



Community Friendly Movement

ANNUAL REPORT

2006-2007

Community Friendly Movement
New Delhi, INDIA



ABOUT US

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 on 'gain share' for overall development of work force.

CFM seeks to extend these opportunities within commercial interaction to benefit artisans lives globally and contribute towards UN Millennium Development Goals 2015.

IDENTITY

- CFM is a registered not-for-profit organisation 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)

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

VAT registration no. 07570322247

CFM a member of Fair Trade Federation, USA & Co-op America

MISSION

To create wealth for our primary stakeholders-artisan communities at the bottom of the supply chain by providing design inputs, process improvements and market linkages.

VISION

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

GOVERNANCE

Details of Board Members: (as on March 31, 2007)

Name	Age	Sex	Position on board	Occupation	Area of Competency	Meetings Attended
Arjun Adya	57	M	President	Own business	International Trade	4
Rahul Nainwal	34	M	Vice President	Service	Management	4
Saurav Kumar	27	M	Secretary	Service	Management	4
Rahul Barkatky	36	M	Treasurer	Service	Management	4

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. 1,43,000.00

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

CEO's remuneration:

Rs. 40,000/- p.m.

Remuneration of highest paid staff member:

Rs. 18,000/-

Remuneration of lowest paid staff member:

Rs. 4000/- p.m.

STAFF DETAILS : (as on March 31, 2007)

Gender	Paid Full Time	Paid Part Time	Paid Consultant	Unpaid Volunteers
Male	3	0	0	< 10
Female	1	0	1	< 10

DISTRIBUTION OF STAFF (as at March 31, 2007)

Slab of gross salary (in Rs.) plus benefits paid to staff	Male	Female	Total
4000-10000	2	0	2
10000-25000	1	1	2
25000-50000	1	0	1
Total	4	0	5

Total cost of national travel by all staff members during the year: Rs. 2,27,717.00

Total cost of international travel by all staff during the year: NIL

CEO'S REPORT

2006-07 was a significant year for CFM. It was the first full financial year of existence and in which we formally

launched our operations and started booking orders. During this year the organization achieved some significant milestones and also got recognition from a number of organizations and institutions for its work.

With global sales of fair trade products seeing a 20% growth annually, if we can improve production process, come up with new designs and create a network of artisan communities who see value working with us long term, CFM can easily reach a one million in sales by 2009.

Achievement in the last year and Targets for the coming year

Description	Achieved (Aug 15- March 31 st)	Target for 2006-07
Orders Booked	USD 100000	USD 250000
Number of artisan communities	15	15
Number of artisans	870	2000
Total days of employment generated	590	1500

Artisan Communities: During the year we worked with 15 artisan communities comprising of around 870 artisans out of which 525 were women. In the process we were able to generate around 590 days of employment and generate USD 26,000 in wages on orders worth of USD 100,000.

Merchandising Model: During this fiscal we added another buyer thus taking the total number of buyers to 3 and increased the strength of our merchandising team so that we are able to cater to the increased volumes. Efforts were directed at developing systems at the organization level so that we are able to increase efficiency. A supplier manual was developed both in English and Hindi so that we have better clarity when communicating with our suppliers. Efforts are on to incorporate Information & Communication Technology (ICT) into the supply chain so that we are able to have better control over production. A pilot will be undertaken this fiscal with two communities to test the system.

Retail Model: Although we have an online store at eBay (<http://stores.ebay.com/quiltsnbeyond>) and have a 100% positive feedback till date, we feel that the retail market can be a big growth strategy for the organization if we are able to create a low cost distribution network. This year we will test a pilot each in India and Germany to have a feel of the market.



Marketing: Till date our marketing efforts have been focused on using the internet so that we are able to keep our costs down. But to increase our portfolio of buyers and to make our presence felt we need to attend trade fairs. Already we have brought out our 2007-08 Product Catalogue and we will attend at least two trade fairs with focus on Accessories and Home Décor.

Transparency and Accountability: At CFM we not only talk of making trade transparent and fair, but also practice. Since last year we have been regularly updating our website with our monthly sales and the value that we have been able to generate to our communities. This year we will look at raising the bar so that all information relevant to our mission is available to all our stakeholders.

SOCIAL VALUE GENERATED

Toran-The CFM Newsletter: Toran was given a new look and the member base is growing. It captures stories of 'good trade' from across the globe. All previous issues are available in the archives at (www.whycfm.org/newsletter/CFMnews.htm)

AWARDS AND RECOGNITION

Global Social Benefit Incubator: CFM was selected as one of the 20 project from over 105 to attend the Global Social Benefit Incubator, a two-week in-residence program at Santa Clara University, USA. The Global Social Benefit Incubator (GSBI) has been developed by the Santa Clara University Center for Science, Technology, and Society to assist social benefit entrepreneurs in developing business plans that will sustain and scale their organizations to reach increasing numbers of beneficiaries.

ACKNOWLEDGEMENT

Supported by the Ford Foundation (<http://www.fordfound.org>) and Hivos (<http://www.hivos.nl>)

Project Support by Global Knowledge Partnership (<http://www.globalknowledge.org>)

CFM TEAM

CFM has a young team of professionals with the average age being 29 years.

Akash Kumar, Asst. Manager Merchandising: Akash has a degree in Fashion Technology from National Institute of Fashion Technology (NIFT), Chennai.

Bishan Singh Kathayat, Programme Executive: Bishan has a degree in Arts and has over 15 years of experience.

Jaspal Shakya, Manager Merchandising: Jaspal has completed his Post Graduate Diploma in Forestry Management from Indian Institute of Forest Management Bhopal and a BE in Computer Science and Engg. from SRMSCET Bareilly.

Neha Khanna, Asst. Manager Merchandising: Neha has done her honours in philosophy from Lady Shri Ram College for Women and a detailed diploma course from Maaya Academy of Advanced Cinematic in multimedia and graphic designing. She has around 2 years of work experience.

Nidhi Kaushik, Asst. Manager Design & Merchandising: Nidhi has done her Graduate Diploma in Fashion Designing from Northern Indian Institute of Fashion Technology (NIIFT), Mohali.

Rahul Barkataky, Founder & CEO: Rahul has a Post Graduate Diploma in Rural Management from Institute of Rural Management Anand (IRMA).

Samjuktha Gorrepati, Designer Consultant: Samyuktha holds a Post Graduate Diploma from National Institute of Fashion Technology (NIFT), Hyderabad and has done a course on Graphic Design from Montgomery College, Maryland, USA.

Varun Singh, Manager Supply Chain : Varun holds a Post Graduate Diploma in Rural Management from Institute of Rural Management Anand (IRMA) and was the recipient of the prestigious AMUL TATA Fellowship.

BOARD OF GOVERNORS

Arjun Adya, President: 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.

His area of specialization is international trade and trade finance.

Rahul Nainwal, Vice President: Mr. Rahul Nainwal has a Post Graduate diploma 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). At present he is the Managing Director of MITRA Technology Foundation.

Saurav Kumar, Co-founder: Mr. Saurav Kumar has a dual degree in Bachelor of Business Administration and Masters in Business Administration from Indian Institute of Planning and Management (IIPM), New Delhi. At present he is a partner at InvestCare.

Rahul Barkataky, Treasurer: 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.



CFM community, Rapar, Gujarat

Contact us:

COMMUNITY FRIENDLY MOVEMENT
16/100, VIKRAM VIHAR, LAJPAT NAGAR-IV
NEW DELHI-110 024

SOCIAL VALUE GENERATED

LOCATION	NUMBER OF ARTISANS	PRODUCTS	ORDER TILL DATE (USD)	WAGE GENERATED (USD)	TOTAL NO. DAYS OF EMPLOYMENT GENERATED
Tharad, Banaskantha, Gujarat	150	Embroidered bags	3111	667	30
Rapar, Kutch, Gujarat	375	Sling bags	18166	2500	80
Bhagalpur, Bihar	25	Silk scarves/stoles	10666	667	30
Philkuwa, Ghaziabad, UP	10	Wood and metal inlay boxes, t-lites	2276	690	45
Sanganner, Jaipur, Rajasthan	10	Jaipuri Razais, Bags, Bedspreads	3339	866.67	7.5
New Delhi	5	Handmade Notebooks and journals	543	50	25
Etikopakka, Vishkapatnam, AP	25	Wood and lacproducts-Spiceboxes, canisters, bangles, napkin holder, bowls	5773	1849.68	125
Shambhal, UP/Delhi	50	Bone and glass bead bracelets, necklace	15937	2241	60
Shambhal, UP	7	Wooden bracelets, Mosaic Ball	3111	622	15
Amroha, UP	10	Wooden bracelets	1066	213	15
Moradabad, UP	30	Broken Bangles T-lites, Decorative Boxes, T-lites	2942	585	50
Delhi, Saharanpur, UP	60	Thread Bangles, Decorative Boxes, Pouches, Beaded Box, MOP journals, MOP bookends and Keyrings	6235	1260.58	39
Faridabad, Haryana	5	Handmade Notebooks and journals	161	33	7
Khurja, UP	20	Ceramic coasters, mugs, plates	1636	545.45	14
Noida/Putilnagar, UP	25	Teardrop Bangles	1489	277.78	6.25
New Delhi	23	Beaded Cuff Bangles	2265	477.27	12
TOTAL	870		83960	14656.43	590.75

FINANCIAL STATEMENTS

BALANCE SHEET AS OF MARCH 31, 2007

LIABILITIES	AMOUNT (In Rs.)	AMOUNT (In Rs.)	ASSETS	AMOUNT (In Rs.)
Capital Fund Account			Fixed Assets	
-Opening Balance	(7417)		-Fixed Assets	
-Add: Profit during the year	202677	195260	(As per Schedule - II)	187,313.00
Unutilized Grant Fund - Ford	672293		Current Assets	
Unutilized Grant Fund - Hivos	477597	1149890	-Current Assets	1,466,078.24
			(As Per Schedule - III)	
Fixed Assets Replacement Fund				
-Opening Balance	116307			
-Add: Addition during the year	160636			
	276943			
Less : Depreciation	89630	187313		
Current Liabilities				
-Advance from Customers	54954			
-Expenses Payable	65974			
(As Per Schedule - II)		120928		
		1,653,391		1,653,391

RECEIPT AND PAYMENT A/C FOR THE PERIOD ENDING 31-03-2007

Particular's	Amount (In Rs.)	Amount (In Rs.)
<u>RECEIPT</u>		
<u>Foreign Grant - Ford</u>		
Opening Balance Ford Foundation	801,305	
Addition during the year	1,145,883	1,947,188
<u>Foreign Grant - Hivos</u>		
Opening Balance Hivos	-	
Addition during the year	1,440,935	1,440,935
TOTAL		3,388,123
<u>PAYMENT</u>		
<u>Expenses for Ford</u>		
Communication Expenses	51,225	
Consultants Fee	61,861	
Consumable Expenses	72,291	
Design & Production Expenses	59,239	
eBay Listing Fee	3,499	
Hosting Expenses	53,725	
Legal & Professional Fee	28,741	
Rent	127,249	
Retail Kit Design	17,400	
Salary	525,443	
Travelling	225,222	
	1,225,895	
Purchased of Fixed Assets	49,000	1,274,895
<u>Expenses for Hivos</u>		
Audit fee	11,236	
Bank charges	1,500	
Communication Expenses	50,322	
Consumable Expenses	10,587	
Design & Production	32,682	
Hosting Expenses	51,888	
Legal & Professional Fee	15,000	
Office Expenses	19,603	
Rent	60,082	
Salary	596,306	
Travelling	2,495	
	851,701	
Purchased of Fixed Assets	111,636	963,337
Unutilized Balance		1,149,891
TOTAL		3,388,123

As per our report of even date attached

for SMS & Associates
Charter Accountants

Sd/-
Manoj Agrawal
Partner

Place : New Delhi
Date : 8th June, 2007

For COMMUNITY FRIENDLY MOVEMENT

Sd/-
Rahul Barkatky
Treasurer

Place : New Delhi
Date : 8th June, 2007

Sd/-
Arjun Adya
President



Registered Address:

16/100, Vikram Vihar, Lajpat Nagar-4, New Delhi-110024

Tel. +91 11 2982 0053, Telefax +91 11 2981 0476