



COMMUNITY
FRIENDLY
MOVEMENT



Hand impressions of artisans, local entrepreneur & CFM team taken at the CFM Connect Meet in Delhi

ANNUAL REPORT
2007-2008



HIGHLIGHTS

1. CFM sourced US\$ 140,000 of merchandise during the financial year impacting the lives of 700 artisans.
2. CFM piloted a “Shop-in-Shop” model starting August 2007 to sell its own branded merchandise in India. At present it sells through four stores in Delhi, one in Goa and Bangalore and has sold US\$4745 of merchandise. The retail sales initiative is being undertaken as a for-profit venture.
3. CFM was one of the projects selected out of 105 to attend the Global Social Business Incubator (GSBI) program at Santa Clara University, USA in August 2007.
4. CFM was invited to make a presentation at the 3rd Global Knowledge Partnership Meet at Kuala Lumpur, Malaysia in December 2007.
5. Rahul Barkatakya, Co-founder & CEO was interviewed by Global X as part of its series on social entrepreneurs (www.socialedge.org/blogs/global-x)

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

耗 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.

耗 CFM is registered u/s 12 A of the Income Tax Act, 1961, with the Commissioner of Income Tax, Delhi Circle (Reg. No.1228)

耗 VAT registration no. 07570322247

耗 Export Import Code no. 0505074371

Name and Address of main Bankers:

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

耗 **Canara Bank** :Janpath Branch, New Delhi-110 001

Name and Address of Auditor:

耗 A.K. Nair & Co. Chartered Accountant, C-92 Sarvodaya Enclave, New Delhi-110017

Affiliations:

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

MISSION

CFM's mission is to create wealth for artisan communities in India by creating employment opportunities for 100,000 artisans by 2025 by providing design inputs, process improvements and market linkages.

VISION

CFM's vision is to become a global leader in stimulating growth for artisans and increase recognition for their artifacts by creating a dedicated distribution channel.

GOVERNANCE

Details of Board Members : (as on March 31, 2008)

Name	Sex	Position on board	Occupation	Area of Competency	Meetings Attended
Reva Nayyar	F	President	Retd. Senior Bureaucrat	Administration	3
Rahul Nainwal	M	Secretary	Director, MITRA Technology Foundation	Management	4
Saurav Kumar	M	Treasurer	Partner, Investcare	Management	4
Vaibhav Nigam	M	Vice President	Vice President, CFM	Management	3
Arjun Adya	M	President (Resigned)	Social service	Management	2
Rahul Barkatakya	M	Treasurer (Resigned)	Social Service	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. 5,55,007.00
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. 22,000/-p.m.
Remuneration of lowest paid staff member:	Rs. 4000/- p.m.

STAFF DETAILS: (as on March 31, 2008)

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, 2008)

Slab of gross salary (in Rs.) plus benefits paid to staff	Male	Female	Total
5000-10000	1	0	1
10000-25000	4	2	6
25000-50000	1	0	1
TOTAL	6	2	8

Total cost of national travel by all staff members during the year: Rs. 7,65,474.00

Total cost of international travel by all staff during the year: Rs. 5,28,863.00

SOCIAL VALUE GENERATED

Location of Artisan Group	Number of Artisan	Products Manufactured	Order Till date (USD)	Wage Generated (USD)	Total no. Days of Employment Generated
Bhagalpur, Bihar	25	Silk scarves/stoles	7040	2800	31
Sanganner/Jaipur, Rajasthan	10	Jaipuri Razais, Bedspreads, Cotton Khadi Bag	2,866	619.00	12
New Delhi, India	5	Handmade Paper Dari Journals	99	18	5
Etikopakka, Vishakapatnam, AP	25	Wood & Lac & Coconut Bangles, Spice Boxes	240	71.74	3
Shambhal, UP	24	Wooden& Brass Bracelets, Mosaic Ball, Resin Keyring, MOP Mirror Coaster, Wooden Spoons	3550.38	877	41
Moradabad, UP	30	Broken Bangles T-lites, Decorative Boxes, T-lites, Broken Bangles Votive	4383	1374	57
Delhi/ Meerut/ Saharanpur, UP	122	Decorative Boxes, Pouches, Beaded Box, MOP Handmade Paper Journals, MOP Bookends, Beaded star hanging & Heart hanging	14260.64	3918.61	74
Faridabad	13	News Print Bags, Bahi Cloth Journals	1202.6	327	43
Khurja, UP	20	Ceramic Coasters, Mugs, Plates	3753.25	1124.55	38
Noida/Purdilnagar, UP	25	Bone Beads, Ceramic Beads Bracelet & Necklace, Blass Beads Bracelet & Necklace	24308.15	5447.00	91
Delhi	20	Broken Bangles Boxes, Broken Glass Bangles Mirrors Coaster & Pencil Stand, Flower Tussle, Sequence Mirror, Sequence Keyring	13883.31	4134.20	69
Delhi	10	Jute Trivet	1031	656.00	6
Kashmir	10	Paper Mache ball & Bell	3059	1522.00	20
Delhi	10	Candle	8	2.00	1
Sahibabad, UP	50	Glass Beads bracelets	2505	751.00	2
Moradabad, UP	20	Wire Necklaces, Bookmark, Bracelet	2908	776.50	6
Delhi	120	Embroidered Cosmetic Bags, Reversible Bags	32449.41	7358.50	18
Greater Noida	4	Canvas Shopping Bags	1712	460.00	15
Karur, Tamil Nadu	50	Oven Mits, Dish Towels, Pot Holders	570.51	125.51	1
Dehi	16	Glass Beads Necklace, Mesh Beads Necklace	2826.7	621.78	9
Bhagalpur, Bihar	50	Silk Scarves/ Stoles	2398	530.00	8
Delhi	12	Shoes	2900	967.00	6
Sanganner/Jaipur, Rajasthan	35	Table Linen, Placemats, Napkins	2225	490.00	5
Delhi	12	Pouches	2912	640.80	7
Bhagalpur, Bihar	5	Silk Scarves/ Stoles	5435	1196.00	25
Jaipur, Rajasthan	10	Kite Paper Journals	435	96.00	6
TOTAL	733		138,960.95	36,904.19	602

MARKETING EFFORTS:

As a strategy it continued its effort in using the net effectively by promoting its wholesale website (www.shop2change.com) and also through its newsletter TORAN which goes out to around 6000 individuals every month.

CFM participated in two international trade fairs during 2007-08- Tendence Lifestyle at Frankfurt, Germany (24-28 August 2007) and New York International Gift Fair, USA (31st January-6th February 2008) Our designers developed a new range of handmade pottery, ceramics, jewellery, gift items, bags and scarves, which was appreciated by the buyers. We expect these exposures will lead to more brand visibility thus converting to more sales this year.

CFM CONNECT:

As CFM scales up its effort of creating wealth for artisan communities its important that there is clarity among various stakeholders so that we share a common mission. As part of this CFM organized its first local entrepreneur-artisan meet "CFM CONNECT" on 15th February 2008 at TERI Retreat Gurgaon. The meet was the first step to bring in stakeholders: customers,



Artisan Group of the year -
Cohesion Foundation Trust, Gujarat



Local Entrepreneur of the year -
Anil Yadav, Aaka Handicrafts, UP

local entrepreneurs and artisans together to create a feeling of community. A total of 40 participants attended the meet. We expect this to be an annual event. We also initiated two awards which will be given every year to the most efficient local entrepreneur and artisan group.

CFM TEAM

CFM has a young team of professionals.

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.

Nidhi Kaushik, Asst. Manager Design & Merchandising: Nidhi has done her Graduate Diploma in Fashion Designing from NIIFT, Mohali.

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

Shambhu Prasad, Asstt. Manager (Finance & Admin) Shambhu is a post graduate and has more than 10 years of experience.

BOARD OF GOVERNORS

Ms Reva Nayyar (I.A.S-Retd), President: Ms Nayyar retired as Secretary, Ministry of Women's and Child Development, Government of India. She joined the prestigious and competitive Indian Administrative Services (I.A.S) at a young age of 21 and worked across different department and Ministries for 39 years. Her areas of interest are child and women's issues.

Vaibhav Nigam, Vice President: Mr. Nigam has graduated from IIPM (Indian Institute of Planning) in 2005. He is a consultant with Hewitt, he has been involved in one of the

oldest member of CFM(Community Friendly Movement).

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, Treasurer: Mr. 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.

FINANCIAL STATEMENTS
BALANCE SHEET AS OF MARCH 31, 2008

	Schedule	Amount (Rs.)
SOURCE OF FUNDS		
<u>Capital Fund Account</u>		
- Opening Balance	195,260	
- Add: Profit during the year	551,622	746,882
Unutilized Grand Fund - FORD	-	
Unutilized Grand Fund - HIVOS	(814,142)	(814,142)
<u>Unsecured Loans</u>		
Loan from FWVB		550,000
Fixed Asset Replacement Fund		
- Opening Balance	187,313	
- Add: Addition during the year	193,776	
	<u>381,089</u>	
Less: Depreciation	161,092	219,997
		<u>702,737</u>
<u>Application of Funds</u>		
Fixed Assets		
Gross Block		381,089
Less: Depreciation		161,092
Net Block		219,997
<u>Current Assets, Loans & Advances</u>		
Current Assets	2,429,842	
Less : Current Liabilities & Provisions	1,947,102	
Net Assets		482,740
		<u>702,737</u>

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	Schedule	2007-2008 (Rs.)
<u>Income</u>		
Sales		4,180,613
Misc. Incomes		76,032
		4,256,645
<u>Expenditure</u>		
Purchases		3,082,856
Administrative Expenses	3	622,167
		3,705,023
<u>Profit for the Year</u>		551,622

RECEIPT AND PAYMENT FOR THE PERIOD OF 01.04.2007 TO 31.03.2008

	Schedule	Amount (Rs.)
Receipt		
<u>Foreign Grant - Ford</u>		
Opening Balance Ford Foundation	672,293	
Addition during the year	-	
Paid back	<u>14,931</u>	657,362
<u>Foreign Grant - Hivos</u>		
Opening Balance Hivos	477,597	
Addition during the year	<u>1,270,790</u>	1,748,387
		<u>2,405,749</u>
<u>Payment</u>		
<u>Expenses for Ford Operational Cost</u>		
Salary	272,500	
<u>Office Management</u>		
Travelling	209,521	
Communication Expenses	41,923	
Rent	65,260	
<u>Marketing Expenses</u>		
Design & Production Expenses	16,901	
Hosting Expenses	51,257	
<u>Purchase of Fixed Assets</u>		
		<u>657,362</u>
<u>Expenses For Hivos Operational Cost</u>		
Salary	1,370,108	
<u>Office Management</u>		
Travelling	240,574	
Office Expenses	33,560	
Bank Charges	5,219	
Communication Expenses	21,575	
Rent	246,686	
Consumables Expenses	31,298	
Audit Fee	20,000	
Legal & professional fee	4,700	
<u>Workshop Expenses</u>		
Workshop Expenses	103,132	
<u>Marketing Expenses</u>		
Design & production Expenses	213,982	
Hosting Expenses	75,176	
<u>Purchase of Fixed Assets</u>		
	193,776	2559,968
Unutilized Balance		(811,581)
		2,405,749

As per our report of even date attached

for A.K. Nair & Co.
Chartered Accountants

Sd/-
A.K. Nair
Partner
M.No. 84690

Place: New Delhi
Date: 28th June, 2008

For COMMUNITY FRIENDLY MOVEMENT

Sd/-
Treasurer
Sd/-
President

Place: New Delhi
Date: 28th June, 2008



COMMUNITY
FRIENDLY
MOVEMENT

Registered Address:

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