



Community Friendly Movement

# ANNUAL REPORT

## 2005-2006

Community Friendly Movement  
(CFM)  
New Delhi, INDIA

## ABOUT US

Community Friendly Movement (CFM) was started as an entrepreneurial initiative in the year 2005 with an initial seed grant from the Ford Foundation.

## IDENTITY

- CFM is a registered not-for-profit organization under the Societies Registration Act XXI of 1860, India (Registration no. S-52574 of 2005) with Charity Commissioner, Delhi.
- CFM is registered u/s 12 A of the Income Tax Act, 1961, with the Commissioner of Income Tax, Delhi Circle (Reg. No.1228)
- CFM is registered with The Director General of Foreign Trade, New Delhi.

Name and Address of main Bankers:

IDBI Bank : Surya Kiran Building, Ground Floor, 19 KG Marg, New Delhi-110 001

Canara Bank : Janpath Branch, New Delhi-110 001

Name and Address of Auditor:

SMS & Associates, 16/100, Vikram Vihar, Lajpat Nagar-IV, New Delhi-110 024

## MISSION

By leveraging on youth, technology and potential of retail, CFM seeks to create wealth for its stakeholders-artisan communities-at the bottom of the supply chain.

We at CFM believe that retail hold enormous power to connect people and induce systemic changes and therefore work towards creating solutions which can repatriate benefits directly to the communities.

## VISION

CFM vision is to improve lives of 10,000 artisan communities globally by selling USD 1 billion of merchandise for them and creating a million jobs in the process.

## GOVERNANCE

Details of Board Members : (as on March 31, 2006)

Name	Age	Sex	Position on board	Occupation	Area of Competency	Meetings Attended
Arjun Adya	56	M	President	Own business	International Trade	2
Rahul Nainwal	33	M	Vice President	Service	Management	4
Saurav Kumar	26	M	Secretary	Service	Management	4
Rahul Barkatky	35	M	Treasurer	Service	Management	4
Dipankar Choudhary	35	M	Treasurer (Resigned)	Self-Employed	Management	2

## ACCOUNTABILITY AND TRANSPARENCY

No remuneration, sitting fees or any other form of compensation has been paid since inception of the

Society to any Board member, trustee other than Executive Members.

The following reimbursements have been made to Board Members:

Traveling expenses (to Executive Members): Rs.51,488

No other reimbursements have been made to any Non-Executive Board member or trustee.

CEO's remuneration:

Rs.23,000/- p.m.

Remuneration of highest paid staff member:

Rs.18, 000/-

Remuneration of lowest paid staff member:

Rs.9000/- p.m.

## STAFF DETAILS : (as on March 31, 2006)

Gender	Paid Full Time	Paid Part Time	Paid Consultant	Unpaid Volunteers
Male	3	0	0	< 10
Female	0	0	2	< 10

## DISTRIBUTION OF STAFF (as at March 31, 2006)

Slab of gross salary (in Rs.) plus benefits paid to staff	Male	Female	Total
5000-10000	1	0	1
10000-25000	2	0	2
Total	3	0	3

Total cost of national travel by all staff members during the year: Rs. 51,488

Total cost of international travel by all staff during the year

Sr.No	Name	Designation	Destination	Purpose	Gross Expenses	Sponsored by External Organisation
1	Saurav Kumar	VP	Washington US	World Bank Award	15,000	World Bank
2	Saurav Kumar	VP	Kuala Lumpur, Malaysia	GKP Workshop	NIL	GKP

## REPORT OF THE BOARD OF GOVERNORS

Commercial supply chain dynamics do not by themselves address the challenges of third world employment, and quality of life issues. However, it is apparent that global trade, essentially in the worldwide industries can either exploit for unilateral gain, or collaborate to "share gain" for overall development of work force. By leveraging on youth, technology and potential of retail, CFM seeks to create wealth for its stakeholders-producer communities-at the bottom of the supply chain.

By improving processes and creating a transparent marketplace for handmade products, CFM will be able to provide customers quality products at competitive prices and create more jobs for the artisan communities.

Through our two solutions-Shop2Change and Tip2Change, CFM strives to reduce 'retail waste', improve production processes and price a product costing \$1 at \$2.5-3.5 instead of the existing \$7-10.

## CFM EVOLUTION

Year 2002-03: Prototype of CFM titled SuVy (short for SuVyapar) initiated by Mr Sanjay Bhargava as a Reuters Digital Vision Fellow at Stanford University, CA, USA and Mr Arjun Adya in India.

Year 2004: In the summer of 2004, one of the co-founder took a sabbatical from his job and the other took it up as a summer project to scale up SuVy. Buoyed by the success of the pilot run, the two finally left their jobs and college placement respectively to scale CFM and reach out to communities from across the globe.

Year 2005: CFM registered itself as a not-for-profit organization with seed grant of USD 60,000 from Ford Foundation.

CFM Target: Internally the organization has set a sales turnover of USD100, 000 for the financial year 2006-2007 and document 10 communities to improve their processes and designs.

## Achievements in the last year and Targets for the coming year

Description	Achieved (Aug 15-March 31 <sup>st</sup> )	Target for 2006-07
Sales	USD 3500	USD 100000
Number of artisan communities	5	10
Number of retail stores for which backend sourcing being done	1	5
Corporate Gifting	1	2
CFM members	8000	25000

## SALES:

Online-Till date we have achieved a 100% positive feedback on our eBay store (<http://stores.ebay.com/quiltsnbeyond>) and in the coming year would focus to extend our product line and also start our e-store called <http://www.cfm-store.com>.

Offline- Providing backend sourcing solutions for retail store, World of Good, Berkeley, CA, USA. For 06-07 the target is to enroll 4 more retailers/distributors to source from CFM.

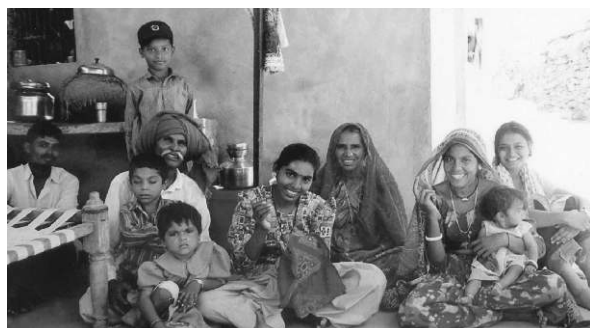
## ARTISAN NETWORK:

At present we are directly working with five artisan communities to develop products based on market need. The location of the communities with the products-

Location	No. of artisans	Products
Kutch, Gujarat	75	Embroidered bags
Bhagalpur, Bihar	25	Silk scarves and stoles
Pilkhuwa, Uttar Pradesh	8	Wooden products
Moradabad, Uttar Pradesh	10	Metal, bead and lac work
Sanganner, Rajasthan	100	Quilts and comforters

The due diligence for another three new communities has been carried out and samples being developed in accordance with design inputs from CFM panel of designers.

Location	No. of artisans	Products
Kutch, Gujarat	-	Embroidered bags
Daukeli, Ferozabad	71	Glass toys
Delhi	5	Clay



CFM community, Kutch, Gujarat

**Design Panel:** CFM has appointed a four-member design panel with the objective of developing designs for the market, based on current fashion trends. The designers play the important role of connecting the need of the customers with the skills of the artisans.

**Product Album:** The 2006 product album titled 'Celebration of the Hand' features products made by the above artisan communities. The broad categories are Home Furnishings, Home Décor and Fashion accessories. The album can be accessed at <http://www.shop2change.org>

**Trade Fairs:** New Consumer Fair Trade Experience- 11th and 12th of March, 2006, Edinburgh, Scotland.

CFM took part in the New Consumer Fairtrade Experience-Scotland's biggest Fairtrade event. Kash Bhattacharya and Robin Bela business associates for UK and Ireland, represented CFM. Fashion accessories, specially the ethnic jewellery were the most enquired item. The idea of CFM connecting with youth by producing accessories relevant to their tastes seemed to be the way forward in most of the discussions with people exhibiting at the fair.

**Toran-The CFM Newsletter:** Every month CFM sends to its members its networking newsletter called Toran, which captures stories of 'good trade' from across the globe. All previous issues are available in the archives at (<http://www.whycfm.org/pages/NewsLetters.htm>)

#### AWARDS AND RECOGNITION

**World Bank-Youth to Youth Community:** CFM was selected by the World Bank in 2005 as one of the four innovative projects from across the globe using ICT and youth to make a presentation at the UN 60<sup>th</sup> Anniversary celebration in Washington, D.C.

#### EMERGENCE FELLOWSHIP - Youth Social Enterprise Initiative

CFM was one of the 10 projects that were selected under the Youth Social Enterprise Initiative of Global Knowledge Partnership. It consists of a fellowship of USD 15000 and mentoring support for a period of one year. Emergence Fellows are recognized as emerging young social entrepreneurs equipped with fresh and innovative ideas to solve global challenges.

#### ACKNOWLEDGEMENT

- Supported by the Ford Foundation.
- Prototype supported by the Reuters Foundation and Stanford University.

#### CFM TEAM

**Arjun Adya, President:** As President, Arjun provides overall direction on the merchandising part of CFM. A technocrat who graduated from the Indian Institute of Technology (IIT), New Delhi and later completed his MEP from Indian Institute of Management (IIM), Ahmedabad. He has senior executive level work experience with organizations as diverse as State Trading Corporation of India Ltd, Citibank and a Hong Kong based Trading organization. He spent 4 years as Regional Manager of STC's office in Hong Kong looking after India's trade in the Far East and worked with Citibank in India heading the Structured Trade Services

for South Asia. Later he spent 3 years in Austria and Russia when the markets in former USSR were liberalized.

In 2003, in collaboration with Reuters Digital Vision Fellowship program at Stanford University, he funded and piloted CFM's prototype 'SuVyapar' which uses ICT to market artisan made products to developed markets - reducing retail waste and getting a better deal for the craftsmen. His area of specialization is international trade and trade finance.

**Rahul Barkataky, Co-founder & CEO:** As CEO, Rahul has the responsibility of leading CFM to achieve its vision of improving workers lives by using the power of retail. Before CFM, Rahul was the Executive Director of a not for profit called MITRA Technology Foundation, which he co-founded after completing his MBA from Institute of Rural Management, Anand. At present MITRA owns and manages India's largest volunteer placement initiative, iVolunteer. Rahul also worked with the Centre for Environment Education, a center of excellence for Ministry of Environment and Forests, Govt. of India and in a Indo-Dutch project on drinking water.

Rahul is a Ashoka fellow and a Prince Philip scholar.

**Saurav Kumar, Co-founder & V.P. Business Development:** As VP of business development Saurav looks after front end of connecting to the markets for CFM communities and networking. Saurav has a dual degree in Bachelor of Business Administration and Masters in Business Administration from Indian Institute of Planning and Management (IIPM), New Delhi. Prior to co-founding CFM he worked for two years in a software company in Pune, which was providing architectural solutions to clients in USA.

**Bishan Singh Kathayat, Programme Executive:** Bishan has over 15 years of experience with various organisations. Bishan is overall in-charge of web, account and administration work.

#### BOARD OF GOVERNORS

Arjun Adya, President

**Rahul Nainwal, Vice President:** Mr. Rahul Nainwal is a graduate from the Institute of Rural Management, Anand (IRMA) and has previously worked with organisations like Mukand Steel and Gujarat Cooperative Milk Marketing Federation Limited (Amul). He is the Managing Director of MITRA Technology Foundation.

Saurav Kumar, Secretary

Rahul Barkataky, Treasurer

# Financial Statements

BALANCE SHEET AS OF MARCH 31, 2006

LIABILITIES		AMOUNT (Rs.)	ASSETS		AMOUNT (Rs.)
Excess of Expenditure over Income	7,417	793,888			
Unutilized Grant Fund	801,305				
<b>SUNDRY CREDITORS</b>	27,050		<b>CURRENT ASSETS</b>		
Salary Payable	50,000	95,780	Travelling Advance	36,106	43,906
Amount Payable	18,730		Membership Fees Receivable	800	
			Staff Advance	7,000	
<b>Current Liability &amp; Provision</b>			<b>CASH &amp; BANK BALANCE</b>		
Audit Fee Payable	5,612	5,612	Cash in Hand	5,590	851,374
			IDBI Bank A/c No. 63762	4,823	
			IDBI Bank A/c No. 63771	835,961	
			Canera Bank	5,000	
		<b>895,280</b>			<b>895,280</b>

## RECEIPT AND PAYMENT A/C FOR THE PERIOD ENDING 31-03-2006

Receipt	Amount (Rs.)	Payment	Amount (Rs.)
Opening Balance	-	Communication Exp.	40,620
Membership Fee	-	Bank Charges	1,420
Grant from FORD (FCRA)	1,534,681	Computer Repair & Maint.	5,575
		Consumable Exp.	12,406
		Conveyance Exp.	6,293
		Salary	288,500
		Design & Production Exp.	25,666
Advance (Net)	2,674	Hosting Exp.	10,697
		Rent	50,000
		Travelling Exp.	51,488
		Mediclaime	3,014
		Legal & Professional Fee	24,150
		Purchase of fixed Assets	166,152
		<u>Closing Balance</u>	
		Cash in Hand	5,590
		Bank Balance	845,784
	<b>1,537,355</b>		<b>1,537,355</b>

As per our report of even date attached

for SMS & Associates  
Charter Accountants

Sd/-

Manoj Agrawal  
Partner

For COMMUNITY FRIENDLY MOVEMENT

Sd/-

Rahul Barkataky  
Treasurer

Sd/-

Saurav Kumar  
Secretary

Place : New Delhi  
Date : 1st May, 2006

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Date : 1st May, 2006



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