



# Centre for microFinance

*(...an initiative to catalyse the microFinance sector)*



*“we strive for the timely availability of microFinance services on fair terms and with dignity to help poor enhance their livelihoods”*

**Annual Report**

**2007-08**

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# Message from the Chairman

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I feel proud to present the second annual report of the Centre for microFinance (CmF). The idea about the Centre came up in 2006 and since then it has got very good support from all of you. The work in CmF was started in October 2006 with the much needed financial support from the Sir Ratan Tata Trust and the Institute of Health Management Research housed it on its campus. We took around a year and a half to consult state government, banks, voluntary agencies and eminent persons for deciding its direction. We finally got CmF registered as a society in February 2007. I am happy to share with you the progress that CmF has made in this year. It is a significant growth but much more is to be done in future.

Now, I would like to mention a few achievements that CmF made during the year. CmF prepared the Rajasthan Micro Finance Report 2007 and presented it to all stakeholders. It made Rajasthan the first state to develop a comprehensive analysis of the microfinance sector, pinpointing the issues to work upon. Bank of Baroda, the lead bank in Rajasthan and CmF entered into an MoU to strengthen the microfinance sector in the state.

The Centre launched a very innovative 'Certificate Course on microFinance Development and Management' for young graduates with an objective of developing human resource for the sector.

During the year, CmF reached out to more than 10,000 poor families through its pilot project on strengthening existing SHGs in two blocks (Ramgarh in Alwar and Dungarpur in Dungarpur districts) and improved the quality of these groups.

As nodal agency of the Sakh Se Vikas programme supported by SRTT, CmF contributed significantly by providing technical support to SSV partner NGOs who have a combined outreach to more than 50,000 poor families in Rajasthan.

Like in the life cycle of any organisation, the initial years are of much importance because this is the time when its foundation is laid. I am hopeful that all of you will continue to support CmF and we will be able to contribute towards increasing the access of the poor to microfinance services, women empowerment and enhancing their livelihoods.

**N S Sisodia**



## The Years in Making: Journey So Far

The Centre for microFinance (CmF) is an autonomous organisation registered under the Rajasthan Societies Act 1958 in February 2007. The Centre came into existence in 2005 in response to the need for an agency to guide the growth of microfinance and in particular community-based microfinance in the state.

The Sir Ratan Tata Trust (SRTT), a grant making organization actively engaged in promoting microfinance in Rajasthan, supported the idea for such an agency. Prof V.S. Vyas, an eminent economist, conducted a feasibility study and suggested the setting up of an agency to deepen, widen and upscale the sector in Rajasthan – resulting in the establishment of the Centre for microFinance.

A steering committee under the chairmanship of N.S. Sisodia with representatives from state government, banks, voluntary organisations and eminent citizens was formed to guide the Centre. The Centre began functioning in October 2005 from the campus of the Institute of Health Management and Research.

Subsequently, series of discussions were held with voluntary organizations, banks, government and other stakeholders to prepare the center's roles, strategy and action plan. From these deliberations, the following roles emerged for CmF:

Thematic units	Focus
Resource Agency	Improve the quality of community organisations (SHGs, SHG Federations) and improve efficiency of mF programmes (increased savings, credit, insurance, etc.)
Knowledge Hub	Collect, collate, generate and disseminate the required knowledge to the sector
Idea Incubation	Support new ideas to increase outreach of microfinance services to the neglected areas and segments
Networking and advocacy	Develop collaborations among various stakeholders and promote cross learning



First working group meeting to operationalise CmF, held on May 20, 2005

In order to develop an in-depth understanding of the sector and plan appropriate interventions, the work began with undertaking research studies. Some of the research studies are: 'Cash Flow of Rural Households in Rajasthan' covering five districts of the state; 'Annotated Bibliography' to compile the existing knowledge base on microfinance and identify knowledge; 'Status of SHG quality in Rajasthan'.

As SHG quality emerged as a major concern from the study, CmF initiated a **pilot project with Department of Women and Child Development (DWCD)** and two SSV partners – IBTADA in Alwar and PEDO in Dungarpur to improve the quality of existing SHGs and facilitate their bank linkage for livelihood enhancement of members.

SRTT appointed CmF as the **nodal agency for the Sakh Se Vikas Programme** – its Rajasthan microFinance initiative. The SSV partners are – ARAVALI, PEDO, SRIJAN, IBTADA, PRADAN, and Kalanjiam Foundation. CmF has been engaged in providing technical support to SSV partners; it conducted benchmark studies for partners of ARAVALI and impact assessment studies for other SSV partners.

Besides SSV, the Centre has also provided handholding and technical support services to other voluntary organisations like URMUL Seemant Samiti, Hanuman Van Vikas Sangathan and Shanti Maitreyi Mission.

For guided growth of the microfinance sector in Rajasthan, a need was felt to



First meeting of the partners of the DWCD pilot project

prepare a comprehensive status report of the sector, which also indicated focus areas and future challenges. Accordingly, the Centre conceptualised and initiated the preparation of the **Rajasthan microFinance Report 2007**.

To engage actively with the sector, especially at the grassroots, the Centre set up **Spearhead Teams (SHTs) in Bikaner and Dungarpur** to develop them as 'Model microFinance Districts'. The SHTs undertook compilation of a district SHG database, initiated and facilitated a District mF Forums and provided technical support to microfinance practitioners.

As micro-insurance was found to be weak link in the delivery of microfinance services with very low insurance coverage amongst the poor, the Centre organised a **National Level Workshop on Micro Insurance** to chalk out an action plan for spread of micro-insurance in Rajasthan. IRDA Chairman C.S. Rao was the Chief Guest.

The Centre as a part of its idea incubation role, provided support to Aajeevika Bureau to set up an agency for providing microfinance services to migrants in southern Rajasthan.

The **Micro Finance Discussion Forum**, an e-discussion platform for mF practitioners, policy makers, bankers and government officials to deliberate on issues in mF, share experiences and solve problems was started.

To cater to the demand for the lack of skilled human resource at the grassroots level, the Centre conceptualised and designed a six-month **certificate course on microFinance Management and Development** for rural youth.

By March 2007, SRTT in principle had agreed to support the Centre on a long-term basis. The Centre has also been supported by Indian Grameen Services, CARE, IIM-Ahmedabad, and General Insurance Corporation in its various activities. It has become a member of the State Level Bankers' Committee, SHG monitoring Committee of the Government of Rajasthan and the Bank of Baroda Advisory Committee on microFinance.



State level Micro Insurance Workshop



## Highlights of 2007-08

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- **Rajasthan microFinance Report 2007**
- **Annual microFinance Colloquium**
- **Collaboration with Bank of Baroda**
- **Certificate Course on microFinance Management and Development**
- **SHG Database of Bikaner and Dungarpur**
- **Collaboration with NGOs and Department of Women and Child Development**

# Major Activities

## I. RESOURCE AGENCY

### CERTIFICATE COURSE IN MICROFINANCE DEVELOPMENT AND MANAGEMENT

In order to meet the emerging human resource requirements of Self Help group Promoting Institutions (SHPIs) and other agencies working in the microfinance sector in Rajasthan, CmF initiated a six-month fully residential course on microFinance Development and Management (mFDM) for young graduates in the State.

The aim of this course is to develop grassroots micro finance professionals competent in enhancing the quality, systematization, and productivity of the micro finance sector in Rajasthan (and also elsewhere), leading to its sustainable and pro-poor growth.

**CmF launched the six- month course on microFinance Development and Management on February 4, 2008. A total of 20 candidates were selected for admission. Ten students admitted on full course fee, five received full scholarship from BoB and six candidates received part scholarship from BCT.**

The highlights of the course are:

- Six-month intensive programme focusing on SHG-based mF programmes
- Faculty chosen from leading development and mF academia and practitioners in the country
- Course includes development orientation of the young graduates through classroom inputs plus a week-long field work component
- Total 14 Course Modules of 70 credits
- Apart from the field work for development orientation, two-month attachment as an intern with an SHPI, for undertaking specific project assignment for the host organisation; this attachment will be valued for 20 credits
- Assessment through a combination of classroom presentations, quizzes, project performance, etc.; end-term examination of 25 credits
- Focus on personality development through ongoing sessions on entrepreneurship and intrapreneurship
- Provision for mentorship by leading mF practitioners in the State, throughout the course duration

### Summary of Course Duration vis-à-vis Credits

#### MANAGEMENT DEVELOPMENT PROGRAMME ON PROMOTING SHG FEDERATIONS

Self Help Groups in Rajasthan have come out of their first phase of formation. A majority of SHG promoting institutions (SHPIs) in the State are also now

Session Types	Nature	Credits	Total hours	Estimated time
Development orientation	Classroom	5.0	50	Two weeks
Practical development challenges	Field-work	5.0	30	One week
Core courses	Classroom	40.0	400	Thirteen weeks
Project work in SHPI/MFI	Field-based work	20.0	240	Eight weeks
Assessment (including Term end exam)	Classroom-based	Included above	30	One week
	<b>Total</b>	<b>70.0 credits</b>	<b>750 hours</b>	<b>25 Weeks/6 Months</b>

in their consolidation stage, where they are exploring the idea of promoting second and third tier structures of SHGs (i.e., SHG clusters and federations) to make their SHG programme self-sustaining. Further, many SHPIs (in Rajasthan or elsewhere too) have promoted SHGs with funding support under some specific projects. After project completion, most SHPIs find it difficult to continue sup-



Management Development Programme (MDP) on Promoting SHG Federations

porting the SHGs because of lack of funds. So, it is extremely important to evolve and put in place a system, right in the beginning of the project, to make SHGs self-sufficient and self-sustaining even after external funding stops.

It was in this context in Rajasthan that the CmF organised a three-day **Management Development Programme (MDP) on Promoting SHG Federations** in Jaipur on **May 22-24, 2007**. The main objective of this MDP was to equip the participants to plan and promote Federations of the SHGs promoted by them. Its component objectives were to enhance the participants' knowledge and understanding on the following topics:

- Role of SHG Federations and services provided by them to SHGs;
- Steps in and process of promoting an SHG Federation;
- Nurturing Federations to make them sustainable;
- Legal aspects related to federating SHGs;
- Internal systems and MIS of SHG Federations; and
- Developing strategies to strengthen SHG federations.

This programme was attended by 28 participants belonging to different voluntary agencies of Rajasthan and Madhya Pradesh, having ongoing SHG programmes and willing to or already engaged in federating SHGs in their area.

#### **MICROFINANCE IMMERSION PROGRAMME IN BIKANER & DUNGARPUR DISTRICTS**

There exists a huge demand and supply gap of formal financial services for the poor, especially in the rural areas. Large number of Self Help Groups formed by various government and voluntary organisations provide a good platform for banks to increase their outreach to rural families and in turn enhance their credit portfolio also. There is an immense potential for increasing the credit portfolio through SHGs. Managers of rural bank branches have a key role to play in promoting microfinance. Bankers need to proactively come forward to remove the obstacles faced by SHGs and grab this business opportunity that is slowly being lost to the informal sector.

In this backdrop, the Centre for microFinance (CmF), Rajasthan has designed a *microFinance Immersion Programme (mFIP)* for Bank Managers to provide them with a platform to share their experiences of rural banking, and to highlight the issues they face in discharging their duties as managers of rural branches effectively. This programme also offers them a unique opportunity to learn what's new in microfinance, and from which they can benefit so as to realize the potential of the sector for enhancing their business.

The focus of the mFIP is on self-learning through observation, reflection, discussions and presentations. Conventional lectures are avoided and highly experienced and knowledgeable resource persons facilitate learning and moderate group discussions and other interesting exercises. Fieldwork forms an important part of the programme. The bank managers visit and study a rural household and interact with members of an SHG/ SHG Federation to gain first-hand appreciation of different facets of people's microfinance needs at the ground level.

In order to translate their learning from the mFIP into action, the participants are assisted in drawing up Action Plans to improve their personal and professional effectiveness.

In the first of this series, CmF conducted an mFIP in Bikaner (with support from NABARD) and in Dungarpur district (with support from Bank of Baroda as per the signed MoU). A total of 48 Bank Managers were trained in the programme. In Bikaner the program was of two days (November 26-27, 2007) at the SBBJ training centre. Another three-day programme was held in Dungarpur (February 9-11, 2008). The feedback from the participants was positive and they found the programme to be very useful.

#### **PILOT PROJECT WITH NGOS AND DWCD FOR STRENGTHENING THE QUALITY OF EXISTING GROUPS**

Quality of existing SHGs has been a major area of concern in the sector. In

#### **PARTICIPANT SPEAK...**

"The subjects dealt, and experiences shared by resource persons, in last three days, were very useful."

"The interactions with family and SHG members on the second day of programme have helped me understand the real issues of poor, and my role as a banker"

"This training programme cleared so many doubts about microfinance, and SHG in particular. I have learnt so many things about poor household's economy."

collaboration with the Department of Women and Child Development (which is the largest agency promoting SHGs in state) the Centre for microFinance took up a pilot project for strengthening SHGs in two blocks. The Sir Ratan Tata Trust is providing financial support of Rs 33 lakh and two partner organisations– IBTADA in Alwar and PEDO in Dungarpur–are implementing the project in one block each.

The objectives of the project are:

- To strengthen existing SHGs for self-sustainability
- To demonstrate the qualitative process of group formation and nurturing
- To develop suitable models of sustainable livelihood enhancement / income generation
- To form SHG Federations for continued support to groups

## Progress and Achievement

**Capacity building:** As a measure of capacity building, all the facilitators have

Activity / Line item	June-07	Mar-08
No. of SHGs	462	622
No. of SHGs with bank account	440	530
Household covered	5,254	7038
No. of SHGs revived	0	14
No. of SHGs with at least 1st linkages	196	267
Amount of savings mobilised	Rs 4,466,147	Rs 8,253,298
No. of groups involved in interloaning	317	565
Amount in interloaning	Rs 1,937,347	Rs 6,953,537
Amount of credit mobilised	Rs 10,746,500	Rs 12,972,500
Attendance performance	52%	78%
Records (register, ledger, pass book)	32%	71%

been provided training on group concept and record writing. A total of 564 facilitators have been benefited from various training programmes conducted in phases to build capacity. Now, most of the facilitators are able to write book of accounts, prepare trial balance and MIS. Various trainings and exposure visit have been organised for leaders & members of the group. On site training has been part of capacity building process.

**Handholding support in the field:** Continuous handholding support being provided to facilitators and SHGs in both districts. The support areas comprise the following:

- Conducting proper and regular meetings
- Record maintenance, updation and MIS
- Help the groups in framing norms
- Bank linkages
- Selection and change of leaders
- Onsite training to groups & facilitators

## CmF as Nodal Agency of Sakh Se Vikas (SSV) Programme

CmF is the nodal agency for technical support to partner organisations in the Sakh Se Vikas initiative seeded by the Sir Ratan Tata Trust. The Sakh-se-Vikas initiative seeks to demonstrate poverty reduction through community-owned, financially viable micro Finance programmes for the under privileged communities in Rajasthan. Seeded in 2003 the SSV initiative has been continuously working to achieve its two key objectives:

- Impacting practice at community level



mFEs participating in a capacity building programme

## ● Sector building

Brief activities undertaken by CmF in its nodal agency role include:

Quarterly visits to provide technical services to SSV partners: During the year, CmF conducted quarterly visits to two SSV partners—Ibtada and PEDO—to provide technical support in implementing their ongoing microfinance programmes and to periodically review the progress of the project.

During the year, CmF also appraised reallocation requests from two other SSV partners—PRADAN and SRIJAN—for ongoing SRTT supported projects in Dholpur and Tonk, respectively. CmF sought the services of relevant subject matter specialists for these visits. Apart from appraisal of the requests, CmF provided specific recommendations for strengthening the

Integrated Natural Resource Management Model (INRM) proposed by PRADAN and for strengthening the dairy activity of SRIJAN.

CmF also organised the second SSV strategic partners' meet on July 30-31, 2008 at IHMR Jaipur. The meet was attended by all SSV partners and the representatives from SRTT. Based on sharing of mutual experiences on a range of issues—livelihoods, insurance, bank linkages and SHG federations—discussions were held to identify common areas of concern and interest and how to work together. The need for in-depth study of the livestock-based models of the SSV partners and development of a strategy for upscaling was also voiced. CmF chalked out a schedule for organizing learning events on identified themes during the coming months and also explore joint initiatives on themes such as insurance.

## II. IDEA INCUBATION

### MICROFINANCE ENTREPRENEUR PROGRAMME (MFE)

CmF has commenced a pilot project on the formation and fostering of SHGs through microFinance Entrepreneurs in Bikaner and Dungarpur Districts of Rajasthan. The project aims to guide, develop, and support a cadre of local unemployed youth to act as mF service providers apart from assisting SHGs in his/her area with quality improvement and day-to-day operations and record-keeping. Twenty mFEs have been selected and are engaged in SHG formation. They also work as business facilitators of banks and deliver micro insurance to poor.

The first phase of training has been conducted with the mFEs. The mFEs have formed 75 SHGs with an outreach of 1,040 members in both the districts. These entrepreneurs will perform as future torch-bearers for scaling up the SHG movement in un-reached areas and communities in the pilot districts.

This model has been designed to be both sustainable and cost effective. An operational manual has been developed for the mFE. Modifications will be made on a regular basis to incorporate the learning and experiences. The MIS of the mFE programme and SHG record registers have been developed to ensure updation of all records of the SHGs and the same has been distributed to the SHGs.

### MICROFINANCE SERVICES TO URBAN POOR

CmF supported an initiative under Idea Incubation submitted by **Mitr that endeavors to initiate microfinance services for the urban poor** in Alwar District. Mitr's area of intervention is Alwar city with future expansion to Jaipur and Udaipur. The proposed target group is the urban poor (fruit and vegetable vendors, industrial labour, small shopkeepers/ traders, *thela wallas*, rickshaw pullers, slum dwellers). The inception phase support includes activities like developing business proposals and setting up systems, conducting baseline studies, recruitment of staff and staff cost, staff capacity building cost, office set up and administrative cost. The project will reach out to 540 clients in the first year.

CmF awarded a fellowship to Mr. Sudhir Kumar a young professional, to execute Mitr's urban microfinance programme. The project started from April 2008.

#### Providing Financial Services to Migrants

CmF had provided financial support to Aajeevika Bureau, Udaipur for scoping and developing a package of financial products and services aimed at meeting

the needs of migrant labour from Southern Rajasthan. As a result of this support, not only has Aajeevika Bureau developed a financial product for testing over the next six months, it has also been able to conceptualise and establish an independent organisation (registration process is underway) – Shram Saarathi Association (SSA) – which is essentially an mFI that will address the financial needs of migrant labour from Rajasthan.

The period being reported includes the extension phase approved to Aajeevika Bureau to accomplish the tasks planned and utilise the programme budget. Now, the initial support project is over, and talks are on regarding the future scope of collaborative assistance that CmF can provide to Aajeevika Bureau or SSA. Though SSA now needs working capital and research funds, provision of the former through CmF does not seem possible owing to disagreements over the interest rate that the organisation plans to charge its clients, as part of its maiden credit product. Exploratory talks are, however, on between Aajeevika Bureau and CmF.

#### **PROVIDING FINANCIAL SERVICES TO MIGRANTS**

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#### **EXPLORATORY STUDY TO INITIATE ANIMAL HUSBANDRY INITIATIVE THROUGH SHGs**

During December 2007, a study was initiated on the potential for developing and scaling up livestock-based livelihood models in Rajasthan. The objective of the study was to map the dairy and small ruminant sector in terms of needs, including those of stakeholders, and geographical factors and make recommendations for promotion of dairy and goat rearing and also suggest a way forward for operationalising the same. Goat keeping, for instance, is thought of as a panacea to bring in supplemental income for the landless and those with very small land holding.

The study findings reflect that there has been a drastic decrease in the cow: buffalo ratio of Rajasthan over the period 1951- 2003. The buffalo population has increased by 242 per cent whereas the indigenous cow population recorded only 1 per cent increase. The shift has been more of a reaction to the milk pricing policy viz. milk fat based purchase price by the cooperatives. Over the period, the overall population of small ruminants has increased by 145 per cent. Specifically, the goat population has increased by 202 per cent while that of sheep has grown by 87 per cent.

The study suggested the specific areas to concentrate on for initiating a programme on livelihoods through livestock and upscaling it:

- Genetic improvement
- Cost effective nutrition
- Improved management
- Documentation of productivity parameters
- Collectivization of marketing

Every effort must be made to involve the farmers at every stage of intervention and also integrate good practices, traditional knowledge and local value system. Projects and schemes already being undertaken by some agencies could be taken up for collaboration and future initiatives on account of the technical

“Present MoU with CmF is only the first step in right direction. Bank would like to use CmF as technical service provider to the Bank as a whole.”  
**- Dr. Anil Khandelwal**  
 CMD Bank of Baroda  
 while signing the MoU

strength and past track record of such agencies. Continuous innovations in the livestock sector can easily be collaborated into existing women collectives, i.e. their SHGs, and help the rural poor.

During the next year, CmF plans to hold discussions with NGOs working in the field of livelihoods and other stakeholders to promote livestock-based livelihood models across the state.

#### **COLLABORATION WITH BANK OF BARODA**

The Centre for microFinance and Bank of Baroda (BoB), which is the lead bank of Rajasthan, signed a Memorandum of Understanding (MoU) to strengthen the microfinance sector in Rajasthan. The BoB has recognised CmF as the lead agency for training of its managers of rural branches and of Baroda Rajasthan Grameen Bank. In the year under review, CmF trained 30 branch managers.

The Bank of Baroda is also supporting CmF in forming and nurturing 300 new Self Help Groups in Dungarpur. CmF is organising these SHGs in collaboration with two voluntary organisations and 100 SHGs have been formed this year itself.

The bank also sponsored five tribal youth for CmF's Certificate Course on microFinance Development and Management. The bank will sponsor five students in the course every year.

The Centre for microFinance and Bank of Baroda are working together to develop Dungarpur as Model microfinance District in Rajasthan. The BoB has adopted Dungarpur under its centenary year project for supporting integrated development in the district. CmF is playing the role of technical service provider to BoB under this project.

In summary, the highlights of the activities under the MoU with Bob are:

- Providing credit of Rs 54.5 crore to 20,500 families (mainly SHG members) for taking up Integrated Dairy Development, Agriculture- production of high value crops and vegetable cultivation, and to Rural Artisans
- Financial Inclusion: 55,000 additional families included in 680 villages
- Increasing the outreach of banking services: 400 new farmers' clubs, 300 new SHGs and 5,750 new Kisan Credit Cards
- Human Resource Development for the project, and for the microfinance sector as a whole:
  - ✓ Starting 5 Baroda Grameen Prammarsh Sewa Kendras
  - ✓ Training of 4,000 people through Baroda Swarojgar Vikas Sansthan
  - ✓ Training of branch managers of BoB and RRB
  - ✓ Sponsoring five youths for six-month course on microfinance
- Social Development Activities: Health Camps, Animal Health Camps, Baroda Merit Scholarship for 85 tribal girls to help pursuing higher education (from 10th to 12th Standard)

### **III. KNOWLEDGE HUB**

#### **Rajasthan microFinance Report 2007**

The publication of the Rajasthan microFinance Report 2007 was an important accomplishment for CmF in the year. The report presents a comprehensive picture of the current status of microFinance in Rajasthan and

will act as a benchmark for the sector. It analyses the demand for microfinance services amongst the poor, who is serving these needs, what is the potential for growth and the constraints faced by mF service providers in the state.

It attempts to map the un-reached sections and areas in the state where microFinance services are yet to make inroads. The report highlights the context, demand and supply of mF services, legal and regulatory framework, HR and infrastructure support for microFinance and the way ahead. The report, a first of its kind will certainly help mF stakeholders at various levels in preparing an appropriate strategy for growth and expansion of

the sector. Researchers too will get an idea of the current systems of knowledge creation and inherent gaps.

CmF presented the Rajasthan microFinance Report on January 31, 2008 at the 95th SLBC meeting. The objective of the presentation was to present the draft



Focus Group Discussion with SHG leaders: Ibtada, Alwar

sector report to get feedback and inputs from the panel.

#### **STUDY ON THE STATUS OF SHG FEDERATIONS IN RAJASTHAN**

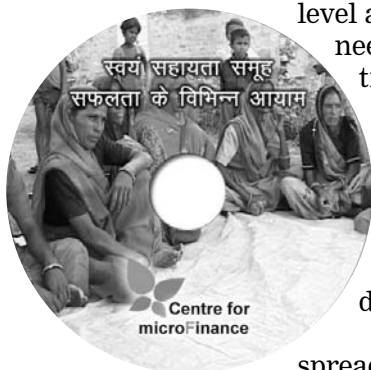
The study aimed at understanding the existing structures, role of the promoting organisations, institutional needs of the federations and status of the SHG clusters and federations in Rajasthan besides generating baseline data of the organisations promoting SHG federations/clusters.

The study looked at the different models of SHG federations, role of promoters in formation of federations, capacity building, gaps and future needs, cost of promoting the federations, issues and challenges faced and possible strategies. The study provided critical inputs for preparing the Rajasthan microFinance Report 2007.

#### **CASH FLOW STUDY OF URBAN POOR IN RAJASTHAN – STUDY DESIGN & DATA COLLECTION**

The existing knowledge on urban poor in general and their financial needs in particular is limited in Rajasthan. Studies have been conducted at the national level and in metropolitan cities to gauge the financial needs of the urban poor. In order to project the potential of urban microfinance in the state and provide effective microfinance services that are tailor-made to the needs of the urban poor, a depository of knowledge has to be created on their financial behaviour and needs. In addition to delivery of microfinance services, the knowledge of cash flows aid in planning effective livelihood enhancement and diversification interventions.

The sample size for the study was 1,000 households spread over the five cities of Rajasthan – Jaipur, Jodhpur, Udaipur, Kota and Bikaner. Interview schedules and focus group discussions were used to collect data. The data collection for the study has been completed.



#### **SHORT FILMS ON SAKH SE VIKAS AND BEST PRACTICES IN MICROFINANCE**

CmF produced two short films during this period. One of the films is on the Sakh Se Vikas programme and the other film documents the best practices of SHG programmes of the SSV partners (PEDO, IBTADA, ARAVALI, PRADAN, SRIJAN and Kalanjiam Foundation).

#### **Promotional Film on Sakh Se Vikas (12 mins):**

The film narrates the journey of the Sakh Se Vikas initiative. It showcases the various activities under Sakh Se Vikas and the impact of the programme on the lives of the poor, in particular women. The film has been screened to a range of people – trustees of SRTT, government officials, mF practitioners and during training programmes on mF. It has personalized narratives of beneficiaries and how their income and social capital has improved. The film also highlights the challenges and milestones that are yet to be achieved and the role of CmF in countering these challenges.



#### **Silent Revolution /Swayam Sahayata Samooh- Safalta ke Vibheen Aayam:**

This is a short film on best practices of community based microfinance. The film has been made as a resource material to be used in capacity building programmes of mF practitioners. The film covers the main stages of SHG formation and functioning. It highlights the best practices of SSV partners and challenges faced in providing mF services to the poor.

The film has also been dubbed in Hindi and is being widely used in capacity building programmes organised by CmF and other organisations.

#### **PUBLICATION OF THE RURAL CASH FLOW STUDY OF RAJASTHAN**

CmF had completed a detailed Cash Flow study of Rural Households in six

Release of the 'Rajasthan microFinance Report 2007' during the Annual microFinance Colloquium 2008

blocks across three districts of the State in 2006-07. The study reflects the existing pattern of cash flow, acquisitions and investments and credit position of rural households. The study reports were edited, and a brief version of each report has been prepared for publication and circulation. The study reports have been disseminated to district administration, NGOs and are being used in various training programmes.

#### **SHORT STUDIES ON INFORMAL SOURCES OF SAVINGS & CREDIT IN RURAL AND URBAN AREAS**

In order to understand the informal savings and credit practices that exist in various parts of the state, a series of 16 dipstick studies were undertaken in different regions and in cities. In urban areas, savings and credit practices of different occupation groups like rickshaw pullers, house maids, vegetable vendors, leather tanners were documented. In rural areas traditional practices amongst tribals in southern Rajasthan, migrants, farmers and many others were looked into. The studies were extensively used in preparing the Rajasthan microfinance Report 2007. On the basis of these studies, CmF is planning to publish an occasional paper.

#### **FINALIZATION OF SHG GRADING FORMAT**

Banks and SHPIs in the State have long felt the need for an appropriate grading format for SHGs. This matter also came up for discussion in the SLBC. CmF contributed substantially in the development and finalisation of an SHG grading format, which has now been approved by the State Level Bankers' Committee (SLBC).

#### **DOCUMENTATION OF SUCCESS STORIES OF BANK OF BARODA 'DUNGARPUR PROJECT'**

This series of case studies describe the proactive role of bank branches in Dungarpur District in lending to SHGs and the positive impact of credit availability in the lives of the poor women. The case studies have been widely circulated amongst banks, policy makers and mF practitioners. They have also been published in the Annual Publication of Bank of Baroda on SHGs in India.

### **NETWORKING AND COLLABORATION**

#### **ANNUAL MICROFINANCE COLLOQUIUM 2008**

The Centre for microFinance organised a two-day Annual microFinance Colloquium 2008 on January 9, 2008 at the State Institute of Health and Family Welfare and January 10, 2008 at SMS Convention Centre- Jaipur with an aim to provide a congenial platform for all the microFinance stakeholders to take stock of the progress in the sector; to discuss the emerging issues and challenges and to develop appropriate strategies for growth, expansion and strengthening of the microFinance sector in Rajasthan.

The participants included senior government officials, chairmen and senior managers of apex institutions, commercial banks, cooperatives and RRBs, chief executives of voluntary organizations and leaders of SHGs. More than 150 participants, including 45 SHG women leaders, participated on the first day. Mr. M.K. Khanna, Senior Advisor, Planning Commission of India addressed the participants as the Chief Guest.

The release of the sector report through the auspicious hands of Ms Alka Kala, Principal Secretary, Department of Women and Child Development, Government of Rajasthan, along with SHG leaders and presentation on the Draft Strategy on 'microFinance in Rajasthan- Way Forward' was an important highlight of the day.

Issues relating to regional disparities and outreach of microFinance services, quality and sustainability of SHGs, SHG-bank linkages and the livelihoods of the poor were discussed during the colloquium. Noted economist V.S. Vyas said the micro-credit movement should be supplemented with objective policy measures and development programmes to generate an effective demand for credit and raise absorptive capacity of the recipients.

It was also suggested that large microFinance institutions and those accepting public deposits be brought within the purview of a decentralised regulatory

authority. He said the interest rates charged to the poor should be reduced to enable them to run economically viable enterprises and earn remunerative livelihood.

Former Union Finance Secretary N.S. Sisodia and Bank of Baroda Chairman and Managing Director Anil Kumar Khandelwal, in their addresses, dwelt on the need to make the microFinance movement more evenly spread geographically, reduce the cost of credit and take the sector beyond meeting credit needs for consumption purposes alone.

The first day saw consultations with SHG group leaders and microFinance practitioners. The objectives of the consultation was to get first-hand information about the impact of SHGs on the lives of women; about the problems that SHG members, banks and SHG promoting organisations are facing, and to know the expectations that various stakeholders have from SHGs and SHG Federations. The expectation from first day was to arrive at the 'Charter of Change' (see box alongside) in order to achieve financial inclusion and expansion of mF services.

Two parallel sessions were also held—one comprising of SHG leaders and the other of SHPIs, government officials and bankers. The discussions concentrated on impact and outreach of mF, quality of services and institutions and institutional sustainability.

On the second day, about 140 participants from banks, government and voluntary organisations attended the programme. The outcome of the consultations of the first day were presented to key stakeholders like policy makers, apex institutions, banks, SHPIs, insurance companies and community leaders to review the status of the microFinance sector in the state and have a broad plan for expansion and growth of the sector.

The basis of the review was the inputs from the discussions on the first day and the 'Rajasthan microFinance Report 2007'.

Some of the specific recommendations were:

- The lead bank in every district must be responsible for formation of groups and take pro-active steps for promotion of SHGs.
- The DCCBs and cooperatives need to play an active role in the movement.
- NABARD has to increase its investment in promotion of groups.
- NGOs have a crucial role to play in sensitization and empowerment of the people and they need to be accountable for their roles.



The CmF Micro Finance Colloquium will be an annual event where all stakeholders of the microFinance sector in Rajasthan come together to take stock of the progress in the sector, to discuss emerging issues and to decide the future course of action for strengthening the sector. The CmF MF Colloquium is an annual event.

#### CHARTER FOR CHANGE

There is need to:

1. Work in remote and interior areas and develop contextual intervention given geographical specificities
2. Invest in livelihoods and community to work with poorest of poor and in difficult areas
3. Work to include specific communities that are left out including migrant, nomads, urban poor
4. Build perspective and capacity of SHPIs, banks which needs more investment for promotion of the sector
5. Build focus on quality – not just on number of groups formed
6. Continued support after formation – develop service providers for book keeping and auditing among others
7. Improved coordination between Government and NGOs, and develop a comprehensive block/district wise database
8. Not negotiate on quality of grading of groups – in letter and spirit - and link with capacity building inputs
9. Increase utility of SHGs for members (e.g.) income increase, linking with panchayats, pensions, BPL lists with participation of SHGs
10. Promote clusters which build ownership, voice for SHGs and help in expansion

- With regard to the quality of groups, there are three problems—group cohesion, group discipline and the credit plus approach. Although the repayment record of the SHGs has been excellent, there is a need to graduate to areas beyond credit.
- The role of an enabling environment is yet another important aspect. In Rajasthan, there is a good environment for the growth of microFinance sector but sadly only at the apex level. Bank managers are not yet sensitive.

Sensitization is imperative at all the levels of district, block and village. There is a need to develop an interactive interface between the administration and the bankers to develop a common view over the scenario.

### Way Forward

- Reach out to those who have been not reached especially in the districts of Jaisalmer, Karauli, Jalore, Sirohi, Bundi, Barmer, Pali, Dholpur and Nagaur.
- Focus on improving and maintaining the quality of SHGs and building them institutionally is yet another step.
- Banks to play a lead role by providing a conducive environment: increase the credit flow to the SHGs, ensure their quality for linkage, nurture bank facilitators
- Need for Human Resource and capacity building of HR to sustain the movement
- Institutional support to ensure sustainability through livelihood promotion

### Linkages with State Government

The State Government is planning a poverty alleviation programme in Western Rajasthan in six districts. CmF attended a meeting and seeded the idea of SRTT co-funding the programme. A meeting with IFAD representatives in Delhi and later with the State Government was attended and as a result, SRTT has now decided to co-fund the project. CmF is expected to play the role of a technical service provider to the implementing agencies.

### CmF as Member of Network of National Resource Organisations

CmF along with four other organisations—APMAS, Hyderabad; Indian School of microFinance for Women, Ahmedabad; Reach-India, Kolkata; and, Chaitanya, Pune—have jointly promoted a National Resource Agencies Network to provide capacity building support to community-based microfinance institutions.

During the year, Ford Foundation approved a proposal to support this network. CmF has since undertaken three activities under the network:

- Organising training programmes for promotion of SHG Federations
- Developing course material for microFinance Development and Management programme
- Piloting a system of Social Entrepreneurs in mF sector (Rural Volunteers for SHG promotion, micro insurance, etc.)

The project is of 16-months duration and CmF will get a total financial support of Rs. 7.5 lakh for it from the Ford Foundation.

### MicroFinance Discussion Forum (mFDF)

The Centre facilitates an electronic communication platform to act as networking tool for all those who are involved in the promotion of sustainable microFinance named the microFinance Discussion Forum. It brings 200 active members comprising mF promoters, donors, practitioners and other stakeholders like banks, insurance companies on a common platform so that the mF sector can develop in Rajasthan.

Queries are posted and plausible solutions offered by members. People also inform each other about upcoming seminars and events, review of any mF books, reports and studies as also job opportunities. News items related to microFinance are regularly posted on the forum. This platform is very effective



SHG member from Bikaner talking about livelihood opportunities during the colloquium

for disseminating information and spreading awareness about microfinance. The Centre is also planning to develop this platform as a problem redressal system, where people send the problems faced by them and these are forwarded to the concerned authorities for taking required

In the recent months, forum discussions have centred on a wide range of subjects, some of which were directly related to the provision of mF services while others are concerned with macro policies and their implications, like the recent Microfinance Bill, interest rates in the sector, ways of increasing the outreach of banks in rural areas, the potential of panchayats as mF delivery agencies for rural livelihood promotion, the increasing interest of global investors in mF, and segmental targeting of microFinance products and services, to list a few.

### **District Initiatives through Spear Head Teams**

CmF works in two districts- Bikaner and Dungarpur with the objective of developing them into microfinance model districts. CmF has placed a spear head team in each district for this purpose. The teams also serve as learning labs of CmF to give first hand knowledge of issues concerning poor and to pilot new ideas such as the micro Finance Entrepreneurs (mFEs). The Spearhead Team (SHT) of CmF in Dungarpur has started functioning from July 2007. During the year, the activities undertaken as part of the district initiatives include:

#### **(i) District Strategy Papers & SHG database**

The team had consultations with respective district administration, banks and voluntary agencies, collected information and prepared the strategy paper for strengthening the SHG movement in the district. Each of the teams also developed a district level database of SHGs and presented them in various forums in the district.

#### **(ii) SHG Database of Dungarpur and Bikaner District**

The Bikaner data contains information about 3495 SHGs and the Dungarpur data contains details of 2850 SHGs. The database is also available in the website.

#### **(iii) District Forum on MicroFinance**

The teams also initiated a district level forum with Bankers, NGOs and district officials to have regular interaction among various stakeholders.

### **Collaboration with Bank of Baroda (Dungarpur)**

The Centre for microFinance and Bank of Baroda (BoB), which is the lead bank of Rajasthan, signed a Memorandum of Understanding (MoU) to strengthen the microfinance sector in Rajasthan. The BoB has recognised CmF as the lead agency for training of its managers of rural branches and of Baroda Rajasthan Grameen Bank. In the year under review, CmF trained 30 branch managers.

The Centre for microFinance and Bank of Baroda are working together to develop Dungarpur as Model microfinance District in Rajasthan. The BoB has adopted Dungarpur under its centenary year project for supporting integrated development in the district. CmF is playing the role of technical service provider to BoB under this project.

In summary, the highlights of the activities under the MoU with BoB are:

- Providing credit of Rs 54.5 crore to 20,500 families (mainly SHG members) for taking up Integrated Dairy Development, Agriculture-production of high value crops and vegetable cultivation, and to Rural Artisans
- Financial Inclusion: 55,000 additional families included in 680 villages
- Increasing the outreach of banking services: 400 new farmers' clubs, 300 new SHGs and 5,750 new Kisan Credit Cards

The bank also sponsored five tribal youth for CmF's Certificate Course on microFinance Development and Management. The bank will sponsor five students in the course every year.

### **Technical support to local agencies on microfinance**

In Bikaner, CmF is providing hand holding support to Shanti Maitri Mission Sansthan (SMMS), Bikaner. The support includes visioning for microfinance activities, exposure visits and business planning along with financial linkages.

Launching workshop of  
Dungarpur SHT



The financial linkages with BASIX-IGS (\*Returnable Grant of Rs.4,00,000 obtained) and ICICI Bank (Loan of Rs. 50,00,000 sanctioned and agreement done) have been achieved. The area identification for SHG on lending model is being done by their staff. In Dungarpur, a discussion is ongoing with Rajasthan Seva Sangh (RSS) on the possible MoU with CmF for support for the microfinance programme of RSS and also discussion with Rajasthan Adivasi Seva Sangh for resource support for strengthening of existing 450 SHGs and formation of cluster and federations.

## Future Initiatives

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- **Urban poor**
- **Focus on weaker districts**
- **NNRO- National Network of Resource Agencies**
- **Quality enhancement- record writers/ SHG book-keeping facilitators**
- **Engagement with state government on policy issues- community-based microFinance promotion fund**



## Our Team

S. No.	Name of the Staff Member	Designation	Qualifications & Experience	Working with CmF since
<b>AT JAIPUR OFFICE</b>				
1.	Jai Pal Singh	Executive Director	BSc Agri. PGDRM 20 years	October 2005
2.	Bharati Joshi	(Part time) as a Consultant	MSc Extension PGDFM 9 years	March 2007- December 2007
3.	Sourav Roy	Programme Officer	MA Social Work from TISS 7 years	January 2008
4.	Payal Agarwal	Programme Officer	MA Social Work from TISS 4 years	June 2007
5.	Sujata Tripathy	Programme Associate	MA Sociology Calcutta University 5 years	April 2007
6.	Tapi B Singh	Programme Associate	PGDRM, IERT, Allahabad 5 years	March 2008
7.	Manish Saxena	Assistant	M Com	June 2006
8.	Dilip Verma	Accountant		
<b>SPEARHEAD TEAM, BIKANER</b>				
9.	Radha Thakur	Programme Officer	MBA Rural Mgmt XIDAS 3 years	Sept 2006
10.	Rakesh Dash	Programme Associate	PGDRD XIDAS 4 years	May 2007
<b>SPEARHEAD TEAM, DUNGARPUR</b>				
11.	Prasanna Kumar	Programme Associate	PGDMN, EDII 1 year	May 2007
12.	Anil Kumar Singh	Programme Associate	PGDRM, IRM, Jaipur 1½ years	May 2007

# Governance

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Centre for microFinance is governed by its Governing Board comprising 13 members and the Chairman. The Governing Board has representation from State Government, Banks, Voluntary Agencies and individuals of eminence. The board meets once in every quarter of the year.

To oversee the operational matters of the organisation, a 5 member Executive Committee functions. Executive Committee meets as often as it is required to meet.

Executive Director who is also the chief executive of the Centre acts as member-secretary to the Executive Committee and Governing Board

## **Governing Board**

### *Chairperson*

N.S. Sisodia                      Former Secretary, Government of India

### *Members*

Sh. A K Pande	Additional Chief Secretary (Development), Government of Rajasthan
Ms Alka Kala	Principal Secretary, DWCD, Government of Rajasthan
Prof V.S. Vyas	Chairman IDS, Jaipur
Prof M.S. Sriram	Indian Institute of Management, Ahmedabad IIM (A)
M.L. Mehta	Former Chief Secretary, Government of Rajasthan
M.K. Khanna	Senior Advisor to Planning Commission, Government of India
Dr. Anil Khandelwal	Chairman and Managing Director Bank of Baroda
Dr. Ashok Agarwal	Trustee IHMR, Jaipur
Devi Lal Vyas	PEDO, Dungarpur
Sachin Sachdeva	Executive Director, ARAVALI, Jaipur
Vartika Jaini	Representative of Sir Ratan Tata Trust, Mumbai
Vipin Sharma	ACCESS Development Services New Delhi

### *Member Secretary*

Jai Pal Singh                      Executive Director, CmF

## **Executive Committee**

### *Chairperson*

Dr Ashok Agarwal

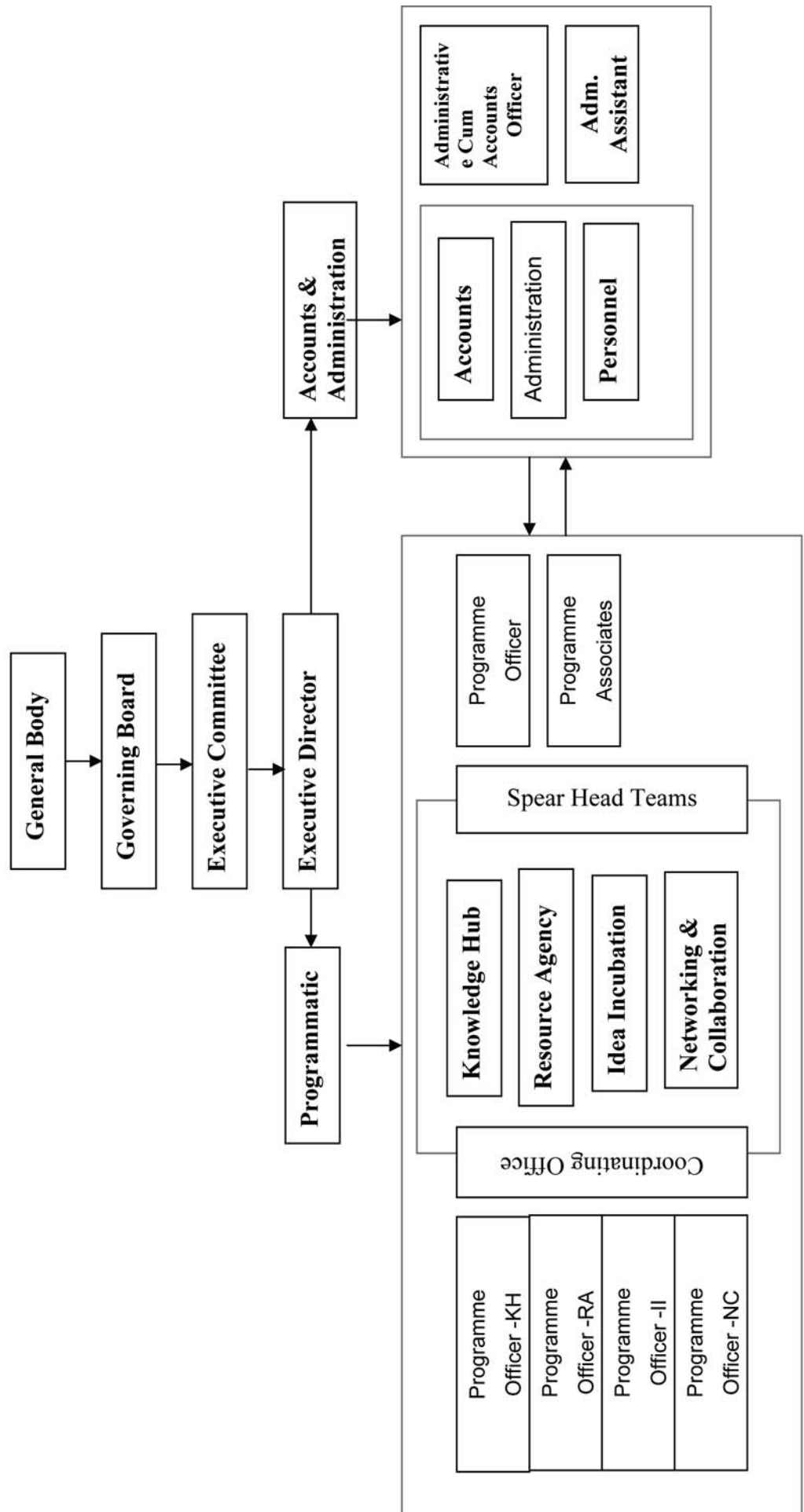
### *Members*

Ms Alka Kala,  
Devi Lal Vyas,  
R. Narayan, CGM, NABARD  
Ms Vartika Jaini,

### *Member Secretary*

Jai Pal Singh

# Organisational Structure





## **REGISTRATIONS**

Registered under Rajasthan Societies Act 1958  
Registration No. 766/ Jaipur/2006-07 dated 13th February 2007

Registered under Sec 80G (5) (VI) of Income Tax Act 1961  
No. 2768 dated 29th February 2008

Registered under Sec 12 A (A) of Income Tax act 1961  
No. 2767 dated 29th February 2008

Permanent Account Number (PAN): AAAAC5274H

Tax Deduction Account Number (TAN): JPRC03209D

## **OUR BANKER**

**Bank of Baroda, Sanganer Branch, Jaipur**

## **OUR AUDITOR**

**M/S M L Sharma and Co**  
Chartered Accounts  
Kaushal Niketan, opp Rajput Hostel  
Station Road Jaipur 302 006

## **OFFICES**

### **Jaipur Office**

30, Jai Jawan Colony II  
Tonk Road Jaipur- 302 018  
Ph. +91 141 254 6037, 3248119  
Fax: +91 141 254 6037  
cmf@cmfraj.org; www.cmfraj.org

### **Bikaner Office**

2-E-133  
Jai Narayan Vyas Colony  
Bikaner 334 003

### **Dungarpur office**

c/o Bank of Baroda  
Old Bus Stand  
Dungarpur 314 001

**M.L. SHARMA & Co.**  
CHARTERED ACCOUNTANTS

PHONE : OFF 2206043  
TELE FAX 2206043  
RESI 2397232  
MOBILE 94140-56043  
E-mail : gswaroop23@yahoo.co.in.  
KAUSHAL NIKETAN, OPP. RAJPUT HOSTEL,  
STATION ROAD, JAIPUR - 302 006

**FORM NO. 10B**  
(See rule 17B)

**AUDIT REPORT UNDER SECTION 12A(b) OF THE INCOME-TAX ACT, 1961 IN  
THE CASE OF CHARITABLE OR RELIGIOUS TRUSTS OR INSTITUTIONS.**

We have examined the Balance Sheet of **CENTER FOR MICRO FINANCE**, Jaipur, as at 31-3-2008 and the Income and Expenditure Account for the year ended on that date which are in agreement with the books of account maintained by the said trust or institution.

We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purposes of the audit. In our opinion, proper books of account have been kept by the Trust so far as appears from our examination of the books. Subject to the comments given below:-

In our opinion and to the best of our information, and according to information given to us, the said accounts give a true and fair view :

- ( i ) In the case of the Balance Sheet, of the State of Affairs of the above-named trust as at 31-3-2008, and
- (ii) In the case of the Income and Expenditure Account, of the Surplus of its accounting year ending on 31-3-2008.

The prescribed particulars are annexed hereto.

KAUSHAL NIKETAN,  
STATION ROAD,  
JAIPUR

DATED THE : 29/07/08

FOR M.L. SHARMA & CO.,  
CHARTERED ACCOUNTANTS.



*G.S. Sharma*  
( G.S. SHARMA )  
PARTNER.

**Center for microFinance**

BALANCE SHEET AS AT 31.03.2008

FIGURES AS AT 31.03.2007	LIABILITIES	FIGURES AS AT 31.03.2008	FIGURES AS AT 31.03.2007	ASSETS	FIGURES AS AT 31.03.2008
-	<b>CORPUS DONATION</b> Balance B/F Addition during the year	30,000	-	<b>FIXED ASSETS</b> (As per Schedule "B")	47,808
-	<b>CAPITAL GRANT-IN-AID UTILIZED</b> Balance brought forward Addition during the year	67,602	-	<b>CURRENT ASSETS</b>	
-	<b>INCOME &amp; EXPENDITURE A/C</b> Excess of Income over Expenditure as per Income & Expenditure a/c Annexed Less :- Debit balance brought forward	227007.00 10934.00	-	<b>CASH &amp; BANK BALANCES</b> Cash in Hand Cash at Bank Fixed Deposit with Bank Interest accrued on Fixed Deposit	12,152 751,933 2,000,000 7,105
10,934	<b>CURRENT LIABILITIES</b> Sundry creditors for expenses Balance against Projects	44,816 2,584,737	10,934	<b>LOAN &amp; ADVANCES</b> (Advance recoverable in cash or in kind or for value to be received)	124,230
-	<b>ACCOUNTING POLICIES &amp; NOTES</b> (As per Schedule "A")	-	-	<b>INCOME &amp; EXPENDITURE A/C</b> (Excess of Expenditure over Income as per Income & expenditure)	2,771,190
10,934	<b>Total</b>	2,943,228	10,934	<b>Total</b>	2,943,228

*[Signature]*  
Chairman

*[Signature]*  
Secretary

Auditor's Reports  
In terms of report of even date

For M.L. Sharma & Co.,  
Chartered Accountants,

*[Signature]*

(G.S. Sharma)  
Partner



Kaushal Niketan, Station Road  
Jaipur - 302006

Dated :- 29/07/08

**Center for microFinance**

BALANCE SHEET AS AT 31.03.2008


FIGURES AS AT 31.03.2007	LIABILITIES	FIGURES AS AT 31.03.2008	FIGURES AS AT 31.03.2007	ASSETS	FIGURES AS AT 31.03.2008
-	<b>CORPUS DONATION</b> Balance B/F Addition during the year	30,000	-	<b>FIXED ASSETS</b> (As per Schedule "B")	47,808
-	<b>CAPITAL GRANT-IN-AID UTILIZED</b> Balance brought forward Addition during the year	67,602	-	<b>CURRENT ASSETS</b>	
-	<b>INCOME &amp; EXPENDITURE A/C</b> Excess of Income over Expenditure as per Income & Expenditure a/c Annexed Less :- Debit balance brought forward	227007.00 10934.00	-	<b>CASH &amp; BANK BALANCES</b> Cash in Hand Cash at Bank Fixed Deposit with Bank Interest accrued on Fixed Deposit	12,152 751,933 2,000,000 7,105
10,934	<b>CURRENT LIABILITIES</b> Sundry creditors for expenses Balance against Projects	44,816 2,584,737	10,934	<b>LOAN &amp; ADVANCES</b> (Advance recoverable in cash or in kind or for value to be received)	124,230
-	<b>ACCOUNTING POLICIES &amp; NOTES</b> (As per Schedule "A")	-	-	<b>INCOME &amp; EXPENDITURE A/C</b> (Excess of Expenditure over Income as per Income & expenditure)	2,771,190
10,934	<b>Total</b>	2,943,228	10,934	<b>Total</b>	2,943,228

*[Signature]*  
Chairman

*[Signature]*  
Secretary

Auditor's Reports  
In terms of report of even date

*[Signature]*  
For M.L. Sharma & Co.,  
Chartered Accountants,  
(G.S. Sharma)  
Partner



Kaushal Niketan, Station Road  
Jaipur - 302006  
Dated :- 29/07/08

**Center for microFinance**  
Receipts & Payments for the year ended 31st March, 2008

RECEIPTS	Period from 1/4/2007 to 31/3/2008	PAYMENTS	Period from 1/4/2007 to 31/3/2008
<u>Corpus Donation</u> Donation received during the year	30,000	<u>Expenses under Project Sakh Se Vikas</u> SRTT	2,361,372
<u>Grant- In - Aid</u> SRTT	5,000,000	Less- Expenses payable	44,816
NABARD	36,000		2,316,556
<u>Contribution from Participants</u> Certificate Course Fees	5,036,000	NABARD	22,289
<u>Consultancy Fees</u> Bank of Baroda	206,000	<u>Payment to Creditors</u>	10,934
Shanti Maitri Mishan Sansthan	25,000	<u>Capital Grant in Utilized</u> Fixed Assets during the year (From SRTT Grant)	67,602
<u>Miscellaneous Receipts</u> Sector report	4,950	<u>Cash &amp; Bank Balances</u> Cash in Hand	12,152
Application Form Fees for mFDM Course	2,700	Cash at Bank	751,933
Other Receipts	740	Fixed Deposit with Bank	2,000,000
<u>Bank Interest</u>	8,390	Interest accrued on Fixed Deposit	7,105
	7,411	<u>Advances Paid</u> (Advance recoverable in cash or in kind or for value to be received)	124,230
<b>Total</b>	<b>5,312,801</b>	<b>Total</b>	<b>5,312,801</b>

*A. S. S. S. S.*  
Chairman

Auditor's Reports  
In terms of report of even date



For M.L. Sharma & Co.,  
Chartered Accountants,  
(G.S. Sharma)  
Partner

Kaushal Niketan, Station Road,  
Jaipur-302006  
Date : 29/07/08

## CENTRE FOR MICRO FINANCE

### SCHEDULE "A" OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR 2007-2008

1 Method of Accounting:

The method of accounting followed by Society is on Hybrid system of accounting.

2 Fixed Assets:


The gross block of fixed assets are shown at the cost of acquisition.

3 Depreciation

Depreciation on fixed assets is provided using the written down value method based on Income Tax Act, 1961.

4 Figures of previous year have re-grouped/re-arranged wherever deemed necessary.

  
Chairman

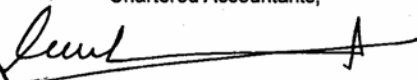
  
Secretary

Auditors Reports  
In terms of report of even date

For M.L. Sharma & Co.,  
Chartered Accountants,

Kaushal Niketan, Station Road,  
Jaipur-302006  
Date: 29/07/08



  
(G.S. Sharma)  
Partner



*“We strive for the timely  
availability of  
microFinance services on  
fair terms and with  
dignity to help people  
enhance their livelihoods”*



30, Jai Jawan Colony II  
Tonk Road Jaipur- 302 018  
Ph. +91 141 254 6037, 3248119  
Fax: +91 141 254 6037  
[cmf@cmfraj.org](mailto:cmf@cmfraj.org); [www.cmfraj.org](http://www.cmfraj.org)

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