		900,000	
Directorate of Women & Child Development, Government of Oris	165,000		-	
Directorate Farmer & Agriculture Development, Government of M	6,614,280		-	
Tribal Welfare Commission, Government of Jharkhand	18,417,485	26,722,865	41,223,140	42,123,140
State Corporations/Agencies				
Basic Tasar Silkworm Seed Organisation, Bilaspur	26,500		769,395	
Environment Planning and Coordination Organisation, Bhopal	-		40,000	
Tribal Co-operative Marketing Development Federation Ltd.	52,500	79,000	-	809,395
District Level Agencies				
Agriculture Technology Management Agency, Keonjhar	176,750		-	
District Rural Development Agencies	2,000,000		7,505,918	
Zila Panchayat	299,000	2,475,750	2,136,381	9,642,299
Externally Aided Project				
Bihar Rural Livelihood Promotion Society	3,679,133		782,011	
District Poverty Initiatives Projects, MP & Rajasthan	1,865,673		3,228,308	
District Poverty Reduction Project, Chhattisgarh	241,600		682,200	
Jharkhand Tribal Development Society	2,140,934		2,900,848	
Tejaswini Project (M.P. Mahila Vitta Evam Vikas Nigam)	2,693,847		-	
M.P. Rural Livelihoods Project	1,836,654		2,470,231	
Orissa Tribal Livelihoods and Empowerment Project	2,456,281	14,914,122	621,500	10,685,098
International Agencies				
India-Canada Environment Facility	-		3,573,768	
United Nations Development Childrens Education Fund	1,936,103		1,320,085	
United Nations Development Programme	-		755,000	
World Food Programme	767,000	2,703,103	1,062,000	6,710,853
Development Finance Institutions				
National Bank for Agriculture and Rural Development	20,128,958		5,653,173	
Small Industries Development Bank	183,188	20,312,146	355,212	6,008,385
Corporates				
Damodar Valley Corporation	15,654,972		-	
ITC Limited	-		4,588,000	
National Dairy Development Board	-		1,743,851	
SRF Limited	6,050,000	21,704,972	10,500,000	16,831,851
Research Institutions/Programmes				
International Crop Research Institute Semi Arid Tropics	160,000		-	
International Water Management Institute	375,730		-	
Nand Education Foundation for Rural Development	192,160		-	
The World Vegetable Centre	191,700	919,590	-	
Receipts from Development Projects				
		3,436,404		
Others				
		851,169		1,900
Total Indian Contribution/Grant		248,477,938		209,915,925

As per our Report of even date
for **V. NAGARAJAN & Co.,**
Chartered Accountants

Ravi Chopra
Chairperson

[Signature]
Executive Director

New Delhi,
Date: May 30, 2009

[Signature]
(**V. NAGARAJAN**)
Partner



[Signature]

[Signature]
Members of the Governing Board



PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN)

Rs

**Schedules to the Income and Expenditure
Account for the year ended March 31,**

	2009		2008	
Foreign Funding Agencies				
Philanthropies				
Aga Khan Foundation	6,886,000		2,308,614	
American India Foundation	-		5,585,874	
Interchurch Organisation for Development Co-operation	20,567,663		18,336,100	
Lutheran World Relief	-		414,342	
Oxfam	1,860,000		-	
Rabo Bank Foundation	-		883,200	
Swiss Development Cooperation	681,601		-	
The Ford Foundation	7,823,749	37,819,013	444	27,528,574
Programme/Bilateral/Multilateral Agencies				
Poorest Areas Civil Society Programme	5,924,237	5,924,237	7,044,655	7,044,655
Individual/Corporates/Research Institution				
Australian Centre for International Agriculture Research	3,486,844		653,473	
David Galloway, Canada	425,414		814,892	
FRR, A Division of THEIDL Group Ltd.	495,400		1,738,600	
Fucid Belgium	572,310	4,979,968	859,643	4,066,608
Total Foreign Contribution/Grant		48,723,218		38,639,837
Total Contribution/Grant received		297,201,156		248,555,762
<i>Less: Unutilized grants repaid to:-</i>				
Central Silk Board	552,143		-	
ITC Limited	60,625		-	
District Rural Development Agencies	-		316,328	
M.P. Rural Livelihoods Project	-		313,579	
Department of Soil Conservation, Government of Jharkhand	-		40,000	
Zila Panchayat, Betul	-	612,768	39,087	708,994
Net Contribution received		296,588,388		247,846,768

As per our Report of even date
for **V. NAGARAJAN & Co.,**
Chartered Accountants

Ravi Anopra
Chairperson

[Signature]
Executive Director

New Delhi,
Date: May 30, 2009

[Signature]
(V. NAGARAJAN)
Partner



[Signature]

[Signature]
Members of the Governing Board



PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN)

Rs

Schedules to the Income and Expenditure Account for the year ended March 31,

	2009		2008	
Schedule 12: Income on Investments				
Profit on Realisation of Investments	1,561,128		6,030,797	
Interest and Dividend from Investments	932,326		10,401,928	
Bank Interest	6,126,574	8,620,028	4,403,742	20,836,466
Schedule 13: Other Receipts				
Reimbursement of Expenses for Technical and Support Assistance for Rural Development Activities	-		2,138,245	
Reimbursement of Expenses for Technical and Management Services Rendered	-		126,880	
Profit on Sale of Assets	268		39,882	
Awards & Recognitions	500,000		645,000	
Other Receipts	1,461,184	1,961,452	759,935	3,709,942
Schedule 14: Rural Livelihood Promotion Programme				
a) Direct Benefits to Beneficiaries				
Natural Resource Management	74,325,328		81,136,800	
Rural Micro-Enterprises	11,894,334		22,381,342	
Livestock Rearing	6,381,492		5,263,325	
Self Help Groups	1,966,581	94,567,735	1,298,753	110,080,220
b) Training & Capacity Building of Beneficiaries				
Natural Resource Management	18,656,350		16,143,188	
Rural Micro-Enterprises	3,441,578		3,429,183	
Livestock Rearing	1,010,723		1,645,937	
Self Help Groups	12,151,788	35,260,439	10,438,898	31,657,205
c) Programme Execution				
Salaries & Benefits of Project Staff	73,555,920		55,257,586	
Travel & Conveyance	14,062,237		12,871,023	
Administrative Expenses	2,651,462	90,269,619	5,048,349	73,176,958
		220,097,793		214,914,384
Schedule 15: Expenses on Livelihood Programme Support				
Salaries & Benefits	21,481,330		15,762,699	
Travel & Conveyance	5,112,549		4,427,453	
Consultancy	594,365		1,277,463	
Rent, Water & Electricity	4,092,159		3,623,181	
Printing & Stationery	1,942,167		1,889,282	
Postage, Telegram & Telephone	1,909,626		1,836,184	
Wages	173,472		141,289	
Repairs and Maintenance - Buildings	75,060		220,532	
- Equipment	1,627,373		1,439,832	
Auditors' Remuneration	-		-	
Miscellaneous Expenditure	2,016,903	39,025,004	2,111,390	32,729,305

As per our Report of even date
for **V. NAGARAJAN & Co.,**
Chartered Accountants

New Delhi,
Date: May 30, 2009

Ravi Anshra
Chairperson

S. J.
Executive Director

K. N. S.
(**V. NAGARAJAN & Co.**)
Partner

S. S. S.
Members of the Governing Board



PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN)

Rs

Schedules to the Income and Expenditure Account for the year ended March 31,	2009	2008
Schedule 16: Expenses on Human Resource Development		
Salaries & Benefits	7,638,027	5,019,068
Travel & Conveyance *	5,967,790	8,440,618
Consultancy	3,556,298	3,482,115
Rent, Water & Electricity	591,996	536,599
Printing & Stationery	342,874	612,384
Postage, Telegram & Telephone	85,218	132,677
Wages	116,400	49,670
Repairs and Maintenance - Equipments	333	29,491
Miscellaneous Expenditure	30,150	94,924
	18,329,086	18,397,546
Schedule 17: Expenses on Research & Documentation		
Salaries & Benefits	4,132,895	1,571,673
Travel & Conveyance	3,917,883	1,634,375
Consultancy	5,699,296	2,165,369
Rent, Water & Electricity	521,260	316,091
Printing & Stationery	1,657,432	2,629,927
Postage, Telegram & Telephone	182,850	168,991
Wages	625,241	226,545
Repairs and Maintenance - Buildings	15,850	1,225
- Equipment	190,213	16,234
Miscellaneous Expenditure	265,567	82,602
	17,208,487	8,813,032
Schedule 18: Expenses on Administration		
Salaries & Benefits	5,707,458	4,600,736
Travel & Conveyance	2,321,556	1,625,217
Consultancy	1,379,348	1,492,527
Rent, Water & Electricity	715,883	872,668
Printing & Stationery	327,916	292,040
Postage, Telegram & Telephone	464,928	323,075
Wages	14,422	7,394
Repairs and Maintenance - Buildings	107,052	212,744
- Equipment	374,038	437,875
Auditors' Remuneration	937,550	764,048
Miscellaneous Expenditure	345,100	327,166
	12,695,251	10,955,490
Schedule 19: Assets, Advances and Stock Written Off		
Unserviceable Asset/ Loss on sale of Assets	361,703	75,234
Damaged/Unusable/Expired stock	49,128	149,181
Unrecoverable Advances	465,233	236,959
	876,064	461,374

As per our Report of even date
for **V. NAGARAJAN & Co.,**
Chartered Accountants

New Delhi,
Date: May 30, 2009

Ravi Anshu
Chairperson

[Signature]
Executive Director

[Signature]
(**V. NAGARAJAN**)
Partner



[Signature]
Members of the Governing Board



PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN)
 SCHEDULE 20: FUND BASED RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Rs

S. No.	Sources	Op Balance 01-Apr-2008	INCOME			EXPENSES			TOTAL EXPENSES	C.I.S. BAL. Mar 31, 2009	
			Contributions and grants received	Other Income	Grants Returned	TOTAL INCOME	Recurring	Capital Expenditure		Appropriated/ Adjusted	Unspent

INDIAN

A	Corpus Fund	48,766,741	-	-	-	-	-	-	217,521	217,521	48,549,220	-
B	Revolving Fund	-	-	-	-	-	-	-	-	-	-	-
	1 Sir Ratan Tata Trust	628,112	-	-	-	-	-	-	132,205	132,205	495,907	-
C	Restricted Funds	-	-	-	-	-	-	-	-	-	-	-
	Philanthropies	-	-	-	-	-	-	-	-	-	-	-
	2 Sir Dorabji Tata Trust	-	-	-	-	-	-	-	-	-	-	-
	Rural Livelihoods in the endemically poor regions	5,014,420	43,875,000	194,118	44,069,118	45,381,756	13,701,784	-	59,083,540	59,083,540	-	10,000,002
	Promotion of System of Rice Intensification	-	3,100,000	-	3,100,000	1,102,742	-	-	1,102,742	1,102,742	1,997,258	-
	3 Sir Ratan Tata Trust	-	-	-	-	-	-	-	-	-	-	-
	HRD Project Phase - I	226,594	-	-	226,594	226,594	-	-	226,594	226,594	-	-
	HRD Project Phase - II	1,807,149	17,000,000	189,133	17,189,133	14,434,941	36,400	-	14,471,341	14,471,341	4,524,942	-
	Livelihood Project	(4,164,719)	42,000,000	211,934	42,211,934	45,783,961	490,020	-	46,273,981	46,273,981	-	8,226,766
	Rajasthan Project	1,879,606	-	65,604	65,604	1,727,335	-	-	1,727,335	1,727,335	217,875	-
	Departments of Government of India	-	-	-	-	-	-	-	-	-	-	-
	4 Central Silk Board	-	-	-	-	-	-	-	-	-	-	-
	Special SGSY - Bihar Project	591,152	23,851,454	934,609	24,786,063	2,434,467	1,080,495	-	3,514,962	3,514,962	21,862,253	-
	Special SGSY - Jharkhand Project	(10,622,424)	13,997,465	-	13,997,465	420,230	-	-	420,230	420,230	2,954,811	-
	Vanya Silk Project	552,143	-	-	(552,143)	-	-	-	-	-	-	-
	5 Department of Science & Technology, GoI	1,848	1,758,152	11,400	1,769,552	1,721,103	-	-	1,721,103	1,721,103	50,297	-
	6 Ministry of Rural Development, GoI	-	3,100,000	-	3,100,000	1,100,155	14,425	-	1,114,580	1,114,580	1,985,420	-
	Special SGSY Projects-INRM Livelihoods in Jharkhand	-	3,100,000	-	3,100,000	1,100,155	14,425	-	1,114,580	1,114,580	1,985,420	-
	Pilot Project - INRM Based Planning under NREGS	358,075	2,600,000	(52,296)	2,547,704	2,905,780	-	(1)	2,905,779	2,905,779	-	-
	Social Mobilization Phase	1,554,000	3,076,746	-	3,076,746	4,630,500	-	246	4,630,746	4,630,746	-	-
	Departments of State Governments	-	-	-	-	-	-	-	-	-	-	-
	7 Department of Sericulture, Govt. of M.P.	537,122	1,526,100	-	1,526,100	442,400	6,000	-	448,400	448,400	1,614,822	-
	8 Directorate of Women & Child Development	-	165,000	-	165,000	174,433	-	-	174,433	174,433	-	9,433
	9 Directorate Farmer & Agriculture Development	-	-	-	-	-	-	-	-	-	-	-
	ATMA Project	-	3,125,000	-	3,125,000	4,783,801	-	-	4,783,801	4,783,801	1,658,801	-
	RKVY Project	-	3,489,280	-	3,489,280	3,508,773	35,500	-	3,544,273	3,544,273	54,993	-
	10 Tribal Welfare Commission, GoJ	24,442,318	18,417,485	417,981	18,835,466	33,747,389	355,000	-	34,102,389	34,102,389	9,175,395	-
	State Corporations/Agencies	-	-	-	-	-	-	-	-	-	-	-
	11 Basic Tassar Silkworm Seed Organisation	594,998	26,500	-	26,500	-	-	-	-	-	621,498	-
	12 Department of Cooperation, GoJ	445,592	-	-	-	97,135	-	-	97,135	97,135	348,457	-
	13 Department of Soil Conservation, Jharkhand	5,048	-	-	-	-	-	-	-	-	5,048	-
	14 DRDC Purulia, West Bengal Govt.	29,509,708	-	974,078	974,078	28,898,526	58,863	-	28,957,389	28,957,389	1,526,397	-

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 Audited Financial Statements for the year ended March 31, 2009

PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN)
 SCHEDULE 20: FUND BASED RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Rs

S. No.	Sources	Op Balance 01-Apr-2008	INCOME			EXPENSES			TOTAL		C.I.S. BAL. Mar 31, 2009	
			Contributions and grants received	Other Income	Grants Returned	TOTAL INCOME	Recurring	Capital Expenditure	Appropriated/ Adjusted	EXPENSES	Unspent	Overspent
15	Environmental Planning & Coordination Organisation	30,702	-	-	-	-	1,554	-	-	1,554	29,148	-
16	Tribal Co-operative Marketing Dev. Federation Ltd.	-	52,500	-	-	52,500	51,061	-	-	51,061	1,439	-
District Level Agencies												
17	Agriculture Technology Management Agency	-	176,750	-	-	176,750	137,462	-	-	137,462	39,288	-
18	District Rural Development Agencies (Dumka, Gumla, Bokaro, Deoghar, Hazaribagh)	4,778,416	2,000,000	50,907	2,050,907	4,378,799	-	153,870	-	4,532,669	2,296,654	-
28	Zila Panchayat	-	-	-	-	-	-	-	-	-	-	-
	Betul	1,631,832	174,000	-	174,000	339,709	-	-	-	339,709	1,466,123	-
	Kanker	(73,287)	125,000	-	125,000	110,200	-	-	-	110,200	-	58,487
Externally Aided Projects												
20	Bihar Rural Livelihood Promotion Society	(282,285)	3,679,133	-	3,679,133	5,061,263	184,300	-	-	5,245,563	-	1,848,715
21	DDPP/ DPPP Project	-	-	-	-	-	-	-	-	-	-	-
	District Poverty Reduction Project, Chhattisgarh	(77,726)	241,600	-	241,600	456,276	-	-	-	456,276	-	292,402
	District Poverty Initiatives Project, Madhya Pradesh	(1,513,446)	1,865,673	-	1,865,673	352,235	-	(8)	-	352,227	-	-
22	Jharkhand Tribal Development Society	(273,584)	2,140,934	-	2,140,934	2,753,560	-	-	-	2,753,560	-	886,210
23	Tajswini (M.P. Mahila Vira Evam Vikas Nigam)	(23,400)	2,693,847	-	2,693,847	2,561,235	170,094	-	-	2,731,329	-	60,882
24	M.P. Rural Livelihoods Project	(31,671)	1,836,654	-	1,836,654	1,829,895	-	-	-	1,829,895	-	24,912
25	Orissa Tribal Livelihoods & Empowerment Project	364,794	2,456,281	18,689	2,474,970	1,888,872	-	-	-	1,888,872	950,892	-
International Agencies												
26	United Nations Development Childrens Education Fund	(880,981)	1,936,103	-	1,936,103	1,243,631	1,250	-	-	1,244,881	-	189,759
27	World Food Programme	276,557	767,000	-	767,000	1,114,179	-	-	-	1,114,179	-	70,622
Development Finance Institutions												
28	National Bank for Agriculture and Rural Development	-	-	-	-	-	-	-	-	-	-	-
	Others	(371,161)	755,813	-	755,813	722,989	(79,781)	-	-	643,208	-	258,557
	Rural Innovation Fund	-	1,488,000	-	1,488,000	1,049,251	-	-	-	1,049,251	438,749	-
	WADI	1,265,835	16,970,059	124,466	17,094,525	9,258,432	58,000	-	-	9,316,432	9,043,928	-
	Watershed Project	91,193	915,086	-	915,086	866,851	34,220	-	-	901,071	105,208	-
29	Small Industries Development Bank of India	(178,356)	183,188	-	183,188	-	-	4,832	-	4,832	-	-
Corporates												
30	ACC Limited	-	-	-	-	9,857	-	-	-	9,857	-	9,857
31	Damodar Valley Corporation	-	3,740,602	-	3,740,602	1,457,589	-	-	-	1,457,589	2,283,014	-
	Bankura	-	-	-	-	-	-	-	-	-	-	-

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Audited Financial Statements for the year ended March 31, 2009

PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN)
 SCHEDULE 20: FUND BASED RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Rs

S. No.	Sources	Op Balance 01-Apr-2008	INCOME			EXPENSES			TOTAL		C/L.S. BAL. Mar 31, 2009		
			Contributions and grants received	Other Income	Grants Returned	TOTAL INCOME	Recurring	Capital Expenditure	Appropriated/ Adjusted	EXPENSES	Unspent	Overspent	
Research Institutions/Programmes													
32	ITC Limited	(22,322)	-	-	60,625	(60,625)	-	(43,400)	(39,547)	(82,947)	-	-	
33	SRF Limited	1,199,736	6,050,000	6,600	6,056,600	6,050,377	117,120	-	6,167,497	1,088,839	-	-	
34	International Crop Research Inst. Semi Arid Tropics	-	160,000	-	160,000	-	-	-	-	-	160,000	-	
35	International Water Management Institute	237,286	375,730	-	375,730	93,255	18,416	237,286	348,956	264,060	-	-	
36	Nand Education Foundation for Rural Development	-	192,160	-	192,160	166,219	35,350	-	201,569	-	9,409	-	
37	The World Vegetable Centre	-	191,700	-	191,700	68,964	6,500	-	75,464	116,236	-	-	
D Unrestricted Funds													
38	Catalytic Fund for Community Development	314,406	-	12,988	12,988	-	-	-	-	-	327,394	-	
39	Sir Dorabji Tata Trust - Corpus	5,047,697	-	874,160	874,160	5,531,544	-	131,124	5,662,668	259,188	-	-	
40	Income from Corpus	18,469,417	-	934,389	934,389	-	-	-	-	19,403,806	-	-	
41	Internal Reserves	(1,573,312)	851,169	5,268,736	6,119,905	11,656,153	4,219,697	257,104	16,132,953	-	11,586,361	-	
TOTAL INDIAN FUNDS			81,138,970	245,041,534	10,308,752	612,768	254,737,518	261,731,404	20,619,134	665,125	283,015,663	88,106,993	35,246,168
FOREIGN													
A Corpus Fund			37,001,500	-	-	-	-	-	-	-	-	37,001,500	-
B Revolving Fund													
42	ICCO - Vehicle Fund	1,215,784	-	-	-	-	-	94,272	94,272	1,121,512	-	-	
43	Dewan Foundation	-	5,777,409	-	5,777,409	-	-	2,772,874	2,772,874	3,004,535	-	-	
C Restricted Funds													
Philanthropies													
44	Aga Khan Foundation	(57,452)	6,886,000	23,684	6,909,684	7,024,241	36,990	-	7,061,231	208,999	-	-	
45	American India Foundation	1,959,835	-	-	-	2,788,554	14,700	-	2,803,254	843,418	-	-	
Day Care Centre													
	Livelihoods	11,028	-	-	-	11,028	-	-	11,028	-	-	-	
	Local Marketing Network - Jharkhand	7,771,750	15,624,063	-	15,624,063	22,769,154	626,657	2	23,395,813	444,878	-	-	
	Mushroom Marketing	2,296,648	-	-	-	540,620	-	-	540,620	1,756,028	-	-	
	Poultry	332,800	-	-	-	328,000	-	-	328,000	4,800	-	-	
	Vikas Bazar	-	4,943,600	33,391	4,976,991	1,604,675	-	(23,504)	1,604,675	3,372,316	-	-	
	Workshop on Livelihoods - VOD	(23,504)	-	-	-	-	-	-	(23,504)	(23,504)	-	-	
	I C O - Revolving Vehicle Fund	790,388	-	126,622	126,622	-	-	-	-	917,010	-	-	
48	Lutheran World Relief	344,203	-	-	-	345,073	-	(870)	344,203	-	-	-	
49	Oxfam	-	850,000	-	850,000	661,933	-	-	661,933	188,067	-	-	
	Institutionalizing a Women Centered Development	-	810,000	-	810,000	482,960	-	-	482,960	327,040	-	-	
	Small Scale Agriculture Scale up Initiative	-	810,000	-	810,000	482,960	-	-	482,960	327,040	-	-	

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Audited Financial Statements for the year ended March 31, 2009

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PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN)

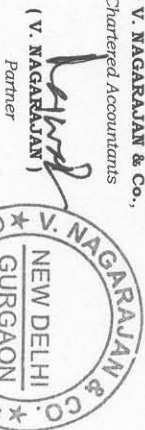
SCHEDULE 20: FUND BASED RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Rs

S. No.	Sources	Op Balance 01-Apr-2008	INCOME			EXPENSES			TOTAL EXPENSES	CLS. BAL. Mar 31, 2009	
			Contributions and grants received	Other Income	Grants Returned	Recurring	Capital Expenditure	Appropriated/ Adjusted		Unspent	Overspent
	Strengthening Capacity of Small Holders	-	200,000	-	-	200,000	93,229	-	93,229	106,771	-
	50 Rabo Bank Foundation	1,159,562	-	-	-	-	302,624	-	302,624	856,938	-
	51 Swiss Development Cooperation	577,905	681,601	13,559	-	695,160	1,273,085	-	1,273,085	-	-
	52 The Ford Foundation	-	-	-	-	-	-	-	-	-	-
	Integrated NRM for Sustainable Livelihoods	344,966	4,368,455	-	-	4,368,455	3,305,237	27,885	3,333,122	1,380,299	-
	Rural Livelihoods for Triple Bottom Line Outcomes	-	3,455,294	-	-	3,455,294	510,361	-	510,361	2,944,933	-
	Programme/Bilateral/Multilateral	(5,927,737)	5,924,237	-	-	5,924,237	(162,292)	-	158,792	(3,500)	-
	53 Poorest Areas Civil Society Programme	-	685,492	-	-	685,492	2,799,608	22,000	2,821,608	1,350,728	-
	Individual/Corporate/Research	(2,601)	425,414	-	-	425,414	72,228	7,825	80,053	342,760	-
	54 Australian Centre for Int. Agri. Research	(74,152)	495,400	-	-	495,400	396,498	24,750	421,248	-	-
	55 David Galloway, Canada	(236,635)	572,310	29,755	-	602,065	567,114	-	567,114	201,684	-
	56 PRR, A Division of THEIDL Group Ltd.	-	-	-	-	-	-	-	-	-	-
	57 Fucid, Belgium	-	-	-	-	-	-	-	-	-	-
	58 Income from Corpus	14,782,709	-	1,174,225	-	1,174,225	16,200	-	16,200	15,940,734	-
	59 The Ford Foundation Corpus	864,370	-	174,525	-	174,525	-	-	-	174,525	-
	60 Internal Reserves	26,044,451	48,723,218	3,699,487	-	52,422,706	47,013,225	760,807	47,774,032	31,947,226	1,254,102
	TOTAL FOREIGN FUNDS	107,183,420	293,764,752	14,008,239	612,768	307,160,224	308,744,630	21,379,941	665,125	330,789,696	120,054,218
	GRAND TOTAL (INDIAN AND FOREIGN)	-	-	-	-	-	-	-	-	-	-

As per our Report of even date

for V. NAGARAJAN & Co.,
Chartered Accountants



(V. NAGARAJAN)
Partner

Pari Chopra
Chairperson



Executive Director

Members of the Governing Board

Anelle

New Delhi,
Date: May 30, 2009

**PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN)
SCHEDULE 21: NATURAL HEAD WISE**

Rs

**INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR
ENDED MARCH 31,**

		2009	2008
I N C O M E			
Contributions/Grants Received		296,588,388	247,846,768
Income on Investments		8,620,028	20,836,466
Other Receipts		1,961,452	3,709,942
	Total	307,169,868	272,393,176
EXPENDITURE			
Direct Programme Expenditure			
Raw Material/Assets for Beneficiaries	47,722,312		37,739,250
Cash Subsidies for Activities	41,390,989		59,755,169
Transportation of Materials	499,182		589,288
Programme Wages	24,592,767		28,266,292
Travel & Conveyance to Beneficiaries	12,992,284		11,119,782
Books & Materials for Beneficiaries	3,321,858	130,519,391	4,390,200
Payment to and Provisions for Employees			
Program Execution Staff	98,048,989		71,878,320
Head Office Staff	14,466,640	112,515,630	10,333,441
Consultancy Charges		13,284,377	12,440,836
Travel and Conveyance		30,244,586	28,212,170
Other Operative Expenses			
Rent, Water and Electricity	6,018,044		5,584,673
Printing and Stationery	4,042,008		3,569,288
Postage, Telegram and Telephone	2,645,453		2,472,086
Wages	568,548		306,503
Repairs and Maintenance - Buildings	197,962		434,501
- Equipment	2,195,766		1,926,672
Vehicle Maintenance (Incl. Insurance)	1,093,633		1,396,486
Books and Audio Visual Expenses	343,393		1,982,654
Bank Charges	363,162		637,407
Auditors' Remuneration	937,550		764,048
Miscellaneous Expenditure	2,160,140	20,565,660	1,827,206
Interest on Overdrafts		225,977	183,484
	Total	307,355,621	285,809,756
Non-Cash Charges			
Diminution in Value of Investments		-	5,495,213
Unserviceable Assets & Unrecoverable Advances Written Off		876,064	461,374
	Total	308,231,686	291,766,344
Excess of Expenditure over Income		(1,061,818)	(19,373,168)
		307,169,868	272,393,176

APPROPRIATION

Balance Brought down		(1,061,818)	(19,373,168)
Transfer to/(from)			
Income Appropriated to Corpus		217,521	898,291
Assets Utilization Reserve - Acquisitions (Net)		22,350,137	(6,053,823)
Restricted Funds		(12,082,872)	(24,718,345)
Unrestricted Funds		(11,546,603)	10,500,710

As per our Report of even date

for **V. NAGARAJAN & Co.,**

Chartered Accountants

New Delhi,

Date: May 30, 2009

(Signature)
(V. NAGARAJAN)
Partner



(Signature)
Chairperson

(Signature)
Executive Director

(Signature)
Members of Governing Board

(Signature)
Members of Governing Board



PROFESSIONAL ASSISTANCE FOR DEVELOPMENT ACTION (PRADAN)

SCHEDULE 22: Significant Accounting Policies and Notes on Accounts
(Followed in framing the financial statements for the year ended March 31, 2009)

1. **OVERVIEW OF THE SOCIETY'S OPERATIONS:** In conformity with its aims and objects, the Society takes up rural development projects to promote income-generating activities for the benefit of the rural poor in agriculture, poultry, tasar silk, lac and other economic sectors,
 - Motivates and provides capacity building inputs to the poor in support of these income-generating activities through its various project teams or peoples' own groups, service units and centres (formed as separate entities and eventually to be owned by the communities) with the ultimate aim of transferring the management and ownership of these service units to the rural poor,
 - Undertakes projects for setting up, renovation and maintenance of irrigation systems, and the development of natural resources by way of land development, watershed development, afforestation and wasteland development,
 - Promotes women's mutual credit and savings groups, associations of such groups and federations of such associations to enhance the savings and borrowing power of poor rural women so that they can mobilise funds for income generation activities,
 - Promotes Peoples' Organisations through its projects to manage their own economic activities, such as mutually aided cooperative societies, mutual benefit trust, Rural Producers' Associations, Producer Companies, etc.
 - Works with the poor through locally active groups, formally recognised under any law or not, towards the accomplishment of its mission.

2. **SIGNIFICANT ACCOUNTING POLICIES**
 - 2.1. **BASIS OF ACCOUNTING:** The financial statements have been prepared to comply in all material respects in respects with the accounting standards issued by the Institute of Chartered Accountants of India ('ICAI'),. The financial statements have been prepared under the historical cost convention and on accrual basis except stated otherwise. The accounting policies have been consistently applied by the Society and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

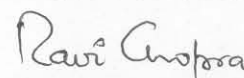
 - 2.2. **REVENUE/EXPENDITURE RECOGNITION:** All grants are recognized on cash basis and expenditure and liabilities are recognized on accrual basis. In the case of a programme undertaken with the support of some Government and other agencies, though the funds received are in the nature of Program Execution Charges under a contract, the same is reported as grant in view of the restriction on the expenditure and is in the nature of reimbursement of cost.

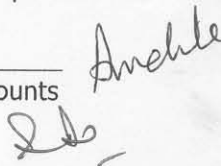
 - 2.3. **FORMAT OF ACCOUNTS:** The Income and Expenditure has been classified based on the cost of activities carried out by the organization, while Natural Head wise Income and Expenditure account is provided in Schedules 21, forming part of the accounts. The activity-based costs are identified and each expense is so classified and recorded in the books based on a documented process including detailed classification of cost centres and sub-cost centres, by the Management.

 - 2.4. **CLASSIFICATION OF EXPENSES:** Of the various activities carried on by the Society, expenses incurred directly in working with and rendering services to the poor rural communities have been treated as **Rural Development Programmes** - these include grants in creating livelihood assets and infrastructure, formal, informal training and exposure of beneficiaries, expenses of community based service providers, salaries and related costs of Society's staff working directly with the communities investments expos and **Livelihood Programme Support** - related to management of field projects and integration of field operations; and are so stated in the accounts.

 - 2.5. **TREATMENT OF ASSETS:** Fixed assets held by the society are classified in following broad categories namely;
 - a Assets owned by the society and used for rendering such services and,
 - b Assets created for the benefit of the beneficiaries to be ultimately transferred to them. All such assets are recognized at cost and charged to respective funds as expenses in







consonance with applicable Income Tax Act. Though these assets are held in the books of the Society, no depreciation has been charged.

Fixed assets are stated at Cost, after reducing opening accumulated depreciation. Acquisitions of assets though they are charged to the Funding Agency's grants are retained in the books by creating a fixed assets utilization reserve. Direct Costs are capitalized until the assets are ready for use.

2.6. **TREATMENT OF SUBSIDIES AND GRANTS TO BENEFICIARY GROUPS:** In the case of informal producers groups of the rural poor promoted by the Society and income generation activities flowing there from, the Society provides donations / capital grants in the form of subsidy to undertake micro business ventures to individuals through groups or business associations. However, these grants, though written off in the books of the Society, are given with implied understanding as a loan to be repaid to the apex bodies of such groups or associations of such groups, which will revolve the same for the benefit of themselves, other members of the same group or other groups.

2.7. **VALUATION OF INVESTMENTS:** All investments are held at cost and are valued at market price or cost, whichever is lower, except long term investments made out of Corpus and other specified Funds. Any diminution in value in respect of all investments other than long term investments (which are held to maturity or pre maturity withdrawals) are provided in the accounts, while appreciation accounted for when realized..

2.8. **TREATMENT OF RESTRICTED FUNDS, BUDGET BASED EXPENDITURE ACCORDED BY FUNDING AGENCIES AND FUNDS DIRECTLY FACILIATED TO THE BENEFICIARY GROUPS:**

- a The expenditure on projects taken up with the support of donor agencies is, as far as possible, incurred according to the plans and budgets agreed upon. However, deviations some times occur at the time of project execution depending upon various circumstances, such as location, awareness among the beneficiaries, local customs, availability of inputs, legal restrictions, etc. Such variations, monitored regularly, are generally intimated to the donor in advance.
- b In respect of specific funded activities under the directions of donors, such as revolving fund grants, working capital loans, loan funds to be passed on to the beneficiaries and administered by the Society, the same are separately accounted for, held in trust and administered in terms consonant with the objects of the Society. All other grants, including capital grants, are taken as revenue of the Society in the year of receipt to meet the local tax law requirements.
- c In the course of implementing rural development projects the Society also leverages substantial resources from various rural development schemes of the government and banks and through beneficiaries' own contribution, which are directly channeled to the beneficiaries and are not reflected in the Society's books of accounts. This is in keeping with the Society's policy of progressively strengthening the capability of the weaker sections to deal effectively with development agencies and to manage development activities themselves.

2.9. **EMPLOYEES WELFARE / PROVIDENT FUND / GRATUITY / LEAVE ENCASHMENT / MEDICAL BENEFITS / LEAVE TRAVEL BENEFITS.** Society provides following benefits to its employees as per the term of employments with them namely;

- a **Provident fund benefit from Society:** Society has established a recognized provident fund and liability towards provident fund is paid or provided to the recognized provident fund on monthly basis.
- b **Gratuity and Leave Encashment:** Society has established a separate trust with Life Insurance Corporation of India and liability on these benefits is calculated and provided based on actuarial calculation provided by Life Insurance Corporation using "Projected Unit Rate" Method.
- c **Medical Benefits:** Society provides monthly liability based on fixed contribution for employees and Society, credited to a separate fund provided for this purpose.
- d **Leave Travel Concession** Fixed monthly allowance is provided to employees as part of monthly salary towards leave travel benefits and charged to Income & Expenditure. No accumulation of such benefit is allowed to the employees.

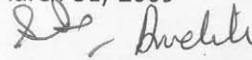
3. **NOTES ON ACCOUNTS:**

3.1. **Change in Accounting Policies Relating to Employee Benefits**

Significant Accounting policies and Notes on Accounts for the year ended March 31, 2009



Ravi Chopra



a **Increase in Gratuity Benefits:**

- i From the current financial year the Society has increased the gratuity benefit from earlier " 15 days salary for each completed year of services" to "20 days salary for each completed year of service in case of all employees who have completed 10 year of continuous services with the Society".
- ii Additional liabilities created on this count amounting Rs 4,107,456 have been calculated based on independent actuarial valuations.

b **Gratuity Trust with Life Insurance Corporation of India:**

- i Further, to change above, the Society has formed a separate gratuity benefit trust and transfer the total liability to such trust on account of all past and current services cost.
- ii Details of Accumulated Liabilities for past services cost and current service cost have been computed by Life Insurance Corporation of India. The current service cost and part of the past services cost have been paid to this Trust. Balance of gratuity liability as on March 31, 2009 pending to be paid to LIC is Rs 9,340,356.

c **For Leave Encashment payable to Employees:**

- i During the current financial year the Society has taken a leave encashment policy from Life Insurance Corporation of India and transfer the leave encashment liability to LIC.
- ii Details of Accumulated Liabilities for past services cost and current service cost have been calculated by Life Insurance Corporation of India. The current service cost and part of the past services cost have been paid to LIC. Balance of Leave Encashment liability as on March 31, 2009 pending to be paid to LIC is Rs 4,800,203.

3.2. **Fixed Assets and Depreciation: Rs 53,027,240:**

- i Depreciation of Rs 2,892,205 has been provided for the year and the net worth of Fixed Assets, is Rs 50,135,035
- ii Community assets held by the Society represents assets created out of donor funds for the benefit and ultimate use by the community and are transferred to community in due course.

3.3. **Investments: Cost Rs 73,276,951 Market Value Rs 40,100,797**

Considering the huge volatility in the financial markets due to various international events and occurrences, diminution in the value of long term investments , amounting to Rs 33,176,154 is not fully recognized (out of which Rs 7,292,828 was already charged to Income and Expenditure account till March 31, 2008) in the financial statements as per the revised policy.

However the markets were on an uptrend again in May and the diminution as on 30.05.2009 had reduced to Rs 13,669,804. After adjusting for the diminution of Rs 7,292,828 already charged to Income and Expenditure account till March 31, 2008, the unrecognized net diminution as per the earlier policy was Rs.6,376,976 as on May 30,2009 .

3.4. **Addition to Corpus: Rs 217,521:** This represents interest income appropriated on corpus investments Rs 217,521 as per the term of grant agreement with Sir Dorabji Tata Trust.

3.5. **Employees Welfare Funds/ Provident Fund / Gratuity/ Leave Encashment / Medical Benefits/ Leave Travel Benefits**

- i Provident fund benefit from the Society: A total of Rs 6,992,962 (*Previous Year Rs 5,253,233*) has been provided as Society share of contribution to recognized provident fund.
- ii Gratuity provided during the year Rs 3,623,061 (*Previous year Rs 1,910,396*).
- iii Leave Encashment provided during the year Rs 1,063,069 (*Previous Year Rs 1,485,697*)
- iv Medical Benefits:
 - a The Society's contribution to medical fund during the year Rs 2,838,250 corresponding contribution by employees to the fund amounts to Rs 1,450,051 (*Previous year Society Rs 1,802,750, Employees Rs 673,750*).
 - b As on March 31, 2009 total balance in medical funds stands at Rs 2,792,944 (*Previous Year Rs 1,712,675*).

4. **Loans to Self Help Groups:**

a **On Behalf of ICICI Bank:**

The Society had facilitated cumulative disbursements of a total of Rs 15,645,352 as loans to Self Help Group's for undertaking livelihood activities out of funds received from ICICI Bank. The liability to repay the loans remained with the Groups and the Society was responsible to collect the amount from the Groups and repay to ICICI Bank. As per the agreement a First Loss Deficiency Guarantee (FLDG) of Rs 1,700,000 was provided to ICICI Bank by the Society against defaults. The ICICI Bank has revoked

the fixed deposit of Rs 1,700,000 and interest of Rs 298,781 against defaulted loan outstanding of the groups. The Society recovered a sum of Rs 1,618,360 from the groups and paid to ICICI, while the balance amount of Rs 380,421 has been written off in PRADAN books.

b On Behalf of Dewan Foundation, UK

The Society disbursed a cumulative total of Rs 16,927,659 out of a cumulative total of Rs 16,927,659 received in trust from Dewan Foundation to Self Help Groups for undertaking livelihood activities. Amount held in the revolving fund representing amount received back from SHG groups as at March 31, 2009 stands at Rs 3,004,535 (*Previous Year Nil*). The liability to repay remains with the Groups and the Society is responsible to collect the amount from the Groups and repay to Dewan Foundation.

5. In Fixed Deposits: Rs 88,556,478

- a Includes Rs 275,000 pledged with commercial banks as security against micro finance loans provided to Self Help Groups.
- b Includes Rs 100,000 deposited as bank guarantee for MPRLP project undertaken in Samanapur and Amarpur blocks of Dindori district.

6. Expenses incurred on Governing Board:

During the year, the Society has incurred an expenditure of Rs 128,163 (*Previous Year Rs 107,194*) on traveling, conveyance and boarding & lodging by the members of the Governing Board.

7. Others:

- a Auditors' remuneration includes Rs 850,000 excluding service tax (*Previous Year Rs 680,000*) as audit fee, while the balance is for other services rendered. Reimbursement of travel and conveyance Rs 249,133 (*Previous Year Rs 287,767*)
- b Contingent liabilities in respect of liabilities of peoples' organizations and trusts where the Society is involved in the promotion and support of the same. - Not ascertainable.
- c Previous year figures are regrouped and rearranged wherever necessary.

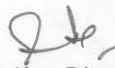
As per our Report of even date
for **V. NAGARAJAN & Co.,**
Chartered Accountants

New Delhi,
Dated: May 30, 2009


(V. NAGARAJAN)
Partner




Chairperson


Executive Director


Members of the Governing Board

