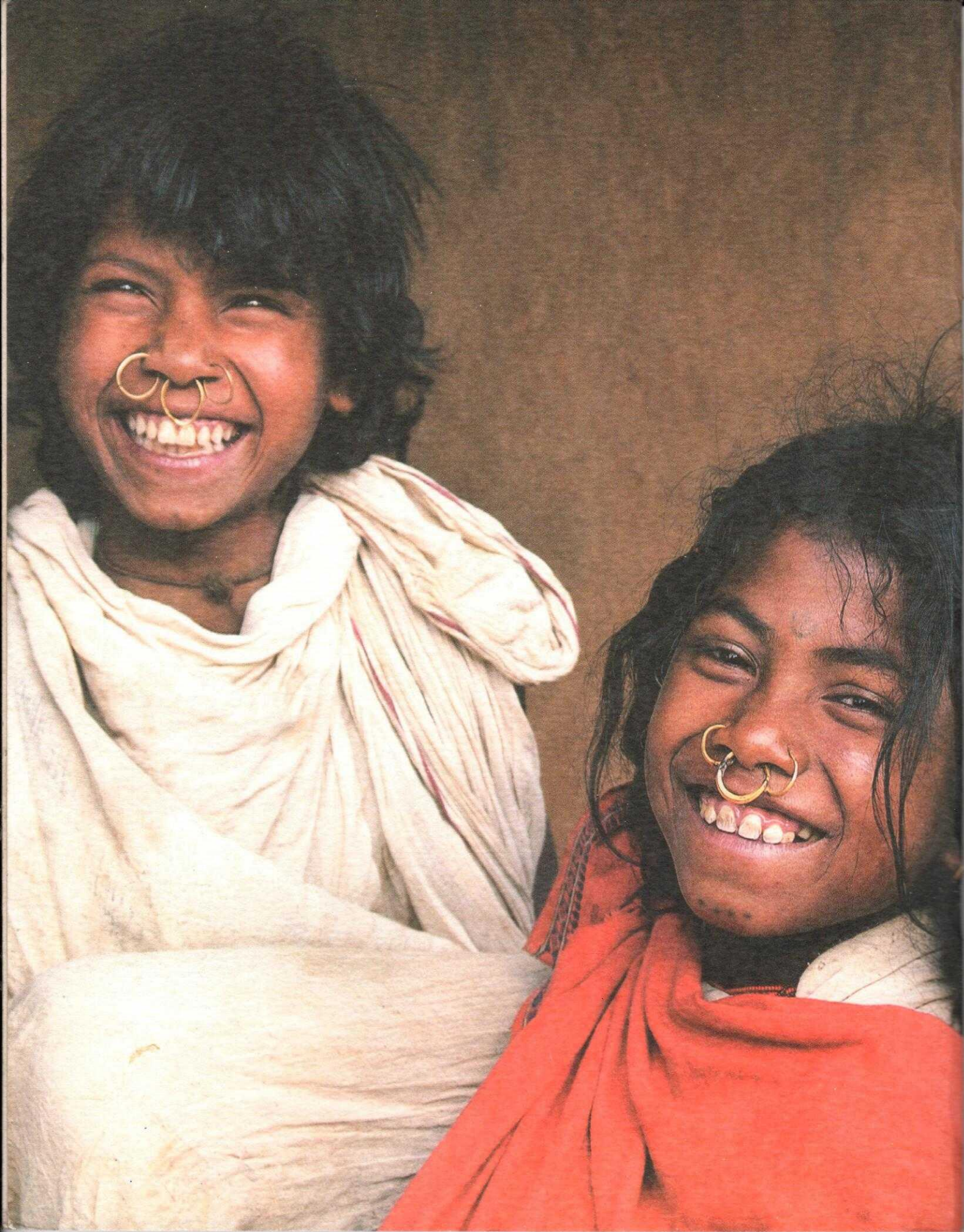


REPORT : 2001 - 2003



Naandi Foundation, a non-governmental foundation, is working towards in the twin cities. "Currently we are providing meals to about 20,000 school children in the city and the...

OUR REGIONAL BUREAU
Hyderabad, 12 February

PROMOTION OF QUALITY EDUCATION IN...

State inks pact with Naandi Foundation

Mandava Venkateswara Rao. The Foundation's Power of 10 movement -- Rs. 10 each collected from individuals belonging to various walks of life -- which has 20 volunteers and 6,000 would help children in government schools get... Dr. Reddy's... Minister...

SOS raises excitement



ment-run schools p... the art and song m... (Support our Schools Naandi, touted as a fir... in the country, invol... students with enthusias... ping them from dro... There are about 22... Government s... one to 10 a...

Naandi summer camp begins

Times News Network
HYDERABAD: A summer camp for 140 students drawn from seven government schools, organised on the initiative of the Naandi Foundation, was inaugurated at the... on Thursday. ... imparting training in... centers, the...

TIMES FOUNDATION

नित्य ओं

coordination... charit...

ఒకటే ధ్యేయం.. దారులు అనేకం
మహానుభావుల అడుగుజాడల్లో 'నాంది'

CM impressed by Naandi kitchen

TIMES NEWS NETWORK
Hyderabad: Chief minister Ch... on Thursday in... for the...

ARAVI VALLEY

Organic Coffee Cultivation

అయ్యోయ్ అదివో... Na... ke th...

Chairman's Message



The 2001 census says 1 out of 4 Indians live below the poverty line. To my mind, this equation holds the key to India's most devastating form of human suffering — poverty. It means, for every poor person there are three others who can help. Reaching out to these three others who can help and igniting in them the spark of wanting to help others has been Naandi's foremost endeavour. Even our logo embodies this quest.

We, at Naandi, innovated a mechanism by which every person is provided an opportunity to give back to society. We call it 'the Power of 10'. Simply put, it's a call to one and all to donate as little as Rs10/- a month to Naandi. These sums are aggregated to address resource gaps for the poorest of the poor — often children and tribals. Having garnered support from scientists to factory workers to bus conductors, the power of this idea is not in doubt. I am only prodding the relentless team at Naandi to take the donor number from the present 6,000 to 1,00,000 in the next phase.

For Naandi, every attempt to make a difference in the lives of the poor started small. No moving to numbers unless the prototype is suitable, stable. I've seen this formula implemented in science and industry. I saw Naandi following it too. A classic example being the midday meal. It serves a gigantic number of 1,50,000 children everyday through a state-of-the-art kitchen and satellite-aided route maps. Everyday, Naandi demonstrates it can handle scale with efficiency and quality.

I've always noticed money is the least of the hurdles in undertaking poverty programs. Whenever we approached people for support the response not just overwhelmed us. It humbled us. Be it the Taj Group of Hotels, taking 3,000 copies of a coffee table book at Rs 6 million for tribal welfare or the AMCHAM taking up the cause of quality education. The challenge of our time is to find credible organisations with commitment and professionalism to work with the state and civil society for the upliftment of the poor. The last two years have proved that Naandi has filled this gap.

Deciding to work directly with the communities, accessing bilateral and international funding, enhancing government partnerships, deepening civil society involvement in development, and reaching out to more of the poor, Naandi is well on its way to tackle poverty. 3,50,000 lives have been transformed in this journey. The road ahead will only get tougher as we take on more issues that affect health, education, and livelihood opportunities of the poor.

We need your support to win this battle against poverty. Join us.

A handwritten signature in dark ink, appearing to read 'Anji Reddy', with a stylized flourish at the end.

Dr K Anji Reddy
Chairman

*Dr K Anji Reddy is an eminent scientist, philanthropist and
the Chairman of Dr Reddy's Laboratories Ltd.*

Board of Trustees



Ramesh Gelli
Vice Chairman

"Naandi has evolved and successfully demonstrated that through innovative approaches, simple and sustainable solutions can be found to tackle social and developmental issues. What is heartening is that while doing so it has also created opportunities of participation for people who desire to do something for the poor and neglected. Building credible bridges between the haves and have-nots, drawing support from experts, thinking innovatively, creating a will among a large number of people to empower the weakest — these are for me breakthroughs in development dynamics that are bound to succeed in solving many social issues. I fully support Naandi's efforts in championing this and invite you to explore possibilities of your participation."

Ramesh Gelli is the Founder of Global Trust Bank Ltd.



K S Raju
Trustee

"A quiet revolution has been taking place in the hinterlands of Andhra Pradesh. Naandi's innovations to provide sustainable, self-reliant solutions for real life issues is resulting in a dramatic boost to the overall development and prosperity of the state. I invite you to join hands to build a self-reliant Andhra Pradesh."

K S Raju is the Chairman of the Nagarjuna Group of companies.



Ramalinga Raju
Trustee

"Naandi's initiatives on education, health and livelihoods are addressing the core areas of development. The success of the Power of 10 and the midday meal are a reflection of what committed individuals can achieve collectively, and how even with minimal contributions we can transform lives of the less privileged."

Ramalinga Raju is the Chairman of Satyam Computer Services Ltd.



Krishna Kumar
Trustee

"Naandi is doing as an institution what all of us should be doing: reaching out to those who need help. I am proud to be a part of Naandi."

Krishna Kumar is the Director of Tata Sons Ltd.



Pankaj Shah
Trustee

"I am proud to be a trustee of Naandi Foundation. I hope to help Naandi achieve its vision of tribal development, and supporting children in school, by participating in its activities, sharing resources of my organisation as appropriate, and influencing the American Chamber of Commerce (AMCHAM) in India to champion Naandi's activities beyond Andhra Pradesh."

Pankaj Shah is the President of E I Du Pont - South Asia.



J A Chowdary
Trustee

"I, as a member of the AMCHAM, have been actively involved with the "Support Our Schools" program and have personally seen the commitment of the organisation. From supporting 10 schools to 300 schools today, Naandi has taken giant strides to promote quality education. I hope this helping hand reaches every poor child in the country."

J A Chowdary is the President and MD of Pinexe Systems Pvt Ltd.



Rajendra Prasad Maganti
Trustee

"I consider it a privilege to be associated with Naandi. Inspired by our dynamic Chief Minister Sri N Chandrababu Naidu *Garu*, Naandi was set up to encourage individuals and social organisations to come forward to help the government to meet the developmental needs of the society. I'm proud to say we have successfully proved that such partnerships can yield wonderful results."

M Rajendra Prasad is the MD of Soma Enterprise Ltd.



Dr Akkineni Nageswara Rao
Trustee

"*Naandi* means an auspicious beginning. It's the Chief Minister's brainchild. Of all the important initiatives taken by him, I consider setting up of Naandi the most innovative. India's progress cannot only be the government's responsibility. We need everyone's efforts to make a change. Naandi is enabling this to happen. For India to take its rightful place in the world, many more Naandis are needed. Naandi Foundation is all set to show the way for such a transformation. If this happens there will be a new beginning for the country."

Dr Akkineni Nageswara Rao is a renowned Thespian of the Telugu film industry.



Begum Bilkees Latif
Trustee

"It is a matter of great satisfaction for me to be associated with such a dynamic organisation. Naandi has successfully undertaken projects to alleviate urgent needs of the people of our state. Lift irrigation in water-scarce districts, tribal development and now quality education for children. With the growing menace of violence I strongly feel we include non-violence and values in our education project."

Bilkees Latif is a well-known social worker.

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Ensuring Children Learn

Support Our Schools

In fifteen years, 7 out of 10 Indians will be 20 to 40 year-olds. For young India to make a difference to its people — the need is to reach quality education to tomorrow's decision-makers **today**. Concerted efforts are needed to make it happen.

Ensuring children learn has become a campaign that has had the government, corporates, and members of civil society come forward to pledge their will, skills and resources to support the majority of India's children who study in public schools. Children coming from very poor families.

In Andhra Pradesh, 96 out of every 100 children of school-going age are in school. But on the flip side is the 72 per cent drop-out rate. To ensure children stay in school and learn, our efforts have created innovative schools in remote tribal areas, in backward-caste colonies, and is enabling dynamic and energised school environments in city public schools.

These have made up our education initiative that is ready to take up any challenge to ensure all our children learn.

Science in Villages

"Not a single family in my village has married off underage children in the past two years."

Karanamma, Hathnura Mandal, Medak District

Hathnura Mandal in Medak district, often considered one of the most backward regions in the state, has taken an ingenious route to progress.

Development — for a people ruled by superstitious fears, black magic and witchcraft — meant 'need to innovate'. The result: The Hathnura Initiative.

It used science and reason as catalysts to change backward mindsets. Today, two years down the road, it is a model ready for replication in areas where people want change but are afraid of what the stars foretell.

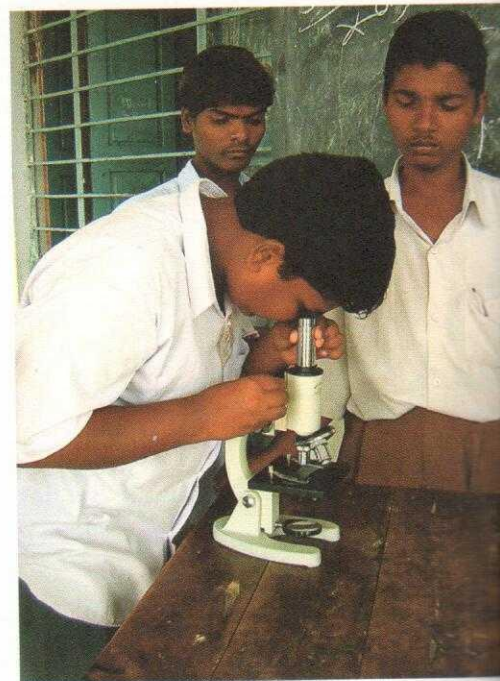
The experiment required that the community be convinced that there are more effective ways of dealing with drought, illness and misfortune than spells and black magic.

To convince them, Naandi and the local NGO Sadhana trained the local youth to hold demonstrations and experiments that gave logical explanations to seemingly extraordinary happenings. Schoolchildren for the first time in their lives had science classes, labs to go to and equipment to use. This created a momentum to learn that led to the creation of the Science Centre.

The Science Centre houses equipment ranging from films on drip irrigation, to spray pumps for pesticides, to models of the human body and aeroplanes. They are used everyday by trained youth volunteers who take sessions with young and old learners.

With pass percentages in science and math touching 90 per cent where they were once 10 per cent, with villages choosing schooling over child marriage, with more mothers having deliveries at the Primary Healthcare Centres instead of cattle sheds, Hathnura has left behind its infamous reputation.

And now, its people are ready to show the rest of the world how they hit on the perfect scientific formula for change.



Status - Completed

Duration of initiative - December 1999 to November 2002

Project expenditure (2001-2003) - Rs 3,35,273 Cumulative project expenditure - Rs 7,97,200

Area - Hathnura Mandal, Medak District

Impact - 33,000 people in 33 habitations



Doorstep Schools for Tribals

"No medicines, no houses, no schools -
there was never anything for us.
We were treated like animals, not humans."
Ontal Oddu, Antabong Village, Paderu Region

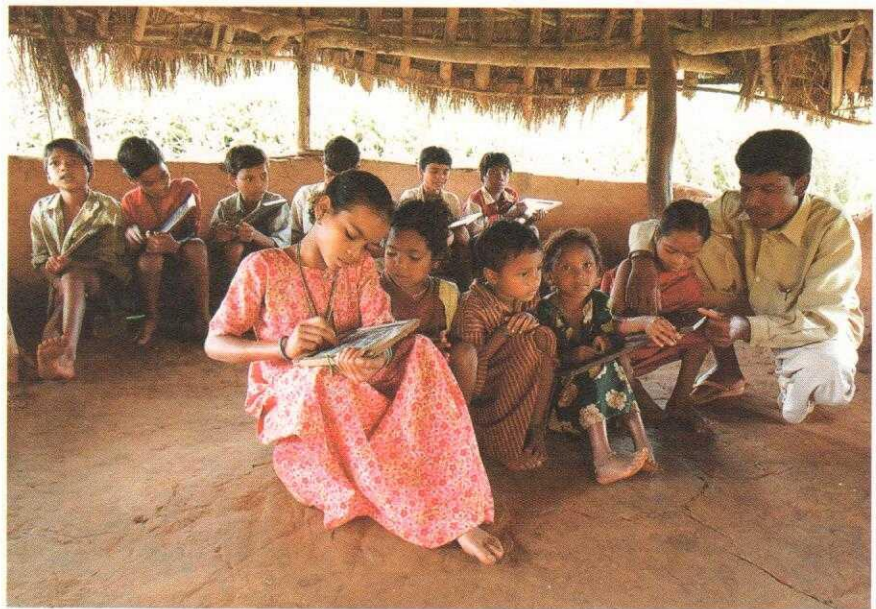
Isolation is felt hardest by 80 million of India's *adivasis* (tribals) who live in remote forests and hills. Though there exist many development initiatives for them, access is the greatest stumbling block. Because most tribal communities have no idea of their rights, entitlements, or how to go about getting them.

Facilitating access was the primary focus of the Munchingput pilot initiative. And as interactions with the communities increased, primary education for children emerged as the greatest need in this area, which had no primary schools.

Working together with the Community Coordination Network, a local NGO, 161 tribal schools were set up. They were within 1 kilometre of tribal households ensuring easy accessibility for children. Today, the District Primary Education Program (DPEP) has taken up the responsibility of sustaining these community doorstep schools.

Meanwhile, in the community, leadership exercises, an understanding of tribal rights and responsibilities, and lessons in literacy were initiatives devised and disseminated by trained tribal youth. This has gone a long way to empower every member of the tribal community.

The result as 45-year-old Muri puts it, "I can't read, so I don't know what my son is learning in school. But I know he's a confident young man now, who can talk to authorities without hesitation."



Visakhapatnam

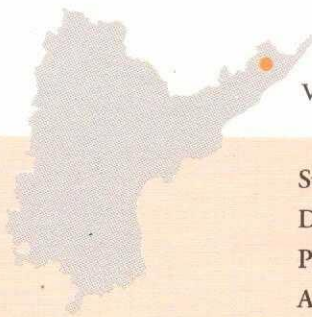
Status - Ongoing

Duration of initiative - December 1999 to November 2005

Project expenditure (2001-2003) - Rs 13,21,287 Cumulative project expenditure - Rs 22,45,287

Area - Munchingput Mandal, Paderu region, Visakhapatnam District

Impact - 40,000 tribals in 362 habitations



Andhra Pradesh

Pre-primary Education

"We used to carry our children on our backs when we worked in the fields. But now, I know Shardu is well looked after at the centre. It's good for single mothers like me."

Shantamma, Rickshaw Colony, Chipurupally Mandal

Working parents are a growing population in urban India. This has prompted the extensive availability of education facilities right from pre-schools to high schools. Ironically, rural India has a far greater population of daily-wage earning parents, yet they hardly have any facilities to ensure their children learn.

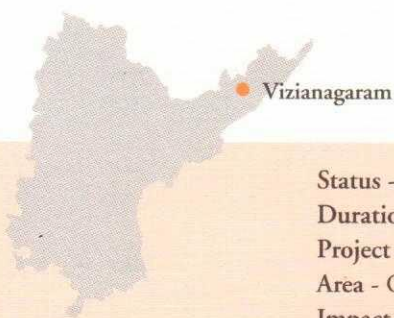
To reach the Millennium Development Goal of Education for All by 2015, this divide had to be bridged. We believed it was essential to integrate early childhood development into the existing education process to make a success of it. And as a result innovative pre-schools were set up as a pilot project in the Vizianagaram district.



Infants of poor, wage-earning parents, often left to their own devices either in the fields or work sites now have a colourful, vibrant school to go to every morning. Interacting with other children their age, learning local songs and rhymes and exploring the world with their enthusiastic teachers, the children have become bright, inquisitive learners who are already making their parents proud.

Working together with Sodhana, a local NGO already working to support backward communities in this area, these child-friendly pre-schools were set up on land donated by the community. They also came forward to volunteer labour and local materials to make the schools for their children comfortable and cost effective.

Manned by some very energised local youth who have been trained to use local idioms, materials and tales to good effect, these centres have become the most attractive places for children to be in. And demands from neighbouring villages to set up similar schools in their areas are pouring in, justifying the need to replicate this model to other areas to tap the learning potential all young children have, irrespective of where they are born.



Status - Ongoing

Duration of initiative - June 2002 to May 2004

Project expenditure (2001-2003) - Rs 1,74,002 Cumulative project expenditure - Rs 1,74,002

Area - Chipurupally, Gariveedi Mandals, Vizianagaram District

Impact - 1,250 children in 10 habitations

Andhra Pradesh

Private Sector for Public Schools



"Jhansi was in a private school but I shifted her to the Filmnagar School because she wanted to come here. They teach differently here."

Pentachari, father of Jhansi studying in class II, Filmnagar Government School

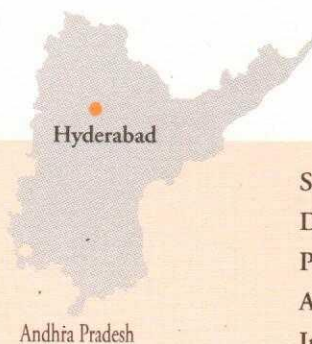
Public schools, better known as government schools, are the ones that educate the majority of the country's children, 155 million of them. They are in need of support.

They need a new spirit that will make children run to them, not run away. To ensure these children (a majority of whom come from very poor families) learn — we are joined in our efforts by members of civil society and corporates such as Dr Reddy's Laboratories, Microsoft, Visaka Industries, Restile Ceramics, member companies of AMCHAM Hyderabad and the AP State Transport Corporation who have unconditionally come forward to champion the cause of quality education.

Creating the right learning environment by making sure basic facilities are in place, by encouraging innovative teaching, promoting extracurricular activities and nurturing creativity, the 10 schools in Hyderabad, where the pilot project is underway, have had a face-lift, and a lifting of spirits.

For the schools, the children and their parents, seeing well-to-do professionals 'adopting' their problems, giving a voice to their needs, giving them the time and consideration they've been denied so long, has been a very encouraging development.

This initiative — as a model that has civil society working together with the government to improve public school education — is poised to be upscaled to more schools, more waiting children.



Hyderabad

Andhra Pradesh

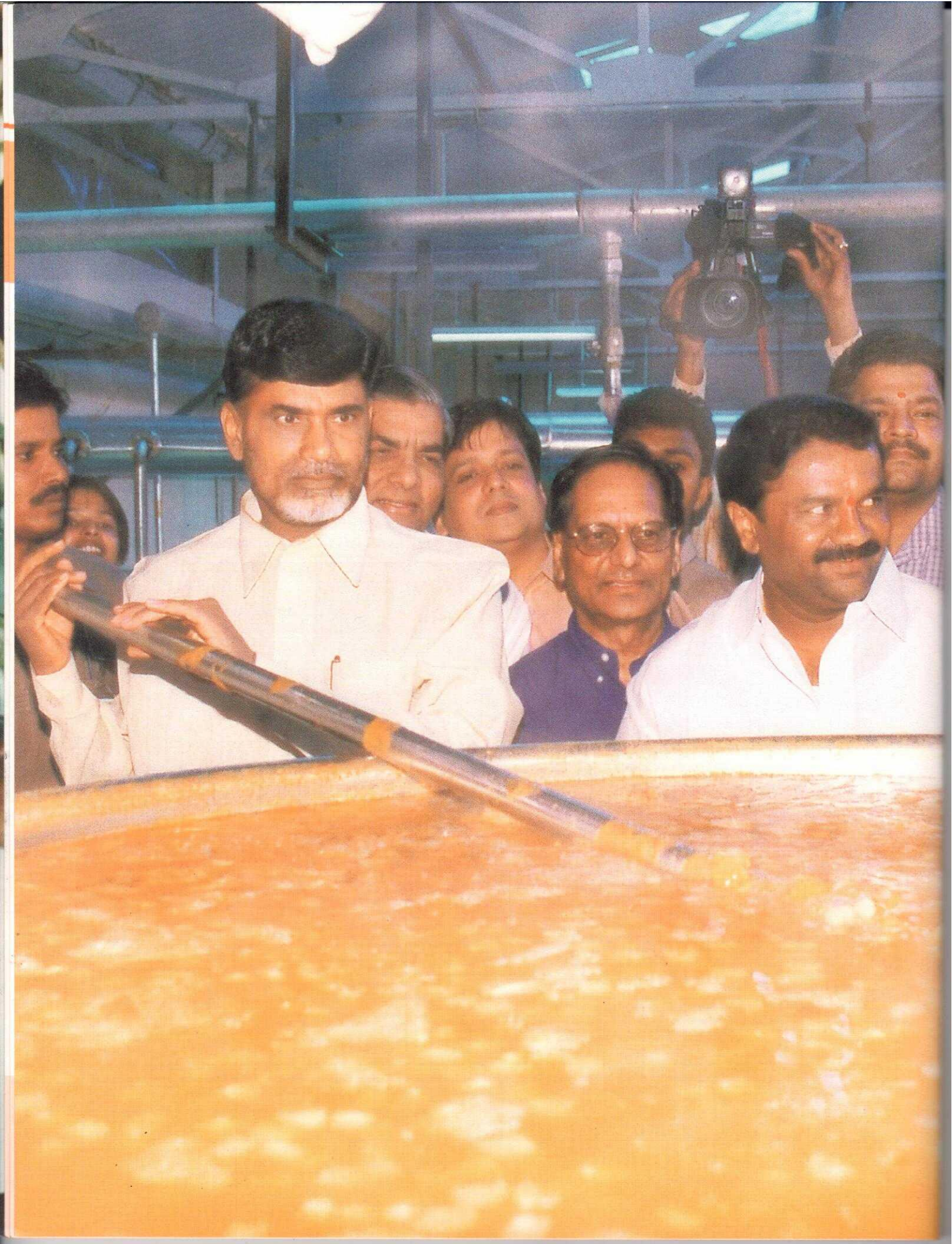
Status - Ongoing

Duration of initiative - June 2002 to December 2003

Project expenditure (2001-2003) - Rs 4,85,556 Cumulative project expenditure - Rs 4,85,556

Area - Hyderabad

Impact - 3,500 children in 10 schools





Hunger-free Schools

The Midday Meal

*"After having the midday meal
I find it much easier to focus on my studies."*

Shaik Inayath, Kachiguda School, Hyderabad

For thousands of poor children, the midday meal served at school is the only food they eat in a day. This convinced Naandi to take up the midday meal program on behalf of the Government.

Classroom hunger has been a deterrent to learning at school. As far back as 1982 the Centre felt the need to ensure children of poor families, who made the effort to enrol in public schools, get one wholesome meal a day, free of cost. This, it was felt, would not only be an incentive for more parents to send their children to school but also make sure that well-fed children would benefit from their lessons that much more.

Following this was the November 2001 Supreme Court order that directed all state governments to implement the midday meal. Andhra Pradesh was one of the first states to decide that its children would not be hungry in school.

In the villages, the women's Self Help Groups took up the responsibility of preparing the midday meal on behalf of the government. But in Hyderabad the absence of such groups, and the inability of the existing ones to manage a centralised kitchen to cater to 882 schools everyday became a problem. That's when the government approached Naandi.

28 December 2002. Naandi signed an MOU with the government to run the midday meal scheme in Hyderabad.

The responsibility to create a central kitchen with the latest in kitchen automation to prepare and distribute high-nutrition meals to 1,50,000 children everyday, was immense. It was a significant instance of a public-private partnership in the state that outsourced a critical service to ensure better organisation and delivery.

On 20 February 2003 the Central Kitchen became fully operational in record time. It has since then supplied on every working day, the much awaited midday meal to its most appreciative audience. Hungry children.

The Meal

*45,000 kgs cooked rice
22,500 lts of sambar everyday*

Nutrition Guidelines

*National Institute of Nutrition
AP Foods*

Hygiene

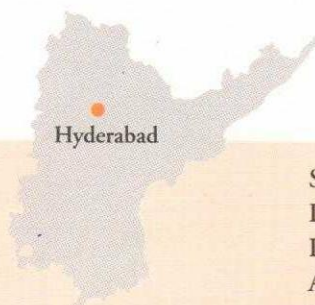
*Steam cooking, food untouched by hand
Professional housekeepers for maintenance
and daily disinfection*

Staff

*60 cooks and assistants
132 distribution supervisors and helpers*

Delivery

*62 trucks in 62 routes, each serving approx
13 schools in the area*



Hyderabad

Andhra Pradesh

Status - Ongoing

Duration of initiative - February 2003 to January 2006

Project expenditure (2001-2003) - Rs 3,14,80,923 Cumulative project expenditure - Rs 3,14,80,923

Area - Hyderabad

Impact - 1,50,000 children in 882 schools





Enhancing Per Capita Income

Dignity through Self-reliance

Opportunities for enterprise, to earn a living — it's the lack of them that creates one of the biggest obstacles to living a life of dignity and self-reliance.

For Naandi, one strategy leads our battle against poverty — create access and control over **education, health and livelihood** opportunities for the most vulnerable in society.

Stable, regular income continues to elude the rural and tribal population. This is largely because of their dependence on depleting natural resources, uncertain weather, ignorance of income alternatives and extortionate credit sources. To change this, our effort has been to support such livelihood practices that will give communities greater control over their circumstances.

Skill enhancement, knowledge transfer, replacing exploitative credit practices with a culture of financial discipline, encouraging Natural Resource Management based activities to not only revive incomes but entire eco-systems, making drought-hit regions water sufficient — these have been our interventions that have created models of financial security and income for some of the worst affected communities in the state.

Water for the Drought-hit

"A lot of people migrated. How else can you live if there is no water?"

Kishtiah, Pasupulla Village, Makthal Mandal

In the ministry of agriculture's note on relief measures, Andhra Pradesh follows Rajasthan as the most drought affected state in the country. And within AP, Mahabubnagar district is one of the worst hit.

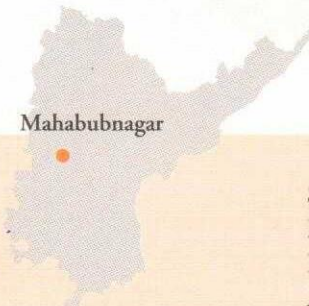
Ironically, alternatives to rain-fed irrigation exist in many of these drought-hit districts. Lift Irrigation schemes (LIs). They siphon water from perennial rivers and streams for cultivation. Unfortunately, almost 600 of them in the state are defunct for over a few years now.

Would it be possible to revive these schemes so water would once again be available without having to bore deep wells? Could the LIs be run as viable enterprise models managed by the farmers themselves? Could the revival process convince farmers to adopt optimal water-usage farming techniques?

To enable this, a pilot to revive 4 defunct LIs in Mahabubnagar was initiated with a local NGO Prerana. Today these LIs have reaped rich rewards for the farmers, encouraging the government to take forward this model to revive the other defunct LIs in the state.

Farmer managed LIs — where members are trained in mechanical maintenance, water management and supply, and accounting — have proved to be replicable models that can sustain public assets and make them viable.

The success of the LI revivals in Mahabubnagar created high levels of self-reliance among farmers, encouraging a spirit of agrarian enterprise in a district where most farmers were migrating en masse.



Mahabubnagar

Andhra Pradesh

Status - Pilot completed

Duration of initiative - January 2001 May 2003

Project expenditure (2001-2003) - Rs 4,32,244 Cumulative project expenditure - Rs 19,67,244

Area - Mahabubnagar District

Impact - 5,000 people in 5 habitations

Straight from the Heart

At 26, Lingappa, with his wife and first-born, was already into debt. Rs 20,000 borrowed at 30 per cent interest from the moneylender for his brother's wedding had set him back badly, and the continuing drought made it worse.

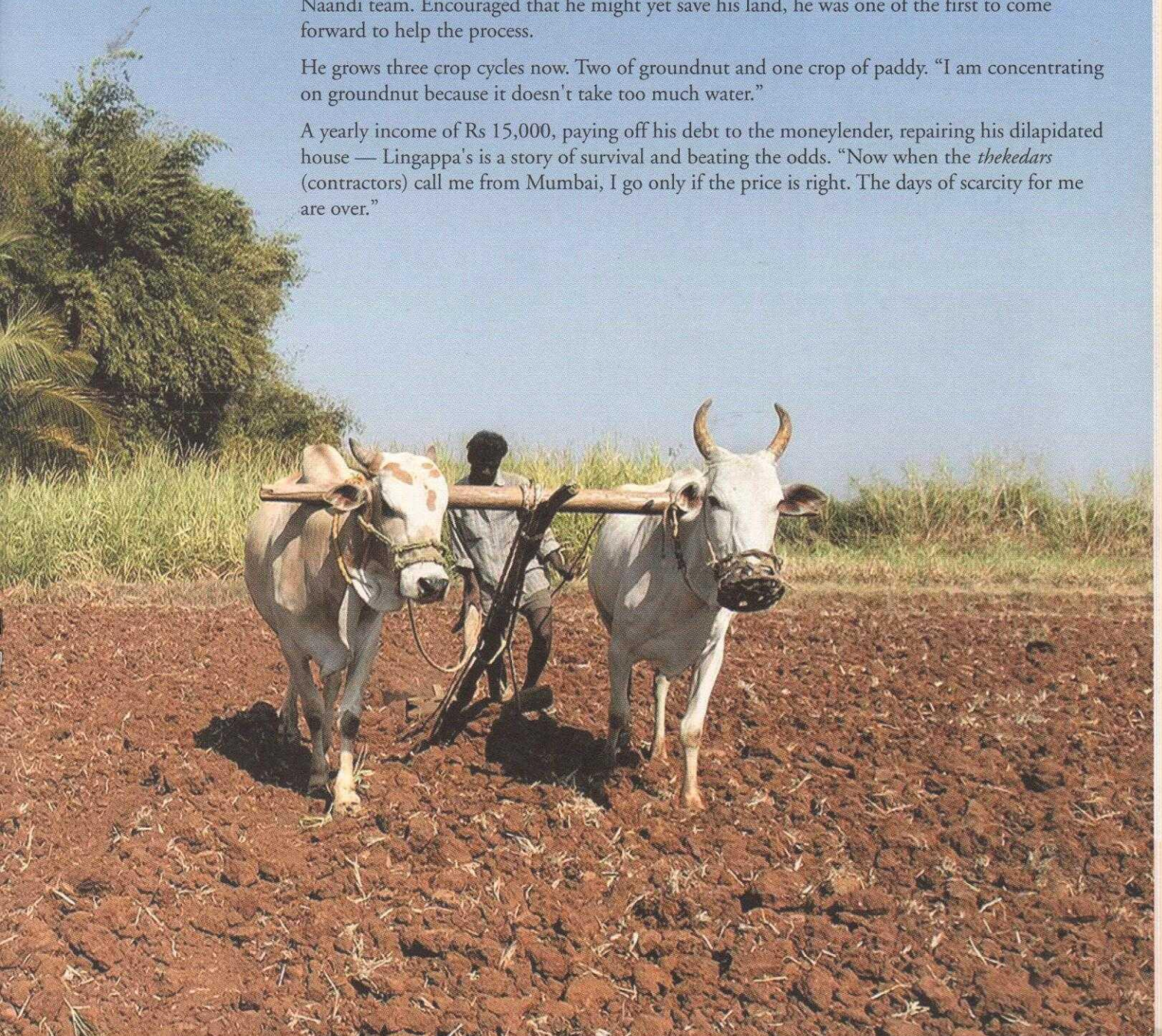
"I left my wife and child and went to Mumbai. I heard they paid well for masons. I had some experience so I went."

With a yearly income of Rs 5,000, which dwindled every year, Lingappa was beginning to contemplate the unthinkable. Sell his land and settle as a migrant labour in Mumbai for good.

On one of his brief returns to Pasupulla, his village, he saw a LI revival meeting organised by the Naandi team. Encouraged that he might yet save his land, he was one of the first to come forward to help the process.

He grows three crop cycles now. Two of groundnut and one crop of paddy. "I am concentrating on groundnut because it doesn't take too much water."

A yearly income of Rs 15,000, paying off his debt to the moneylender, repairing his dilapidated house — Lingappa's is a story of survival and beating the odds. "Now when the *thekedars* (contractors) call me from Mumbai, I go only if the price is right. The days of scarcity for me are over."



Organic Farming and Tribal Micro-finance

"With coffee, I'm growing pepper and bottlegourd. I am able to get more out of this barren land. Many in my village are asking me to help them shift to coffee."

Lingiah, Gummaguda village, Araku Valley

The tribal community in India has had the worst breaks when it comes to development opportunities. The sheer remoteness of their habitations has often marginalised them from any progressive development efforts.



And from among this community there are a considerable number even worse off. They can't live off the land because they have none, and are barely able to eke out a living from the depleting forests.

By creating stable income opportunities for the poorest among tribals, Naandi created a model of integrated tribal development that could be replicated in larger agency regions.

Organic Coffee and Micro Finance. Our effort at enabling the tribals towards self-reliance has been supported by the Integrated Tribal Development Agency (ITDA) and the local tribal NGO, Adivasi Abhivrudhi Samskrutika Sangham Araku Valley (AASSAV).

Converting 1,000 landless tribal families into coffee cultivators by giving them an acre of semi-wasteland each was an initiative already begun by the ITDA and AASSAV.

Converting them into organic plantations was a Naandi initiative.



Araku

Status - Ongoing

Duration of initiative - January 2002 to March 2005

Project expenditure (2001-2003) - Rs 16,49,024 Cumulative project expenditure - Rs 16,49,024

Area - Araku and Dumbriguda Mandals, Visakhapatnam District

Impact - 50,000 tribals in 74 habitations



In Araku, promoting a culture of organic farming — familiar to tribal cultures — was a value addition that promised higher and more stable incomes given the indifferent rates of commercial coffee in the world market.

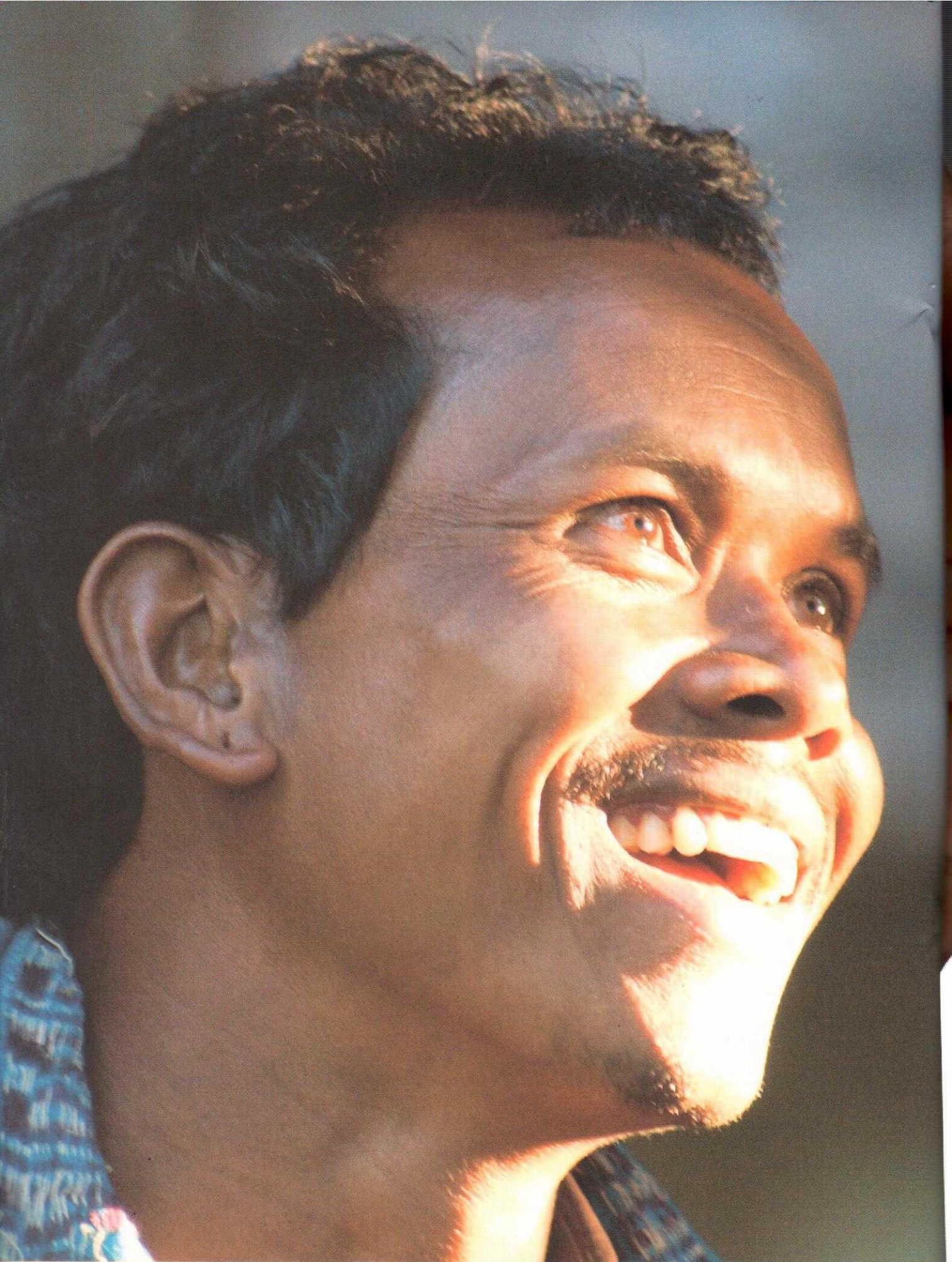
Promoting international organic farming standards in these plantations, giving bio-manures and organic inputs to the farmers, creating farmers clubs and taking them for exposure visits to organic farms in South India — all helped to create dynamic groups in the community. And as interactions increased so did some of their demands, predominantly credit.

In an area where access to credit was controlled by the whims of moneylenders, creating local micro-finance clubs was a very welcome move. They were soon joined by men and women who understood the need to save.

Moving from never-ending debt traps to financial discipline has been the most significant transformation here, largely because of the local thrift and credit clubs promoted by Naandi.

With organic coffee and micro-finance, the area is looking at an organised planning of livelihood opportunities, and for most of the marginalised tribals here, it's the best thing to have happened to them in a long time.







Rs 10 can change lives

When you pool in resources and use them for a focussed initiative — a pilot project — the cost per person comes down to the lowest denominator. Just Rs 10. This realisation encouraged us to approach the wide and growing middle class of the country to do their bit for development. Contribute only Rs 10 a month.

This movement, initially championed by Dr Reddy's Laboratories right from its Chairman to every factory worker, has created a unique platform of collective responsibility to improve the quality of life for the 256 million poor in the country.

It has created a societal empathy among concerned citizens for our less privileged countrymen and women. It is enabling citizens to support and lend a voice to those that need to be heard the most — oppressed tribals, poor children, marginalised women, and drought-hit farmers.

The movement has caught on. And with members as diverse as welders and mechanics from the State Transport Corporation to software professionals and management graduates, the Power of 10 has spread, and created a reckoning that if we fight it together, the battle to eradicate poverty can be won.

Respecting the spirit of the movement, every rupee collected through the Power of 10 has gone entirely in to supporting the poor in our various projects.

Along with financial support has come the spirit of volunteerism. What the Power of 10 yielded is the volunteer guild — men and women who have pledged to spend time to improve the quality of public schooling for poor children. Because, as Santosh Chandwani, a volunteer from Pinexe Systems says, "We are only as strong as the weakest one among us."

The Power of 10 and the commitment of our volunteers will ensure that the 'weakest one amongst us' will not continue that way for long.

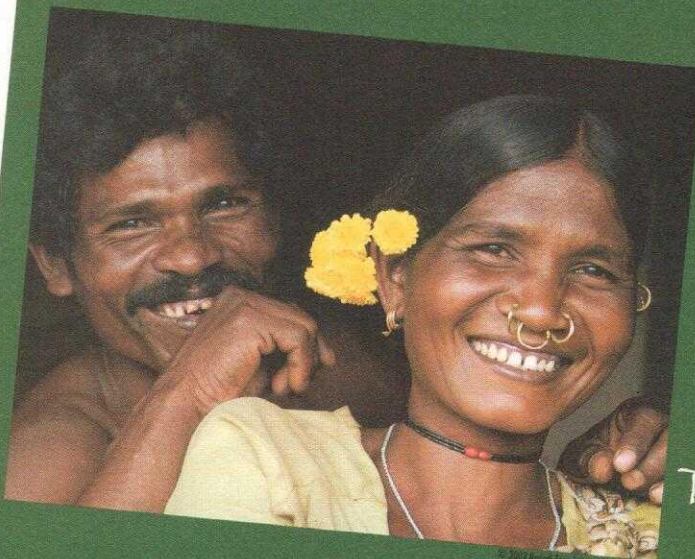
Join the Power of 10 to make it happen. Sooner.



You
are the
reason
for my
smile.

Thank you!

© 2003 World Foundation. All rights reserved.



For you it's
only
Rs 10.

For us it's
10 reasons
to live.

Thank you!

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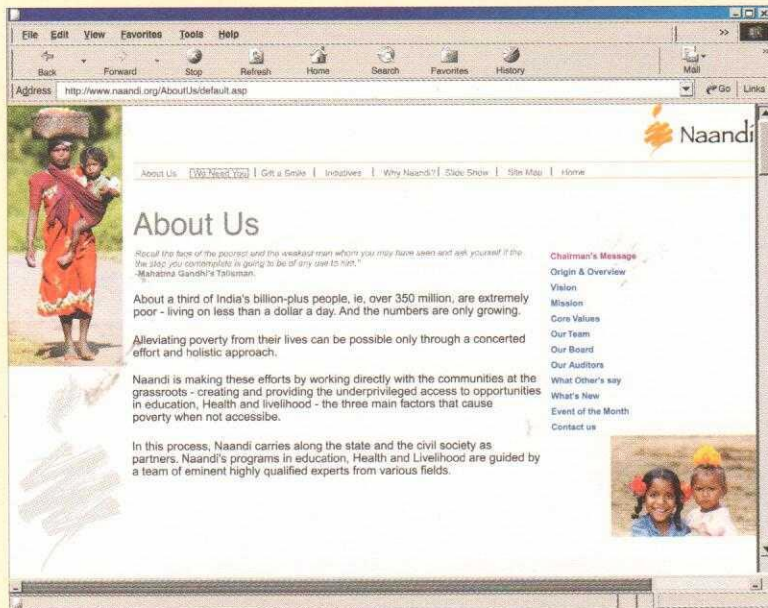
Sources

Organisation/Individual	Amount in Rs 2001-02	Amount in Rs 2002-03	Total in Rs
Dr Reddy's Laboratories Ltd	12,32,677	20,60,753	32,93,430
APSRTC	—	30,146	30,146
CXK Networks Ltd	3,128	4,620	7,748
Danlaw Technologies India Ltd	—	1,910	1,910
ICRISAT	120	3,360	3,480
Microsoft India Development Centre	—	1,81,700	1,81,700
Orillion India Software Pvt Ltd	—	22,500	22,500
Pinexe Systems Pvt Ltd	—	67,368	67,368
Pragati Offset Ltd	—	4,500	4,500
Restile Ceramics Ltd	—	8,760	8,760
DE Shaw India Software Pvt Ltd	—	16,300	16,300
Adaptec (India) Pvt Ltd	—	6,904	6,904
Visaka Industries Ltd	—	54,905	54,905
Zenovus Biotech	600	1,550	2,150
Digital Think	4,290	—	4,290
Ernst & Young India Pvt Ltd	240	—	240
Sodhana Charitable Trust	150	—	150
SQL Star International Ltd	2,040	—	2,040
Naandi Foundation	13,230	25,820	39,050
Individuals	550	12,760	13,310
Total	12,57,025	25,03,856	37,60,881

Utilisation

Name of Project	Amount in Rs 2001-02	Amount in Rs 2002-03	Total in Rs
Pre-primary Education	—	1,53,313	1,53,313
Doorstep Schools for Tribals	2,27,761	3,47,643	5,75,404
Science in Villages	1,00,000	1,26,414	2,26,414
Private Sector for Public Schools	—	4,85,556	4,85,556
Organic Farming and Tribal Micro-finance	2,11,680	14,37,344	16,49,024
Water for the Drought-hit	—	3,24,009	3,24,009
Total	5,39,441	28,74,279	34,13,720

Milestones



www.naandi.org

For Naandi, looking to unite global citizens for a 'civil society movement' against poverty, the *www* was the ideal gateway to bridge geographical divides.

In November 2001 *naandi.org* went online as the Chief Minister, N Chandrababu Naidu inaugurated the website. Thus began our journey of enlisting supporters that live in various parts of the world — Italy, Africa, Philippines, Asia along with hundreds from within the state and the country.

Not only does the website enable national and international volunteers to pitch into Naandi's programs, it also allows for online donations

through a structured ICICI payment gateway secured by the globally authorised Verisign authentication system.

With a growing volunteer base offering a wide variety of skills to be used for development, and online contributions to help the poor — in realising our vision of creating a wide network of concerned citizens — the website has been our foremost ally.

Celebrating the New Look

Naandi has changed its strategy. From a grant-making NGO we have transformed into one that works directly with the communities to enable change.

With a new direction we have reinvented our image. Our logo has been transformed to represent a flame, a glowing torch aimed at lighting up the lives of the poor on one hand, and at igniting the spark of giving back to society among members of civil society, on the other.

As these changes took place, we were surprised and humbled by yet another one that came about — a large gesture of generosity from our Chairman. We moved into a new, fully furnished, hi-tech office, leased to us by Dr K Anji Reddy, to whom we pay the princely sum of Re 1 per annum.





Indian Adivasis and the Australian Connection

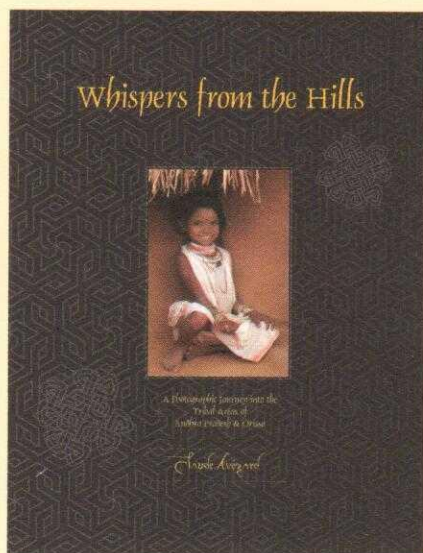
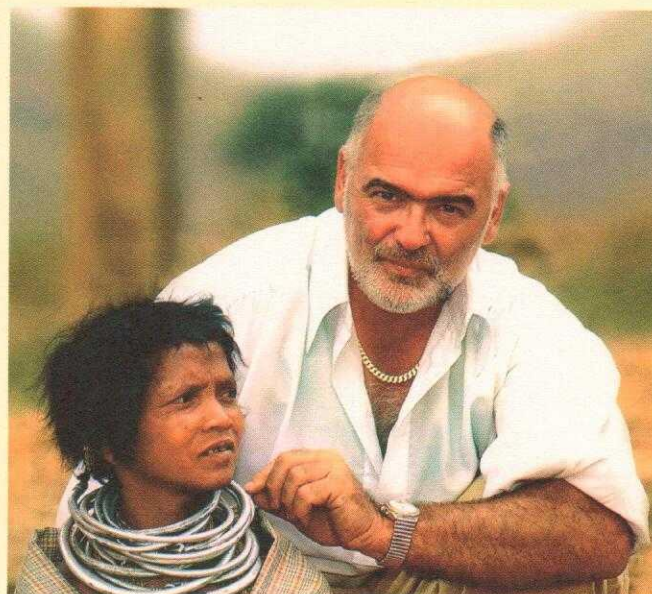
Serendipity creates beautiful relationships. Nothing else describes why an Australian photographer with the distinction of creating the first pro-photography studio in Paris (COSMOS SA), and an Australian MOBY award under his belt, should find himself enamoured by the primitive beauty of the tribals of Andhra Pradesh and Orissa.

A chance meeting between Claude and Naandi led to a memorable journey.

May 2002: Braving malaria, day-long treks, and poisoned arrows, Claude and his camera captured some spectacular frames of a way of life very few Indians have had the privilege of witnessing. These images helped us create

Whispers from the Hills. The coffee table book on tribal life that tells stories of tribes: the Kutuya Khonds, the Bondas, the Konda Doras, the Porjas and the Nuka Doras — communities that have been living from times of yore in what is today the states of Andhra Pradesh and Orissa.

For his efforts, all Claude accepted from Naandi was an open invitation to revisit these areas. Nothing more.



Whispers from the Hills – A Taj Group Dedication to Tribals

As the idea of converting Claude Avézard's images of tribal India into a coffee table book emerged, so did a fortunate coincidence...

The Taj Mahal Hotel, Mumbai (of the Tata owned Indian Hotels Co. Ltd.) was celebrating its centenary. Known to be one of the most environmentally conscious in the hospitality industry, the group agreed that this was a fitting occasion to showcase the Hotel's solidarity with old traditions and ancient peoples.

They made *Whispers from the Hills* the official centenary memento. Three thousand copies of this photo odyssey placed at the Taj properties countrywide are now attracting guests, patrons and associates of the Taj Group to take a second look at the

tribal way of life and why it needs support. Proceeds from the sale have gone to the tribal development projects in Araku.

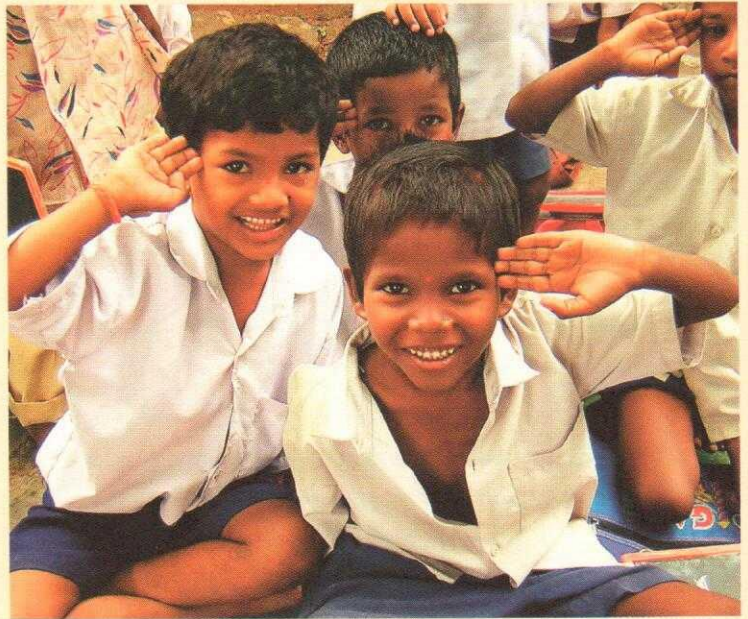
AMCHAM for Schools

12 February 2003. The US administration, CEOs of the AMCHAM companies, the Chief Minister of Andhra Pradesh and Naandi Foundation came together to witness a historic moment.

AMCHAM through an MOU with Naandi formalised their corporate commitment to promote Quality Education in public schools.

One of the main factors leading to the MOU was the activities of the AMCHAM volunteers who were already working with Naandi in public schools through the Support Our Schools program. Employees of member companies of the AMCHAM Hyderabad Chapter such as Microsoft, D E Shaw, Adaptec, and Pinexe Systems were actively working in schools promoting quality, and convincing their CEOs that bringing in corporate efficiency and quality-consciousness was an effective means to bring about change.

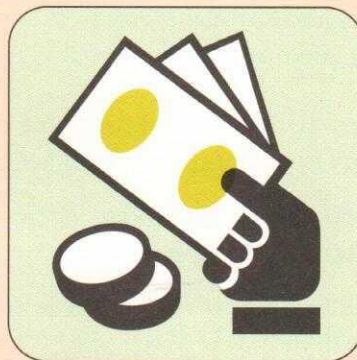
The MOU vindicated this belief. And now Naandi has the collective goodwill and support of the AMCHAM fraternity and through it the potential of getting this cause a global platform.



The Midday Meal for 1,50,000 Children

20 February 2003. Naandi's Central Kitchen began its daily task of banishing hunger from Hyderabad's schools by reaching high-nutrition, hygienic, midday meals to all primary school children of 882 government schools in the city. 1,50,000 of them. Everyday.

Financials



BRAHMAYYA & CO.
Chartered Accountants
Flat No.403 & 404, Golden Green Apartments
Erramanzil Colony, HYDERABAD 500 082

AUDITORS' REPORT

To the Members of NAANDI FOUNDATION, HYDERABAD (A.P.)

We have audited the attached Statement of Affairs of NAANDI FOUNDATION, Hyderabad (A.P) as at 31st March, 2003 and also the Income and Expenditure Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

We 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion and report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Trust so far as appears from our examination of those books.
3. The Statement of Affairs and the Income and Expenditure Account dealt with by this report are in agreement with the books of account.
4. The variations of the actual revenue/expenditure when compared to the budgeted figures are furnished as an annexure to this report.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with the schedules annexed therewith and subject to the deviations from the budget as referred to in para 4 above, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Statement of Affairs, of the state of affairs of the trust as at 31st March, 2003; and
 - ii) In the case of the Income and Expenditure Account, of the excess of Income over expenditure of the trust for the year ended on that date.

for BRAHMAYYA & CO.
Chartered Accountants

Place: Hyderabad.
Date: May 16, 2003.

(P.CHANDRAMOULI)
Partner



STATEMENT OF AFFAIRS AS AT 31st MARCH 2003

(Rs in Million)

	AS AT 31.03.2003	AS AT 31.03.2002
LIABILITIES		
Corpus Fund	4.23	3.53
Unsecured Loans	—	5.00
Current Liabilities	30.33	—
TOTAL	34.56	8.53
ASSETS		
Fixed Assets		
(incl. Infrastructure for Midday Meal Program Rs 21.05 Million PY.-Nil-)	21.63	0.52
Current Assets, Loans and Advances		
Cash and Bank Balances	8.38	7.86
Loans and Advances	4.55	0.15
TOTAL	34.56	8.53

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2003

(Rs in Million)

	AS AT 31.03.2003	AS AT 31.03.2002
INCOME		
Grants (incl. Midday Meal Program Rs 9.17 Million PY Nil-)	9.77	0.25
Contributions	7.55	1.74
Interest	0.53	0.57
Innovative Resource Raising Ventures	0.46	—
Training and Consultancy	0.21	—
TOTAL	18.52	2.56
EXPENDITURE		
Grants (incl. Midday Meal Program Rs 9.94 Million PY Nil-)	14.33	3.49
Resource Mobilisation Expenses	1.15	2.62
Administrative Expenses	2.03	1.61
Depreciation	0.30	0.29
TOTAL	17.81	8.01
EXCESS OF INCOME OVER EXPENDITURE	0.71	(-)5.45

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2003

(Rs in Million)

	AS AT 31.03.2003	AS AT 31.03.2002
Opening Cash and Bank Balances	7.86	8.14
RECEIPTS		
Grants	34.52	0.25
Contributions	7.55	1.74
Interest	0.53	0.57
Innovative Resource Raising Ventures	0.98	—
Training and Consultancy	0.54	—
Unsecured Loans	—	5.00
TOTAL	51.98	15.70
PAYMENTS		
Grants (incl. Midday Meal Program Rs 24.79 Million PY Nil-)	28.24	3.50
Resource Mobilisation Expenses	1.17	2.69
Administrative Expenses	3.88	1.60
Additions to Fixed Assets (incl. Midday Meal Program Rs 0.81 Million PY Nil-)	0.99	0.06
Advance for Capital Items (incl. Midday Meal Program Rs 0.26 Million PY Nil-)	1.97	—
Advance for Midday Meal Program	2.35	—
Repayment of Unsecured Loans	5.00	—
TOTAL	43.60	7.85
Closing Cash and Bank Balances	8.38	7.85
TOTAL	51.98	15.70

NAANDI FOUNDATION

502, Trendset Towers
Road No.2, Banjara Hills
Hyderabad - 500034

ANNEXURE II

NOTES ON ACCOUNTS

1. The following are the significant accounting policies adopted by the Trust in the preparation and presentation of financial statements.
 - a) Financial Statements are generally based on historical costs and on Cash basis except the Capital Accounts, which are accounted for on mercantile basis. However, Income received and Expenditure incurred on Midday Meal Program is accounted for on mercantile basis.
 - b) Tangible Fixed Assets are stated at cost net of depreciation provided.
 - c) Depreciation on the assets is provided on written down value method at the rates mentioned in the Annexure. However, in respect of the assets put to use during the year for less than 180 days, the depreciation is restricted to fifty percent of the original depreciation calculated as referred to above.
 - d) All contingent liabilities are indicated by way of a note and will be paid/provided on crystallization.
 - e) Contributions received towards Corpus and Membership are taken to Capital Fund as Capital receipts.
 - f) The expenditure incurred on creation of Infrastructure facilities for Midday Meal Program amounting to Rs 2,15,36,020 is amortised over period of 36 months from the commencement of the program.
2. The Trust reserves the right to call back Grants disbursed to agencies if the amounts so disbursed have not been utilized at the end of their project or if such amounts were not utilized according to the terms of the agreement.
3. Previous year figures are regrouped wherever necessary to facilitate comparison.

Per our report of even date
for **Brahmayya & Co.,**
Chartered Accountants

for Naandi Foundation

Place: Hyderabad
Date: May 16, 2003

(P.CHANDRAMOULI)
Partner

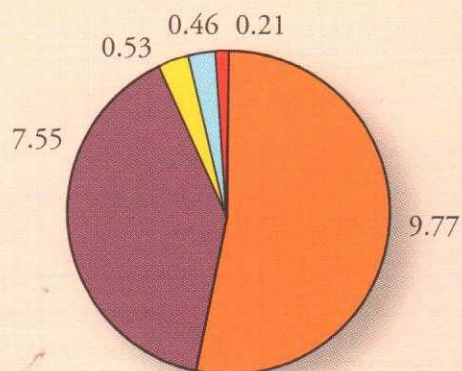
Chairman

Trustee



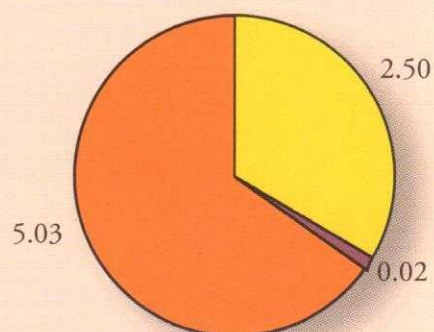
Income and Expenditure at a Glance

(Rs in Million)



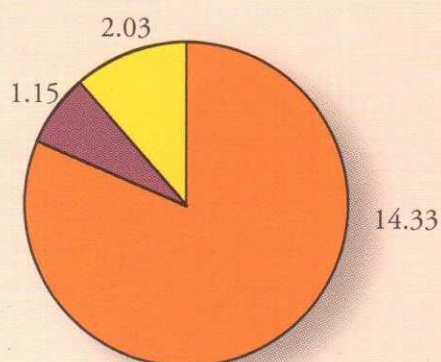
Income

- Grants (incl. Midday Meal Program)
- Contributions
- Interest
- Innovative Resource-raising Ventures
- Training and Consultancy



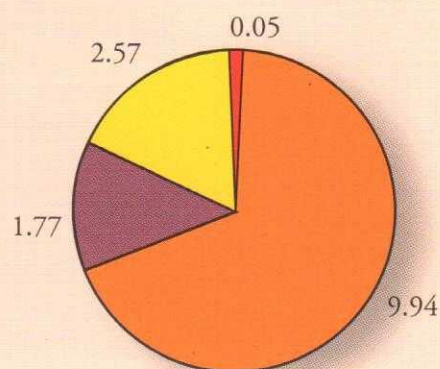
Contributions

- The Power of 10
- Auto Debit
- General Funds



Expenditure

- Grants (incl. Midday Meal Program)
- Resource Mobilisation Expenses
- Administrative Expenses



Grants

- Midday Meal
- Education
- Livelihoods
- Others

The Road Ahead

Organic Farming

Enable knowledge transfer.
Promote eco-friendly livelihood opportunities in tribal belts and drought-prone areas. Provide value-added marketing.

Micro-finance for Tribals

Promote institutionalised, affordable financial services for tribals. For livelihoods. For consumption. For exigencies.



Primary Healthcare

Create access to affordable, basic health with particular emphasis to reduce neo-natal and infant deaths.

Quality Education

Create an enjoyable environment to ensure children learn, and that they complete schooling.

Development Beyond Borders

Sanitation

Attempt to create a 'latrine revolution' to promote a culture of saying 'no' to open defecation.

Drinking Water

Enable communities to have easy access to affordable, potable water. Retard preventable water-borne diseases.



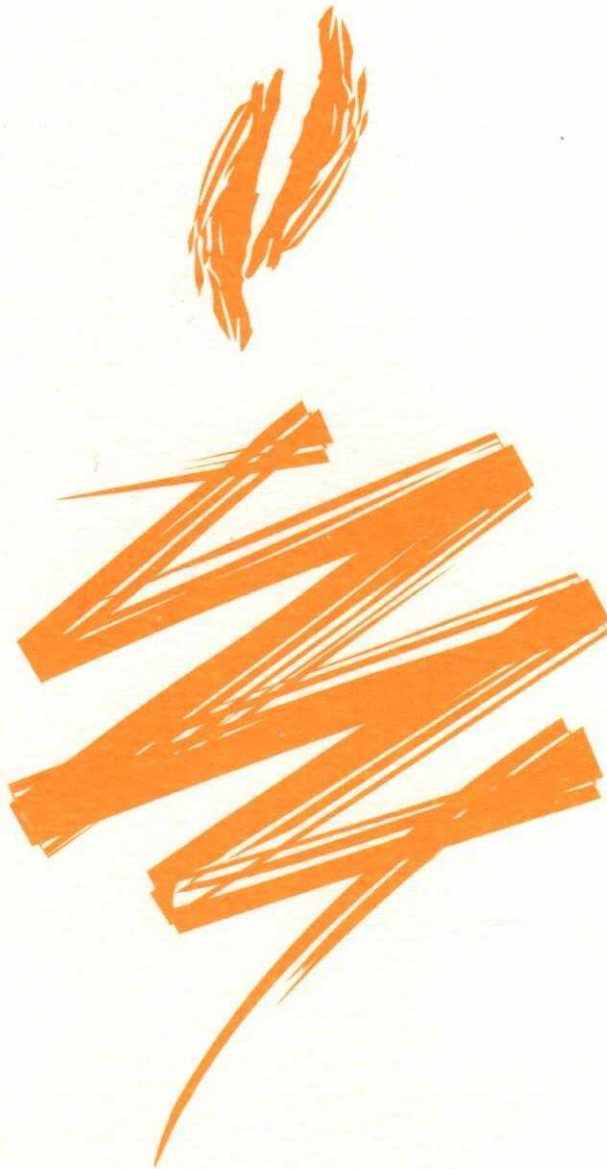
The Midday Meal

Create hunger-free schools.

Lift Irrigation Revival

Revive defunct public assets. Enable regular irrigation and a four-fold increase in incomes. Consistently. Upscale from 4 to 85 schemes in six districts.

www.naandi.org



*"Ours is a war against poverty.
Everyone matters. Every help counts. Do join us."*

Manoj Kumar
CEO



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502 Trendset Towers
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Hyderabad-500 034
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Fax: 91 40 23556537
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www.naandi.org

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