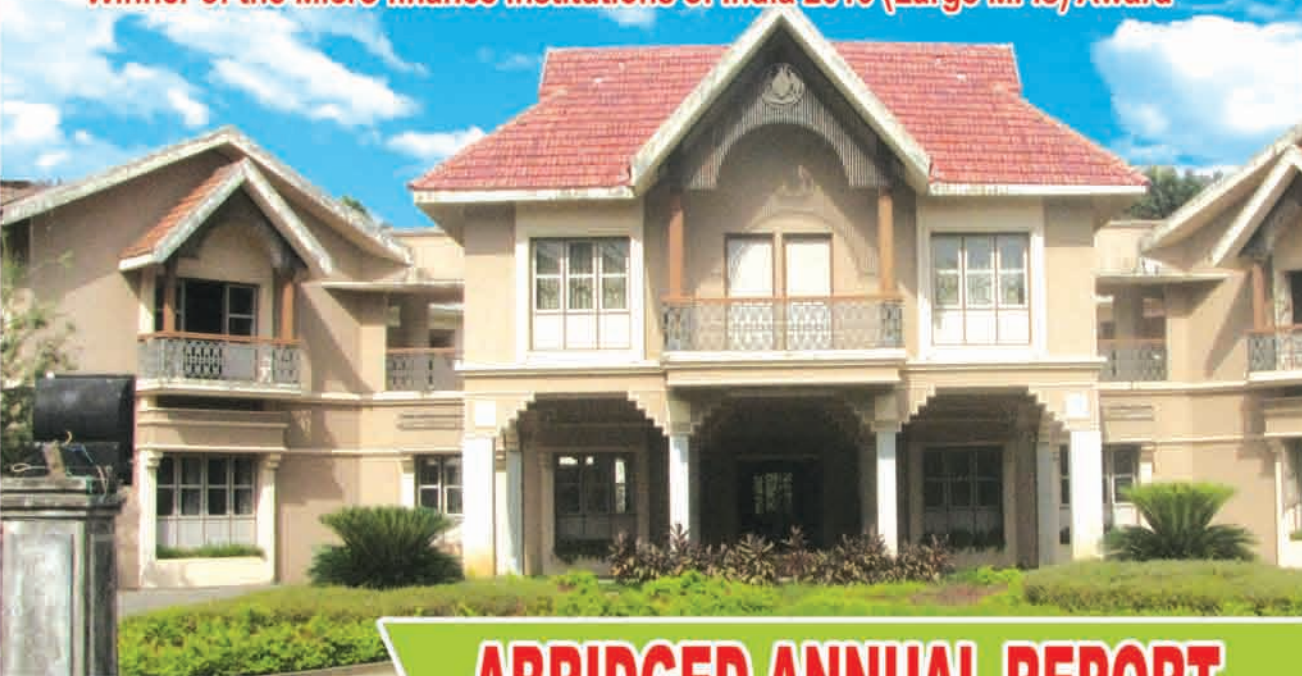


॥ OM SHRI MANJUNATHAYA NAMAH ॥



SHRI KSHETHRA DHARMASTHALA RURAL DEVELOPMENT PROJECT (R.)

Winner of the Micro finance Institutions of India 2010 (Large MFIs) Award



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1. Shri Kshethra Dharmasthala Rural Development Project(R)(SKDRDP) promoted by the visionary Dr. D. Veerendra Heggade, the Dharmadhikari of Dharmasthala in the year 1982 is just completing 28 years of fruitful service to the disadvantaged sections of the society. Working as a registered secular NGO, SKDRDP, initiated its activities in Belthangady taluk of Dakshina Kannada district, later, to take the lessons learnt here to the other parts of Karnataka state. During the year 2010 - 11, SKDRDP could show satisfying performances in various spheres of its work. The following paragraphs try to capture the gist of its performance for the year ending 31-3-2011.

2. SKDRDP as a Business Correspondent (BC):



To reach out to the needy community SKDRDP adopted the BC model initiated by the Reserve Bank of India (RBI). SKDRDP has been working as the BC of the state owned State Bank of India (SBI) and has been promoting SHGs in the backward districts of North Karnataka ever since January 2009. Under this model SKDRDP promotes the SHGs links them to the branches of SBI and handholds these SHGs for development. Acting as BC SKDRDP does banking services at the door step of the SHGs. This has ensured that a large number of SHGs can transact with the bank with the help of remote hand held devices through which all transactions take place.

During the year under report, 32,005 SHGs were linked to the branches of SBI resulting in a cumulative savings of Rs. 21.39 crores and credit outgo of Rs. 227.53 crores. Considering that most of this money worked as an alternative channel to the poor farmers against usurious loans granted by the money lenders for farming activities, the works of SKDRDP has helped the community to come out from the clutches of the money lenders.

3. Donations from Shri Kshethra Dharmasthala:

Every year Dharmadhikari Dr. Veerendra Heggade diverts a part of the temple resources for community development through SKDRDP. Besides making good use of the donations from the temple SKDRDP has also used its surplus earnings for the development of the target community.



During the year SKDRDP(R) has spent Rs.9.32 crores for various developmental activities.

These include donations for community projects, gobar gas installations, construction of sanitation units, Krishi mela, water harvesting projects, Organic village etc. In addition to this, during the current year a sum of Rs.13.00 crores has been spent on house



construction to the people in the flood affected areas of Dharwad, Gadag and Haveri Districts. SKDRDP handed over the new houses in glittering function held in Kongawada village of Dharwad district. Commencing from January 2010, a total of 2,872 houses have been repaired and reconstructed.

Houses constructed in flood affected areas of Karnataka

In four districts of Karnataka state namely Dharwad, Gadag, Haveri and Uttara Kannada districts 160 villages were selected for offering support to construction of houses, 1,261 houses were selected for repairs and 1,448 houses were selected for reconstruction. Some parties could not comply with the requirements and therefore these houses could not be taken up for repair and reconstruction. Ultimately 836 houses were repaired and 2,036 houses were reconstructed. The total project cost was Rs. 19.14 crores, shared between SKDRDP (Rs. 16.85 crores) and beneficiaries (Rs. 2.29 crores). The Project also included construction of new houses under Asare project of the Government of Karnataka in two villages namely Kongawada and Basapur which were shifted to new locations. A total of 790 houses were constructed by SKDRDP in these two villages. The houses are since handed over to the beneficiaries from the government.

4. Destitute Aid: Monthly pension to the destitute :

The workers of SKDRDP identify the poorest of the poor for a monthly sustenance support. During the current year a sum of Rs. 43.15 lakhs has been paid as monthly pension to the poorest poor constituting 1,801 members.

5. Sujnanaanidhi: Scholarship to the students:

A scholarship scheme to the children of the beneficiaries who are going for technical education are offered monthly scholarships ranging from Rs. 400/- to 1,000/- per month. A total of Rs. 1.62 crores to 3,980 students has been disbursed during the year.

6. Support to farming activities:

SKDRDP works exclusively with small farmers helping them with peer support, transfer of technology, access to finance. It promotes self help groups of the farmers called the "Pragathibandhu" SHG. The members of these groups prepare farm plan, undergo training, share labour and achieve progress. While planning focus is given on mixed cropping and multiple activities which help the farmers to get frequent incomes. Trained

workers called as the farm supervisors work with the farmers. During the year 3,260 dugwells and borewells were commissioned. 6,688 pumpsets and irrigation equipments were purchased by the farmers. In addition 410 tillers, 601 other machines were purchased by the farmers. A total of 5,68,160 acres of land were brought under improved cultivation practices.



7. Farm Trainings:

SKDRDP invests substantial amounts in training and capacity building of the farmers. Help of the Govt. line departments, universities and Krishi Vignan Kendras is sought for training the farmers. They are also taken to field visits. During the current year a total of 3919 trainings were organized to train 1,78,000 farmers. Besides 270 field trips were conducted for 14,338 farmers.

8. System of Rice Intensification (SRI):



To popularise SRI system of cultivation and bring back the interest of the farmers towards cereal cultivation, SKDRDP has launched a mega project to support paddy cultivation in collaboration with NABARD. Under the programme during the year 9,453 farmers were assisted to cultivate paddy in 12,783 acres of land with a loan assistance of Rs. 7.66 crores

for equipments and crop cultivation. The programme has created awareness on SRI and importance of cereal cultivation.

9. Environmental programmes :

SKDRDP gives importance to conserving the ecology with special reference to social forestry. Trainings, village level programmes, watershed activities, forestation programmes are conducted. During the current year 3,069 environmental education programmes were conducted. 6,481 camps and forestation of 39,397 plants was taken up. 7,182 watershed activities involving 25,672 families were taken up.



10. Small enterprises:

During the year a total of 1,27,553 members have graduated beyond livelihoods by taking up small enterprises like industries, service and business.

11. Better living environment :

SKDRDP supports the acquisition of basic Infrastructure facilities, to make a better living habitat for the poor. In this regard during the year 35,409 sanitation units, 53,101 houses were constructed by the stakeholders. SKDRDP Subsidy to the extent of Rs. 400/- to Rs. 1,500/- was given for sanitation units besides loans. Long duration loans were also extended for construction of dwelling units.



A total of 2,308 gohar gas units, 541 solar units were acquired with capital support and finance from SKDRDP.

12. Community infrastructure :

SKDRDP supports community participation in building community assets. During the year SKDRDP supported 420 drinking water projects, 113 rural roads, 175 prayer halls. In its effort to support organize milk marketing 295 milk societies were provided subsidies to the extent of Rs. 56.74 lakhs to acquire sophisticated machineries. Support to the crematoriums another novel project of SKDRDP where in fuel efficient body burning chambers are provided to the crematoriums, was extended during the year to 15 villages with a financial support of Rs. 17.65 lakhs.



13. Support to primary education :

In its continuing efforts to provide the best infrastructure in the rural areas, SKDRDP through its **Jnanadeepa programme** has been supporting the primary schools in villages. During the year teaching staff support were provided to 450 schools. 400 schools received desks and benches. 267 schools received support for equipments and buildings. Infact, Rs. 1.94 crores was invested by SKDRDP for this purpose.

14. Capacity Building Training Centres:

Since SKDRDP(R) is a human resource based organization capacity building trainings; induction training and refresher courses are carried out to the staff and stakeholders constantly. Further various skill based trainings, self employment trainings and awareness programs to the SHG members motivating them to take up self employment ventures and enterprises for their economic empowerment. Further, unique trainings on microfinance models are also offered to various organizations working in the micro finance sector. SKDRDP(R) has set up 3 such training centers based in Belthangady, Mangalore and Dharwad with well equipped technologies and resource persons. A total number of 421 trainings to more than 16,151 members have been provided during the year 2010-11.



15. Jnana Viakasa Program:

Under the program aimed at empowering women a total of 6,200 programs have been conducted and 4,05,000 women participated in the awareness program on various basic issues which are affecting day to day life of rural women. Protection of family, children, elders, health of family members, hygiene practices, nutritious food, child's education etc, is given importance while arranging the training programs. The Jnana Vikasa Program is helping the women members to develop more confidence in them and participate more in the social programs.

16. Micro Finance:

SKDRDP is presently working with 13,13,042 families. For their convenience 1,18,918 Self Help Groups have been promoted. These members contribute loan margins, borrow money, share it among themselves and repay at weekly intervals. The total loan margin available Rs.304.05 crores so far. In order to meet the financial need of the members

SKDRDP has borrowed funds from commercial banks and disbursed to the SHGs for onward lending to the members. During the current year Rs. 951.51 crores were disbursed to total



of 1,12,000 SHGs. As on 31.3.2011 SKDRDP could show 64% growth in outstanding over the last year. The micro finance outstanding went up from Rs. 662.00 crores as on 31-3-2010 to Rs. 1,025.85 crores during the year. Delinquency as at 31-3-2011 is Rs. 1.10 crores amounting to 0.01% of the outstanding. During the current year SKDRDP borrowed Rs. 908.00 crores from commercial banks to sustain its micro finance operations.

In spite of increased financial costs, SKDRDP did not revise its lending rates which were maintained at 15% on reducing scales or 9% on flat basis for loans upto 3 years. SKDRDP received subsidized loans for housing and small enterprise from NABARD and DBCDC. The interest subsidy was passed on to the beneficiary.

17. Sampoorna Suraksha micro insurance Program:

SKDRDP has tied up with the insurance companies for providing coverage of hospitalization expenses called as **Sampoorna Suraksha**, this programme collects pre designated premium to provide hospitalization coverage, meet maternity expenses, death compensation, calamity compensation, domiciliary treatment and accidental coverage. During the current year 15,82,000 members enrolled for sampoorna suraksha programme. So far a record no. of 76,588 members have received benefit to the extent of Rs. 25.06 crores under the scheme during the year. The total claims settled since inception of the scheme surpassed 100.00 crores and stood at 120.00 crores as at 31-3-2012.

18. Life and Asset Insurance :

During the year 1,18,000 members enrolled for Jeevan Madhura Life Insurance programme implemented by the Life Insurance Corporation of India. 12,000 milch cows were insured under the cattle insurance policy during the year. The insurance company settled 701 claims during the year amounting to Rs. 73.00 lakhs.

19. Staffing :

To cater to the last person SKDRDP has developed a team of dedicated workers numbering 3,359 as on 31-3-2011. Of these 1,341 women staffs and 2,018 are men. There are 16 Directors and 47 Project officers, 72 technical officers. Besides, SKDRDP has promoted 3,910 SHG federations to deal with the intricate grass route level issues programme.

20. In summary, SKDRDP has made remarkable progress during 2010-11. The management has taken a decision to expand the area to two more districts viz. Belgaum and Tumkur.

The projections for the next year also have already been made by preparing business plan. According to 2011-12 business plan SKDRDP will cover 2 million families and will cater to 1,92,976 SHGs by adding 7 lakhs more members to the Project. It is proposed to advance Rs.1,477.00 crores under micro finance with an expected outstanding of Rs. 1,627 crores at the end of the year. It is also proposed to utilize Rs. 17.75 crores for developmental and charitable activities in the next year.

21.Thanks giving :

We the staff and stakeholders of SKDRDP thank our patron Dr. D. Veerendra Heggade, Dharmadhikari of Dharmasthala and President of SKDRDP for the love, affection and vision bestowed on us. We also thank our trustees Smt. Hemavathi V. Heggade, Shri D. Surendra Kumar, Shri R. V. Shasthri, Shri K. M. Udupa, Shri B. B. Shanbhogue, Shri Uday Kumar Shetty, the bankers, the insurance companies, the staff of the govt. departments and universities and all our partners in helping the cause of SKDRDP. We also thank Shri D. Harshendra Kumar, Dharmasthala and family members of Dr. D. Veerendra Heggade for the unstinted support given by them in reaching our goals.

Progress as at 31-3-2011

Self Help Group Programme

1.	No. of Self Help Groups	: 1,18,918
2.	No. of SHG members	: 13,13,042
3.	Savings (Rs. 10/- per week)	: Rs. 304.00 crores
4.	Amount of loan disbursed	: Rs. 2527.00 crores
5.	Portfolio outstanding	: Rs. 1085-00 crores
6.	Overdue loan disbursed	: Nil
7.	Microfinance rating	: ∞
8.	No. of days of labour sharing	: 3,22,48,508 mandays
9.	Farming activities undertaken	: 6,00,000 acres
10.	Construction of wells	: 42,000
11.	Pumpset and Irrigation system	: 50,000

Infrastructure developed by receiving Pragathinidhi:

1.	House and house repair for destitutes (grant)	: 75,000
2.	Construction of new houses, house repair and electrification	: 7,59,000
3.	Toilets constructed	: 1,81,000
4.	Installation of Solar lighting equipments	: 7,000
5.	Installation of Gobar gas system	: 10,000
6.	No. of deaddiction camps conducted	: 410
7.	No. of people deaddicted	: 34,000
8.	No. of houses constructed in flood affected area of North Karnataka	: 2,891