

# Annual Report

SHAKTI MAHILA SANGH

2015-16



**Shakti Mahila Sangh Bahu-Uddeshiya Sahkari Samiti Maryadit**

Civil Lines, Sihora Road,  
Majholi, Jabalpur - 483 336,  
Madhya Pradesh , India

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## Letter from the CEO

2015-16 have been a turn around year for Shakti Mahila Sangh (SMS). This year we have almost doubled our operations from the last financial year. We have expanded the microfinance business of the cooperative with the support from Poorest State Inclusive Growth (PSIG) Program, SIDBI and IDBI as a BC partner apart from lending support from Central Bank, SBI, NABARD Financial Services, SIDBI, Ananya Finance, RangDe and BASIX. We have also partnered with NABARD for livelihood promotion through FPO promotion and implementing NABARD's new initiative "Livelihood Enterprise Development Program (LEDP)". We have been associated for institutional partnership with Hand in Hand, New Delhi for Financial Literacy Program and with CONNECT Social Enterprise Development Services, Hyderabad for institution development, microfinance and livelihood promotion. The support from Ananya, Ahmadabad was instrumental in capacity building of staffs from different levels.



Operationally we have started three new branches to existing three branches. 4614 new members have joined us and the total cumulating number of members have reached to 18,815. The number of staffs also doubled from 30 to 62 during the current financial year. Portfolio wise our own portfolio and BC portfolio increased from Rs. 2.55 crore and Rs. 9.99 crore to Rs. 6.11 crore and Rs. 22.56 crore respectively resulting into total Rs. 28.67 crore portfolio as on March 31<sup>st</sup>, 2016. We have maintained 100% recovery this year as well which is a strength of SMS since inception. The total savings by members through different savings products have reached at Rs. 4.37 crore on March 31<sup>st</sup>, 2016 from Rs. 2.62 crore last year.

All these achievement are the result of the hard work of the team of SMS. In a work environment where every team member is dependent on another team member for accomplishing the job it becomes necessary for them to work in a team spirit with full cooperation and coordination amongst different departments and also different level of staffs within the same department. During this year we have found that the behavioral trainings during the month of September'2015 and February,2016 to all staff members of SMS by CONNECT with support from PSIG, SIDBI have contributed a lot in inculcating the team spirit along with individual personality development.

In nutshell I would like to conclude that FY 2015 -16 was a successful year for SMS. We have not only rolled out our operation in new areas but also successfully served our members. It has also given the confidence to expand our operations in more areas so that we could serve more people from underprivileged section and achieve our mission and vision. Hence, SMS is proposed to convert into multipurpose multi state society under the Multi-State Cooperative Societies Act, 2002 and in next three years we want to achieve new heights and provide different services.

Thanks for reading,



**आवश्यक निर्देश-**

1. यह सदस्य पासबुक अदस्तावेजीय है।
2. सदस्य को बैठक में बतल पासबुक लाना अनिवार्य होगा।
3. सदस्य अपनी पासबुक में ही समूह बतल एवं आवसी बतल चढ़ना सकता है।
4. समूह की बैठक में बतल से अना अनिवार्य है।
5. समूह की बैठक में बतल से ना आने पर पर अधिक दंड 10 रुपये देना

...की को विद्यमानदुवार देनी।  
...की के अंतगत सदस्य बतल चढ़ाने  
...प्रयोग किसी भी अन्य (सरकारी या  
...नहीं है।  
...प्रधिकृत अधिकारी के शिवाय अन्य  
...की तरह का परिवर्तन किया जाना मना है।  
...कहती है कि पासबुक को  
...की शिथिल में तुरंत सेक्टर प्र  
...पासबुक 15/- रुपये शुल्क जमा करने प  
...संस्था मुख्यालय में शुल्क जमा करने  
...में दूसरी पासबुक जारी की जायेगी।

**संस्था मुख्यालय**

संस्था मुख्यालय संपर्क नं - 07624244488

किसी भी प्रकार की अपुष्टिवा होने पर इन संघर्ष पर संपर्क कर

Sukhvati Bai, Joli Village

## Background of Shakti Mahila Sangh (SMS)

**Shakti Mahila Sangh** was started as a three year action research project of Ministry of Rural Development (MORD) which organised women SHG members in the form of a federation to collectively carry on retail business. However, despite the novel objectives of the project, it could not be continued primarily due to fund crisis and typical low margins in retail business. The project officially ended in 2007, with the federation having no legal standing and in deep financial crisis.

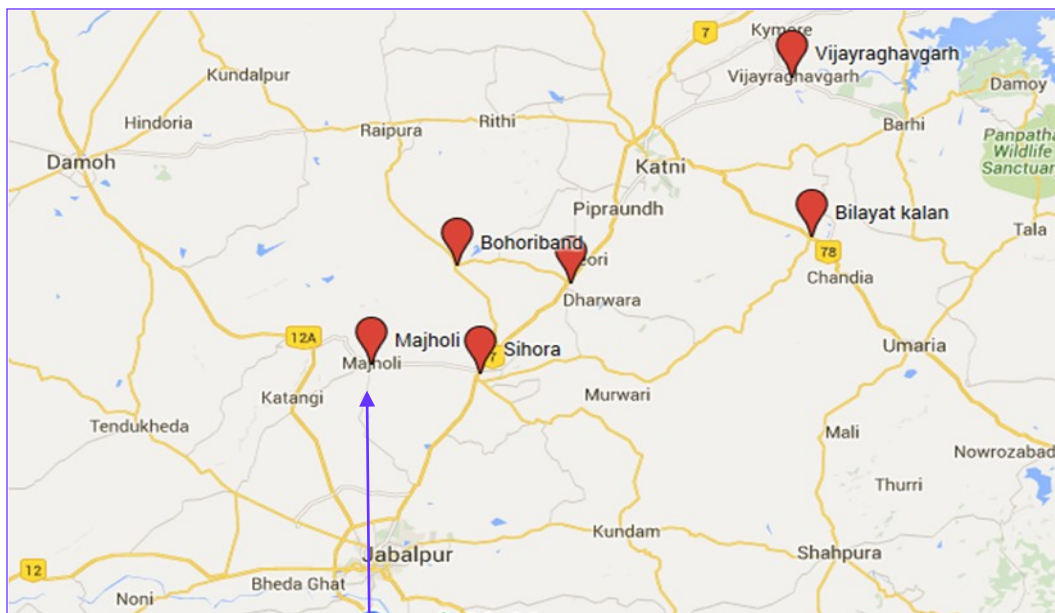
However, the **Social Capital** created during the project could not have been left in vain so the federation of women was registered as a “**Shakti Mahila Sangh Bahu-Uddeshiya Sahkari Samiti Maryadit**” or **Shakti Mahila Sangh (SMS)** under the **Madhya Pradesh Swayatta Sahkarita Adhiniyam, 1999 (Old Act)** on April 2<sup>nd</sup>, 2007 and is currently recognized under the amended act **Madhya Pradesh Sahkari Society Adhiniyam, 2012**. The main purpose for creating this co-operative was to use the power of the collective for financial inclusion along with livelihood support services to its members. This was done with our belief that along with the financial services, we also need to provide livelihood support service to bring positive change in the lives of its members.

Over the period of time, **Shakti Mahila Sangh** has grown and now provides a range of financial and livelihood support services to its members.

### Operational Area:

Initially SMS started working in the villages of “Majholi” of Jabalpur district. Now, SMS is operating from 6 branches covering 615 villages in two districts.

### Branch Offices of SMS



Head Office—Majholi (40KM from Jabalpur)

## Team Shakti



### **Vision**

“To establish an economically & socially empowered and healthy society where women become financially independent with sustainable livelihood activities.”

### **Mission**

"To work with poor women by providing financial & non-financial services that enable them to enhance their income and make them financially literate & socially empowered"

## Values of the Organization

Values are timeless principles that guide an organization. They set the norms of behaviour for everybody in the organization. These values are summarised as “SHAKTI” and are explained below:



**Service:** SMS will strive to provide efficient, convenient and timely service to its members

**Honesty:** SMS will be honest in its workings and in dealing with its members and other stakeholders, as well as in terms of reporting and information management

**Attitude:** SMS will strive to achieve the highest degree of member service in workings with members

**Knowledge:** SMS will strive to know the needs of members to serve them in most efficient and convenient way

**Transparency:** SMS will provide complete and accurate information to our members and external stakeholders about financial and livelihood support services

**Integrity:** SMS will endeavour to empower members by providing financial and livelihood support services in a manner that is ethical, dignified, equitable and cost effective.

## The Member Protection Principles

**APPROPRIATE PRODUCT DESIGN AND DELIVERY:** We will take adequate care to design products and delivery channels that do not cause our members any harm. Products and delivery channels will be designed considering our situation and our need.

**PREVENTION OF OVER-INDEBTEDNESS:** We will take adequate care in all phases of our credit process to determine that our members have the capacity to repay without becoming over-indebted while offering loan products to them.

**TRANSPARENCY:** We will communicate clear, sufficient, and timely information in a manner and language that our members can understand so that they can make informed decisions.

**RESPONSIBLE PRICING:** Pricing, terms, and conditions will be set in a way that is affordable to our members while allowing for our institutions to be sustainable. We will also follow the guidelines of the regulatory bodies in deciding the price, terms and conditions.

**FAIR AND RESPECTFUL TREATMENT OF MEMBERS:** We will treat their members fairly and respectfully. There will not be any scope for discrimination. We will ensure adequate safeguards to detect and correct corruption and abusive treatment.

**PRIVACY OF MEMBER DATA:** The privacy of individual member data will be respected in accordance with the laws and regulations and will only be used for purposes specified when the information is collected, unless otherwise agreed with the member.



# Our Products and Services

## Financial Services

### Client eligibility Criteria:

Our approach is inclusive and membership to SMS is available to all who qualify our minimum basic criteria i.e.

We offered our financial services only to women client

Family income should not be more than 3000/- per person per month

Age bracket of 18-55

Serve only rural population

### Product:

SMS provides a range of financial services to its members i.e. credit, savings & insurance with different range of products. Considering the repayment capacity and need of client, SMS provides the loan to the clients.

Details of offered products in credit and savings are as follows:

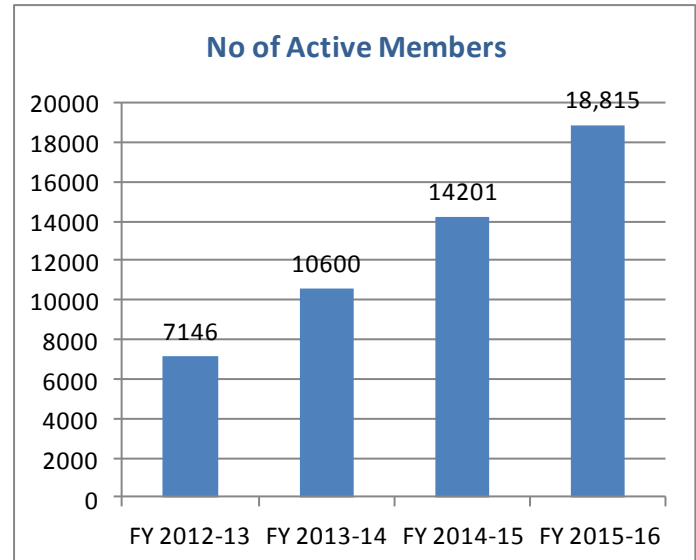
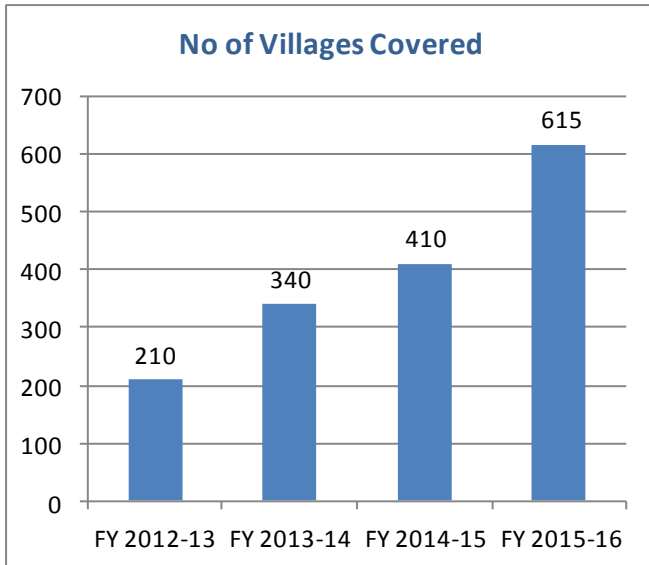
S. N	Name	Loan Amount	Repayment frequency	Tenure	Grace Period	Interest Rate	Processing Fees
1	Vredhee Loan	10000	Optional ( Weekly, fortnightly, Monthly)	12 months	2 Weeks	26% (reducing balance)	1%
2	Samreedhee bahuuddeshiya loan	10000-50000	Optional ( Weekly, fortnightly, Monthly)	18 months - 24 months	2 Weeks	26% (reducing balance)	1%

S. N	Name	Amount	Payment frequency	Tenure	Interest Rate (Per Year)	Withdrawal Facility
1	Greh Laxmi Bachat	Three products Rs.50, Rs. 30 or Rs 20	Monthly	Life time	4%	As per product code, after 2 , 3 or 5 year 100 % withdrawal
2	Greh Laxmi Recurring deposit	Three Products Minimum Rs. 30, Rs. 50 to Rs. 100 & Rs. 200 to Rs. 1000	Monthly	2 , 3 & 5 years respectively	6%	As per product code, after 2 , 3 & 5 years 100% respectively
3	Greh Laxmi Fixed Deposit	Rs. 1,000 /- to 1,00,000/-	One time	6.6 years	10%	Minimum 3.6 year or on maturity

## Non-financial Services

In continuation of our mission statement, we conduct different kind of capacity building as well as livelihood training programs for our members at district, block & village level. Our training included training to school teachers on environment; panchayat members for their capacity building, SHG members on vision building; leadership qualities & livelihood activities. Major training programs under our ambit are Livelihood Training Program, Computer Training, Stitching, Embroidery & Knitting training, Record Keeping & Maintenance of accounts training for SHGs, Training to Farmers club to improve farm products Financial Literacy Training

## Previous Years of Operational Performance



S.No	PARTICULARS	FY 2013 - 14	FY 2014 - 15	FY 2015 - 16
<b>I</b>	<b>Credit client details</b>			
1	No of active groups	1,050	1,423	1,880
2	No of active members	10,600	14,201	18,815
3	No of active borrowers	6,890	13,470	18,450
4	Women	6,890	13,470	18,450
5	Rural borrowers	6,890	13,470	18,450
<b>II</b>	<b>Portfolio details</b>			
6	No. of loans disbursed at the end of year (On Balance Sheet)	3,316	6,580	4,980
7	Amount (in Rs.) Disbursed during the year (On Balance Sheet)	285,60,350	391,82,210	780,90,000
8	No. of loans disbursed at the end of year (Off Balance Sheet)	650	3,610	7,880
9	Amount (in Rs.) Disbursed during the year (Off Balance Sheet)	248,81,000	1011,49,000	2122,13,000
10	Principal due during year (Rs.)	222,66,106	255,90,518	422,78,481
11	Amount recovered during the year (Rs.)	222,66,106	255,90,518	422,78,481
12	Recovery rate (%)	100%	100%	100%
13	Principal overdue ( i.e. due but not received)	-	-	-
14	Portfolio in arrears ( total outstanding of loans that have one more payments in arrears)	-	-	-
15	No of loans outstanding at the end of year (On Balance Sheet)	6,320	10,960	10,040
16	**Amount (in Rs.) outstanding at the end of year (Rs. in lakh) (On Balance Sheet)	213,08,324	255,90,518	610,99,665
17	No of loans outstanding at the end of year (Off Balance Sheet)	570	2,510	8,410
18	**Amount (in Rs.) outstanding at the end of year (Rs. in lakh) (Off Balance Sheet)	194,00,000	999,00,000	2256,00,000
19	Amount of loans written off during the year, if any (Rs.)	-	-	-
<b>III</b>	<b>Savings Client details</b>			
20	Savings mobilized during the year (Rs.)	48,77,705	203,79,501	249,58,161
21	Saving withdrawn during the year (Rs.)	41,180	26,88,704	74,59,254
22	Balance saving at the end of year (Rs.)	85,36,382	262,27,179	437,26,086

## Member's Story

Shrimati Kallu Bai got married to Shri Dhani Singh at the age of 16 years. She has studied till 7<sup>th</sup> standard after which she used to assist in household work and then she got married. She has 3 children who are studying in 9<sup>th</sup>, 7<sup>th</sup> and 4<sup>th</sup> standard. The lowest moment of her life was when labor work reduced in village due to which they were unable to raise their children properly and have to sell all cattle to support household expenses. Before taking loan from Shakti Mahila Sangh she used to work as laborer but after taking loan she has started knitting and weaving work from home. The first loan amount was invested in purchasing of weaving machine.



Now she has stopped working as a laborer. The highest moment of her life was when her oldest daughter stood 1<sup>st</sup> in 5<sup>th</sup> class and Palak Shiksha Sangh has invited them for applause. Now she only wants her children to pursue higher studies and get good jobs.



Chironjia bai lives in Jolli village and is married to Ramvaran at the age of 14 years. Her father expired during her childhood days due to which household income remained inconsistent. She is illiterate and currently assists her husband in farming activities. She has two daughters and two sons. Both daughters have been married and sons are pursuing higher studies and also do part time job. She took her first loan of Rs. 5000/- and invested in farming activities like growing of vegetables. The grown vegetables are sold in market which has helped increase their household income. Similarly, she took 3 consecutive loans of amount 15,000, 25,000 and 30,000 respectively which were invested in farming activities. Earlier due to poor household income she was unable to raise her children but now after taking loans she is able to support her family to meet daily household expenses. Now she only wants her two sons to grow continuously in their respective fields and live a healthy and prosperous life.

## Non-Financial Program Performance

**Farmer Producer Organization (FPO) Promotion:** We have undertaken FPO promotion with support from NABARD in three blocks namely Majholi, Sihora and Kundam, two FPOs in each block. This project is for three years and we are targeting to mobilize 6000 farmers at the end of three years.

**Livelihood Entrepreneurship Development Program (LEDP):** This a new program of NABARD being implemented only in three districts of Madhya Pradesh. SMS is being chosen as one of the implementing partner for LEDP for Jabalpur district. We have chosen to develop a bamboo cluster for this program under Sihora block. The target is to train 90 artisans by June 2016 and gradually mobilize 500 artisans from the nearby villages under the same cluster.

**PSIG Project:** Stepping ahead in training programs, this year Small Industries Development Bank of India (SIDBI) also supported under Poorest States Inclusive Growth Programme (PSIG) for Technical and Financial Support for Women SHGs members at Majholi, District Jabalpur, Madhya Pradesh.

**Financial Literacy Program:** With support from PSIG, SIDBI we have partnered with Hand In Hand, New Delhi to train 4500 women from Katni and Jabalpur districts. We have appointed six Master Trainers and one Project Coordinator for this program.

We have conducted financial literacy program for 600 women with the support from NABARD in Majholi Block under Jabalpur district and Bohoriband Block under Katni district.

### SMS Next Three Years Business Planning

<b>Projected business plan for next three years</b>				
<b>Operational data</b>		<b>Projections for next three years</b>		
		<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>
<b>I</b>	<b>Geographical Data</b>			
	No. of States Covered	1	2	2
	No. of districts Covered	5	10	15
	No. of Villages Covered	1000	2000	3000
	No. of Families Covered	30,000	60,000	90,000
<b>II</b>	<b>Organizational details</b>			
	No. of branches	12	20	30
	No. of Staff	110	160	220
<b>III</b>	<b>Clients detail</b>			
	No. of groups	3000	6000	9000
	No. of Members	30,000	60,000	90,000
	No. of borrowing (Groups )	2400	4800	7200
	No. of active borrowers	24000	48000	72000
<b>IV.</b>	<b>Portfolio Details</b>			
	No. of loans disbursed during the year	21600	43200	64800
	Amt. of loans disbursed during the year	4320,00,000	10800,00,000	19440,00,000
	No. of loans Outstanding at end of the year	33,600	54,000	86,400
	Amt. Outstanding at end of the year	6720,00,000	13500,00,000	25920,00,000
	Repayment ratio %	100%	100%	100%
	Average size of loan per member	20,000	25,000	30,000

**Lender-wise outstanding loan (in lakhs) for micro finance operations as on 31/03/2016**

Sr.	Name of bank / Financial institution	Nature of facility (Loan / sub-debt / WC etc.)	Amount sanctioned	Amount availed	Amount outstanding	Amount overdue, if any
1	Rang De Bengaluru	Term Loans	161.62	161.62	33.81	00
2	SBI MFI Branch Bhopal	Term Loans	50.00	50.00	00	00
3	IGS (BASIX)	Term Loans	50.00	50.00	9.82	00
4	Ananya Finance for Inclusive Growth Private Limited (Ananya), Ahamdabad	Term Loans	25.00	25.00	00	00
5	SBI Branch Majholi	Term Loans	50.00	50.00	21.47	00
6	Ananya Finance for Inclusive Growth Private Limited (Ananya), Ahamdabad	Term Loans	150.00	150.00	77.84	00
7	Central Bank of India Majholi	OD Limit	72.00	72.00	36.61	00
8	SIDBI (PSIG)	Term Loan	100.00	100.00	90.48	00
9	NABARD Financial Services	Term Loan	100.00	100.00	100.00	00
<b>Sub-total (Term loans)</b>			<b>758.62</b>	<b>758.62</b>	<b>370.03</b>	
10	IDBI Bank	BC	3000.00	3000.00		00



## NET Worth Certificate

***NARESH RAJANI & CO.***

*Chartered Accountants*

MIG-1/5, Amber Complex, Zone-II, M.P. Nagar,

Bhopal (M.P.) - 462011

Ph: 0755-2571157

E-mail: [nrajanica@yahoo.com](mailto:nrajanica@yahoo.com)



### TO WHOM SO EVER IT MAY CONCERN

This is to certify that the Net Worth of **Shakti Mahila Sangh Bahuuddeshiya Sahkari Samiti Maryadit, Majholi** as on 31/03/2016 were Rs.17,208,311.26/-

This certificate has been issued on the basis of necessary evidence produced before us.

FOR NARESH RAJANI & CO.  
CHARTERED ACCOUNTANTS

  
CA Naresh Rajani  
(Proprietor)

M.No.: 077500



PLACE: BHOPAL

Date : 27<sup>th</sup> April. 2016

# Profitability Certificate

**NARESH RAJANI & CO.**  
*Chartered Accountants*

MIG-1/5, Amber Complex, Zone-II, M.P. Nagar,  
Bhopal (M.P.) - 462011  
Ph: 0755-2571157  
E-mail: [nrajanica@yahoo.com](mailto:nrajanica@yahoo.com)

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## TO WHOM SO EVER IT MAY CONCERN

We have verified the Balance sheet, Income & Expenditure A/c, Receipts & Payment A/c for the year ended 31/03/2016 of **Shakti Mahila Sangh Bahuuddeshiya Sahkari Samiti Maryadit, Majholi**. On the basis of Profitability of the Samiti and considering Nil NPA in the year, we here by award Grade-A to the said concern.

This certificate has been issued on the basis of necessary evidence produced before us.

FOR NARESH RAJANI & CO.  
CHARTERED ACCOUNTANTS

A handwritten signature in black ink, appearing to read 'Naresh Rajani', is written over the printed name.

CA Naresh Rajani  
(Proprietor)  
M.No.: 077500



PLACE: BHOPAL  
Date : 26<sup>th</sup> April, 2016

# Audit Report

**NARESH RAJANI & CO.**  
Chartered Accountants

MIG-1/5, Amber Complex, Zone-II, M.P. Nagar,  
Bhopal (M.P.) - 462011  
Ph: 0755-2571157  
E-mail: [nrajanica@yahoo.com](mailto:nrajanica@yahoo.com)



## AUDITORS' REPORT

To  
The Members of,  
**SHAKTI MAHILA SANGH BAHUUDDESHIYA SAHKARI SAMITI MARYADIT,  
MAJHOLI**

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **SHAKTI MAHILA SANGH BAHUUDDESHIYA SAHKARI SAMITI MARYADIT, MAJHOLI**, which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016 and the Statement of Income & Expenditure Account for the year ended on that date.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the matters with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Samiti in accordance with the accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities and design, implementation and maintenance of adequate internal financial control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



## Audit Report (Conti...)

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Samitis at March 31, 2016;

(b) In the case of the Statement of Income and Expenditure, of the excess of income over expenditure for the year ended on that date.

### Further, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- a) In our opinion, proper books of account, as required by law have been kept by the Samiti, so far as appears from our examination of those books;
- b) The Balance Sheet and Income & Expenditure Account dealt with by this report are in agreement with the books of account;

**PLACE : BHOPAL**

**DATE : 26/04/2016**

**For NARESH RAJANI & CO.**  
CHARTERED ACCOUNTANTS

  
CA. NARESH RAJANI  
(Proprietor)



## Notes on Accounts

### SHAKTI MAHILA SANGH BAHUUDESHIYA SAHKARI SAMITI MARYADIT, MAJHOLI

#### NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016

#### SCHEDULE - 'T'

#### **ACCOUNTING POLICIES**

1. The Financial Statements are prepared under mercantile systems of accounting in accordance with the Accounting Principles generally accepted in India.
2. Fixed Assets are stated at cost less depreciation.
3. Depreciation on Fixed Assets is provided on written down value method at the rates and in manner prescribed under Income Tax Act, 1961.
4. Provisions of expenses/liabilities are made relevant to the accounting year.

#### **NOTES ON ACCOUNTS**

1. Books of account are properly maintained.
2. Books of Accounts have been test checked with the vouchers maintained.
3. In opinion of the management, the Current Assets, Advances are expected to realize approximately the value at which they are stated in the accounts in the ordinary course of business.
4. There is no foreign currency transaction in the company.
5. The Society has not provided for any retirement benefits for employees.
6. Loan Loss Provision has been provided @ 7.50% of Total Income during the year.
7. Loan from Financial Institutions are subject to confirmation.
8. The Society is proposed for conversion to Shakti Mahila Sangh Multi Purpose, Multi State Co-operative Society Ltd. under the Multi State Co-operative Societies Act. 2002.
9. Provision has been made @ 1% on SHG Saving, 1% on RD a/c and 1% on FD a/c.
10. As Samiti is engaged in Micro Financing Activities and responsibility/liability to recover loans disbursed to SHG's is on Shakti Mahila Sangh Samiti but in the case of IDBI BC Portfolio, as explained to us by the management, it is the responsibility of IDBI Bank to recover the loans disbursed to SHG's, therefore BC Portfolio of IDBI Bank has not been shown in Balance Sheet, which were Rs. 22,56,00,784/- as on 31.03.2016.





## Income & Expenditure

**SHAKTI MAHILA SANGH BAHUUDDESHIYA SAHKARI SAMITI MARYADIT, MAJHOLI**  
Income & Expenditure Account For the Year ended 31st March, 2016

Expenditure	Sch.	Amount (Rs.)		Income	Sch.	Amount (Rs.)	
		2015-16	2014-15			2015-16	2014-15
<u>Operating Expenses</u>	"O"	11,318,157.83	2,519,697.85	<u>Income from Operations</u>	"L"	22,793,159.61	8,378,270.07
<u>Employee Benefit Expenses</u>	"P"	6,090,086.00	4,153,763.00	<u>Other Income</u>	"M"	9,507,969.34	2,736,338.99
<u>Depreciation</u>	"G"	239,196.20	442,593.00	<u>Grant Received</u>	"N"	1,035,627.00	1,786,296.00
<u>Administrative and Other Expenses</u>	"Q"	6,330,584.15	3,123,662.00				
<u>Grant Expenses</u>	"R"	1,076,808.72	1,799,996.00				
<u>Provision/Reserves</u>	"S"	2,595,718.00	252,881.00				
<u>Excess of Income Over Expenditure Transferred to Balance Sheet</u>		5,686,205.05	608,312.21				
<b>Total(Rs.)</b>		<b>33,336,755.95</b>	<b>12,900,905.06</b>	<b>Total(Rs.)</b>		<b>33,336,755.95</b>	<b>12,900,905.06</b>

FOR NARESH RAJANI & CO.  
 CHARTERED ACCOUNTANTS

FOR SHAKTI MAHILA SANGH BAHUUDDESHIYA SAHKARI SAMITI MARYADIT



CA. NARESH RAJANI  
 (Proprietor)  
 M. No. 077500



Bhopal  
 26/04/2016



Shri Narendra Parihar  
 (CEO)

CEO

Shakti Mahila Sangh Bahu-Uddeshiya  
 Sahkari Samiti Maryadit, Majholi



President

Shakti Mahila Sangh Bahu-Uddeshiya  
 Sahkari Samiti Maryadit, Majholi

## Certificate (Board Member)

**NARESH RAJANI & CO.**  
Chartered Accountants



MIG-1/5, Amber Complex, Zone-II, M.P. Nagar,  
Bhopal (M.P.) - 462011  
Ph: 0755-2571157  
E-mail: [nrajanica@yahoo.com](mailto:nrajanica@yahoo.com)

### CERTIFICATE

This is to certify the List of Board Members of "SHAKTI MAHILA SANGH BAHU-  
UDESHIYA SWAYATTA SAHKARITA MARYADIT, MAJHOLI" along with their  
profile.

#### **Governing Body : Board of Directors:**

Sl No	Name	Education	Current Occupation & Position	Position in the Org	Number of years in Governing body
1	Mrs . Rajkumari Namdeo	8 <sup>th</sup> standard	President	President	9 years
2	Mrs. Poona Bai Khagar	8 <sup>th</sup> standard	Vice- president	Vice- president	8 years
3	Narendra Singh Parihar	M A& MBA	CEO	CEO	9 years
4	Anjali Garg	MBA	Financial Director	Financial Director	8 years
5	Mrs. Uma Bai Thakur	8 <sup>th</sup> standard	Board Member	Board Member	9 years
6	Mrs. Bharti Bai	Bachelor of Arts (BA)	Board Member	Board Member	9 years
7	Mrs. Shanti Bai	8 <sup>th</sup> standard	Board Member	Board Member	8 years



## Certificate - Board Members (Conti.....)

8	Mrs. Sunita Bai	8 <sup>th</sup> standard	Board Member	Board Member	9 years
9	Mrs Savitri Lodi	10 <sup>th</sup> standard	Board Member	Board Member	5 years
10	Mrs. Usha jhariya	9 <sup>th</sup> standard	Board Member	Board Member	5 years
11	Mrs. Laxmi Bai	8 <sup>th</sup> standard	Board Member	Board Member	8 years
12	Miss. Ruchi Malvi	Bc &Msc& MBA& MSW	Board Member	Board Member	3 years
13	Mrs. Jayanti Thakur	8th Standard	Board Member	Board Member	9 years

This certificate has been issued on the basis of necessary evidence produced before us.

**For NARESH RAJANI & CO.  
CHARTERED ACCOUNTANTS**



**CA. NARESH RAJANI  
(Proprietor)  
M.NO. 077500**



**PLACE : BHOPAL  
DATE : 27/04/2016**



Parvati Bai, Bohoriband

## Code of Conduct

### I INTEGRITY AND ETHICAL BEHAVIOUR

We are committed to

1. Design appropriate policies and operating guidelines to treat members and employees with dignity.
2. Incorporate transparent and professional governance system to ensure that staff and persons acting on their behalf are oriented and trained to put this Code into practice.
3. Educate members on the Code of Conduct and its implementation

### II TRANSPARENCY

1. We are committed to disclose all terms and conditions to the member for all services offered. Disclosures are made prior to disbursement in accordance with the Reserve Bank of India's (RBI) fair practices code, in any of the following ways: Individual sanction letter, Loan card, Loan schedule, Passbook, Through Group/Centre meetings (Details can be printed on a paper and all borrowers can sign on the same as acknowledgement of their acceptance)
2. We communicate all the terms and conditions for all products/services offered to members in the official regional language or a language understood by them.
3. We communicate all the terms and conditions for all products/services offered to members in the official regional language or a language understood by them.
4. We also disclose the following terms: Rate of interest on a reducing balance method; Processing fee; Any other charges or fees howsoever described; Total charges recovered for insurance coverage and risks covered.
5. We communicate in writing, charges levied for all financial services rendered. Fee on non-credit products/services will be collected only with prior declaration to the member.
6. We also declare all interest and fees payable as an all-inclusive Annual Percentage Rate (APR) and equivalent monthly rate.
7. We follow RBI's guidelines with respect to interest charges and security deposit.
8. We maintain formal records of all transactions in accordance with all regulatory and statutory norms, and borrowers' acknowledgment/ acceptance of terms & conditions form a part of these records.

### III MEMBER PROTECTION

#### Fair Practices

1. We ensure that the provision of micro finance services to eligible members is as per RBI guidelines
2. We obtain copies of relevant documents from members, as per standard KYC norms.
3. The terms of insurance are transparently conveyed to the member and are in compliance with RBI & insurance Regulatory and Development Authority (IRDA) norms.
4. Consent of the members are taken in all cases.

#### Avoiding Over-indebtedness

1. We conduct proper due diligence as per our internal credit policy to assess the need and repayment capacity of member before making a loan.
2. If a member has loans from 2 separate lenders, then irrespective of the source of the loans, we do not provide loan to that member.
3. We do not breach the total debt limit for any member, as prescribed by RBI or Central/State Government(s).

## Code of Conduct

### Appropriate interaction and collection practices

1. We have clearly defined guidelines for employee interactions with members.
2. We provide a valid receipt for each and every payment received from the borrower.
3. We have a detailed Board approved process for dealing with members, at each stage of default.
4. We do not collect shortfalls in collections from employees and our HR policies denounce this practice. In proven cases of frauds by employees the cases are dealt differently.
5. We ensure that all Staff and persons acting on behalf of the institution
  - (a) Use courteous language, maintain decorum, and are respectful of cultural sensitivities during all interaction with members.
  - (b) **DO NOT** indulge in any behavior that in any manner would suggest any kind of threat or violence.
  - (c) **DO NOT** contact members at odd hours, as per the RBI guidelines for loan recovery agents.
  - (d) **DO NOT** visit members at inappropriate occasions such as bereavement, sickness, etc., to collect dues.

### Privacy of member information

We keep personal member information strictly confidential. Member information are disclosed to a third party subject to the following conditions:

- (a) Member has been informed about such disclosure and permission has been obtained in writing.
- (b) This practice is customary amongst financial institutions and available for a close group on reciprocal basis (such as a credit bureau).

## IV GOVERNANCE

Our governance system adopts the following best practices of governance:

1. We induct persons with good and sound reputation as members of Board of Directors/Governing body and they are elected by us.
2. The Board is actively involved in all policy formulations and other important decisions.
3. We have a Board approved debt restructuring program for providing relief to borrowers facing repayment stress.
4. We ensure transparency in the maintenance of books of accounts and disclosure of financial statements by qualified auditor/s.
5. We are committed to follow the Audit and Assurance Standards issued by the Institute of Chartered Accountants of India (ICAI).
6. We place before the Board of Directors, a compliance report indicating the extent of compliance with this Code of Conduct, specifically indicating any deviations and reasons therefore, at the end of every financial year.

## Code of Conduct

### V RECRUITMENT

1. As a matter of free and fair recruitment practice, there is no restriction on hiring of staff from other MFIs by legitimate means in the public domain like general recruitment advertisements in local newspapers, web advertisements, walk-in interviews etc.
2. Whenever we recruit from another MFI, we seek a reference check from the previous employer. The reference check is sought only after an offer is made and an offer letter is issued to the prospective employee.
3. We respond to the reference check request from another MFI within two weeks.
4. We honor a one month notice period from an outgoing employee.
5. We do not recruit an employee of another MFI without the relieving letter from the previous MFI employer.
6. We provide such relieving letter to the outgoing employee in case he/she has given proper notice, handed over the charge and settled all the dues towards the institution, except in proven cases of fraud or gross misconduct by the employee.
7. Whenever we recruit from another MFI, at a level up to the Branch Manager position, the said employee shall not be assigned to the same area he/she was serving at the previous employer, for a period of 1 year.

### VI MEMBER EDUCATION

1. We have a process to raise members' awareness of the options, choices and responsibilities vis-à-vis financial products and services available.
2. We inform the new members about the organization's policies and procedures to help them understand their rights as members.
3. We conduct regular checks on member awareness and understanding of the key terms and conditions of the products/ services offered / available.

### VII DATA SHARING

We share complete member data with **High mark**, RBI approved Credit Bureaus, as per the frequency of data submission prescribed by the Credit Bureaus.

### VIII FEEDBACK/ GRIEVANCE REDRESSAL MECHANISM

1. We have established dedicated feedback and grievance redressal mechanisms to correct any error and handle/receive complaints speedily and efficiently.
2. We make our member aware about the existence and purpose of these mechanisms and how to access them.
3. We have one dedicated grievance redressal official to handle complaints and/or note any suggestions from the members and we also ensure that his/ her contact numbers are easily accessible to members.
4. We have developed appropriate mechanism for ensuring compliance with the Code of Conduct.
5. Where complainants are not satisfied with the outcome of the investigation conducted by us, they can refer the matter to the grievance redressal mechanism established by the Industry Associations. Members are also educated about that.

## Partners



**Ananya**



**NATIONAL BANK FOR AGRICULTURE  
AND RURAL DEVELOPMENT**





Bhagvati Bai, Bankhedhi Village