

# Annual Report

## SHAKTI MAHILA SANGH



### 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

2013 -14 was the reviving year for Shakti Mahila Sangh (SMS). Although, we started SMS in the year 2007 and micro finance operations in 2010 but the growth of the organization was insignificant in initial phase. But our team didn't lose hope and performed continuously.

Hard work of the team started giving result and finally, this year we could expand our business through another two branches and increased our membership base and portfolio by almost 50%. This expansion has not only given us opportunity to serve more clients in line with our vision & mission but also given the growth opportunity to our staff members as a reward of their continuous hard work.



### **Growth in outreach & portfolio:**

Total outreaches to the poor with our loan product increased from 10,600 members to 14,201. Similarly this increment can clearly be seen in portfolio & No. of SHGs which increased from Rs.26,631,358 to Rs. 39,182,210 and from 1050 to 1423 respectively with 100% recovery.

This year, we have also started working as Business Correspondence for IDBI Bank. We disbursed around Rs. 10 crore to 3210 members as income generating loan.

### **Savings facility for clients:**

Like credit, a significant change can be seen in Savings program. All members availed the facility of Savings as per their savings capacity and their needs. Total 14,201 members saved through the Compulsory Deposit (CD) and Recurring Deposit (RD) products Rs. 3,644,765/- & 5,913,774/- respectively. Apart from this Rs. 1,666,640/- has been deposited as Fixed Deposit (FD) by members.

### **Training Program:**

2014-15 was also favorable year for our livelihood support training programs. Under our regular training programs, we had trained approximately 50 members in stitching, 40 members in computer literacy and 370 members in accounting through SHG training programs.

Another initiative of financial literacy training was taken and 400 women entrepreneurs were trained on importance of financial planning, savings & budgeting. They were also trained on how to calculate and understand the rate of interest of loan etc. This was done with the support of FWWB, who not only funded the program but also provided technical training for the same.

### **Future Planning:**

In closing I would like to conclude that FY 2014 -15 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 unprivileged 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 so that we could double the outreach in terms of membership and providing different services.

Thanks for reading,

A handwritten signature in blue ink, appearing to read "N. B. S." or a similar variation.



## Background of Shakti Mahila Sangh

**Shakti Mahila Sangh** 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.

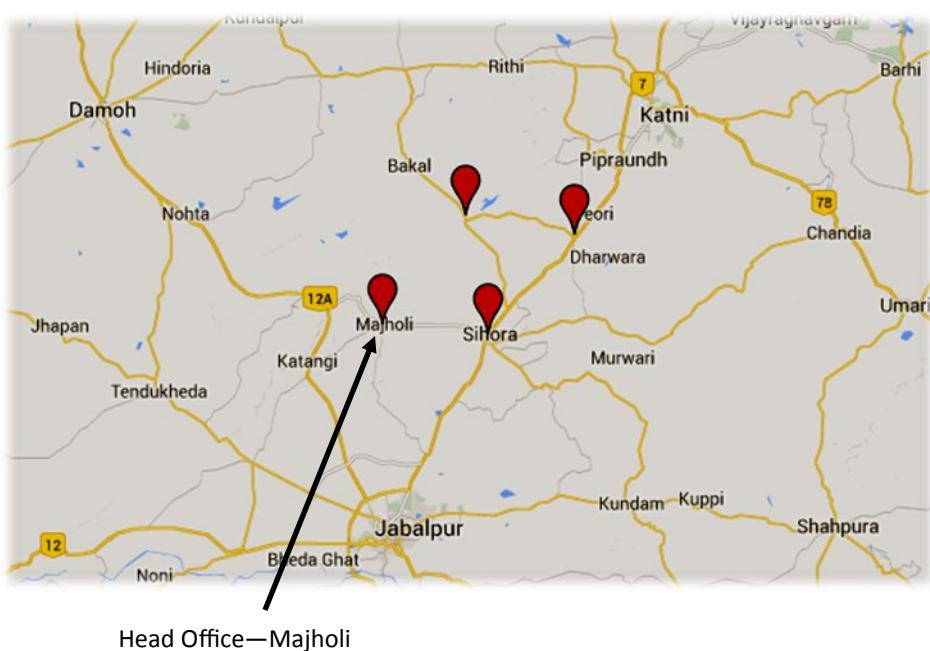
However, the **Social Capital** created during the project could not have been left in vain so the federation of women was registered as a **“Shakti Mahila Sangh Bahu-Uddeshiya Sahkari Samiti Maryadit”** or **Shakti Mahila Sangh** (SMS) under the **Madhya Pradesh Swayatta Sahkarita Adhiniyam, 1999 (Old 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 4 branches covering 410 villages in two districts.

#### Branch Offices of SMS



## 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:

Table 1. Loan Product

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% (vary from funder to funder)	1%
2	Samreedhee bahuuddeshiya loan	10000-50000	Optional ( Weekly, fortnightly, Monthly)	18 months - 24 months	2 Weeks	26% (vary from funder to funder)	1%

Table 2. Savings Product

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. 30 to Rs. 300 & Rs. 100 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. 1000 to 10,000/-	One time	6.6 years	10%	Minimum 3.6 year or on maturity

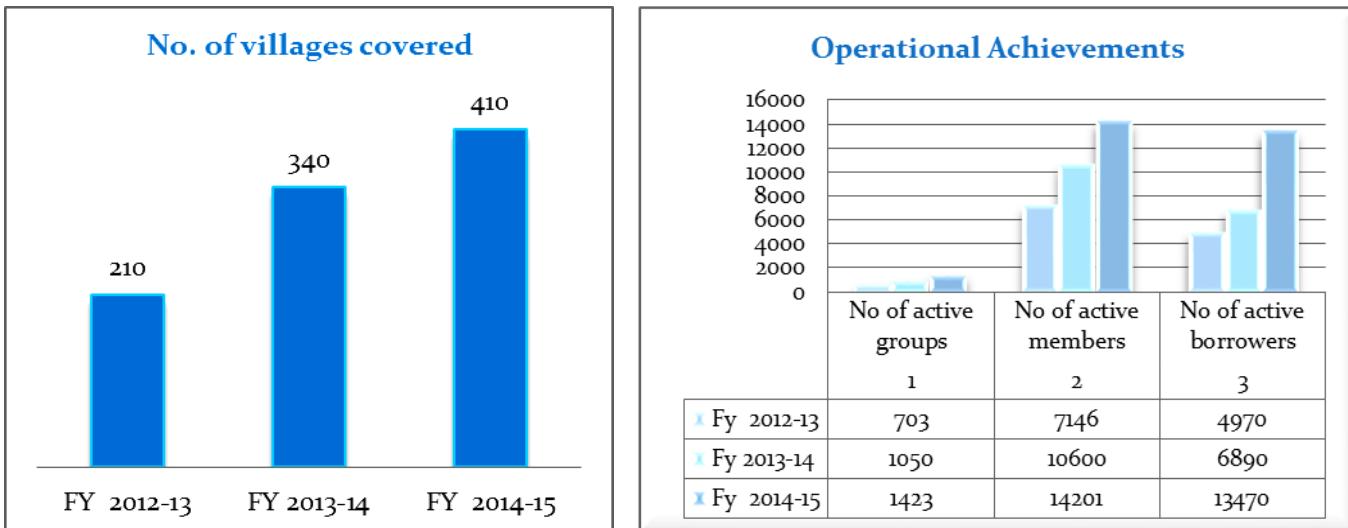
## Non-financial Services

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

## Cooperative's Outreach

### Client coverage under credit program:

SMS offers a wide range of loan product to meet the requirements of its members, which has been designed on the basis of feedback and demand generated from the field. SMS offers its financial products through 5 branches of Katni & Jabalpur districts. Significant increment in client coverage can clearly be seen in the chart below:



### Last Three Years of Operational Performance

S.No	PARTICULARS	FY 2012-13	FY 2013-14	FY 2014-15
<b>Credit client details</b>				
1	No of active groups	703	1050	1423
2	No of active members	7146	10600	14201
3	No of active borrowers	4970	6890	13470
4	Women	4970	6890	13470
5	Rural borrowers	4970	6890	13470
<b>Portfolio details</b>				
6	No. of loans disbursed at the end of year	4970	6890	13470
7	Amount Disbursed during the year	29,491,358	26,631,358	39,182,210
18	Principal due during year	22,039,368	22,266,106	25,590,518
9	Amount recovered during the year	22,039,368	22,266,106	25,590,518
10	Recovery rate (%)	100%	100%	100%
11	Principal overdue ( i.e. due but not received)	-	-	-
12	Portfolio in arrears ( total outstanding of loans that have one	-	-	-
13	No of loans outstanding at the end of year	4,970	6,890	13,470
14	Amount outstanding at the end of year	18,105,647	21,308,324	25,590,518
15	Amount of loans written off during the year, if any	-	-	-
<b>Savings Client details</b>				
16	No. of Savers at the end of year ( individual )	7146	10600	14201
17	Savings mobilized during the year	3,741,037	4,877,705	20,379,501
18	Saving withdrawn during the year	41,180	41,180	2,688,704
19	Balance saving at the end of year	3,699,857	8,536,382	26,227,179

## Member's Story

Life of **Ramta** was also not very different from the other rural poor women. She got married with Sri Ram and settled at Majholi after marriage. Sri Ram was a daily labor. After Marriage Ramta also started working with her husband. They both were just earning enough to fulfill their needs.

Struggle of Ramta for basic needs started when she gave birth to her first child. She was not able to go out for labor work and also her health not allowing her to do so. After having three children situation was almost out of control as her husband's income became irregular. Ramta never thought that she would face such kind of days in her life. She always wanted a better life and education to her children. In year 2007, she found out about SMS in her village. She joined the same and started attending meeting where she got aware about the importance of savings and started saving of Rs. 30 per month. Further, she also took a loan of Rs. 15000/- to open the grocery shop for herself. Now she is running her shop as an independent entrepreneur giving a better life to her children.

Ramta Says that "SMS came in her life as God and made her life happier".



It was difficult to fulfill basic needs for **Malti** after her husband's death. She had the responsibility of her 6 daughters. Malti wanted to give a better life and education to her daughters. So she started working in vegetable shop but the income was not sufficient. In year 2008, she heard about SMS. She started attending meetings as temporary member. She understood the importance of savings and started depositing Rs. 30 every month.



Over time, she availed a loan of Rs. 15000/- to start her own vegetable shop. Now, Malti is not only repaying her loan but also saving Rs. 3000/- per month. She has managed to provide a better life and education to her daughters as well.

Malti always says " SMS is the basis of our development and we can't imagine the better life without SMS"

## Non-Financial Program Performance

**Livelihood training Program:** We have motivated and assisted SHG's to generate income through various activities of individuals and groups. This year we provided Livelihood training to 600 women entrepreneurs in different activities considering their requirements. As a result of the training the women entrepreneurs have started their own work and are supporting their livelihood out of it.

**Computer Training:** Likewise, we also conduct computer training for educated women of weaker section in our Computer Centre at Block- Majholi to make them computer literate so that they can get better employment opportunity.

**Stitching, Embroidery & Knitting training:** SMS is also running Stitching, Embroidery & Knitting Training Centre since 5 years in 3 Villages of Block Majholi for the women of weaker section living below poverty line. On average 25–50 are trained every year keeping in mind their self-employment on subject like stitching, Embroidery, Knitting, Soft toys & leather items manufacturing.

**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.

SMS conducted financial literacy programme with the support from FWWB. The objective of the training was to teach:

- Importance of financial planning
- Importance of saving
- Importance of making budget
- How to calculate and understand the rate of interest of loan

Under this program we covered 400 SHGs women and make them financially literate.

Apart from that to make them able to run their SHGs smoothly, we also conduct Record Keeping and maintenance of account training for our SHGs members. This year we trained 370 SHG members in record-keeping and maintenance of accounts of their SHGs. This way, more than 2000 HSG members were trained in these skills.

Further, as an effort to simultaneously promote farmer clubs along with the SHGs; we promoted 45 farmer clubs covering more than 300 members. These members were also given training on improving farm produce.

# 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>			
I	<b>Geographical Data</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	
		No. of States Covered	1	1	1
II	<b>Organizational details</b>	No. of districts Covered	3	4	4
		No. of Villages Covered	510	710	1,020
		No. of Families Covered	22,001	37,657	61,960
III	<b>Clients detail</b>	No. of branches	10	15	20
		No. of Staff	45	64	84
		No. of Groups	2,203	3,626	6,013
		No. of Members	22,001	37,657	61,960
IV	<b>Portfolio Details</b>	No. of borrowing (Groups )	620	790	1,060
		No. of active borrowers	21,702	33,761	51,221
		No. of loans disbursed during the year	21,702	33,761	51,221
		Amt.of loans disbursed during the year	82,329,493	120,581,156	174,607,874
V	<b>Portfolio distribution in %</b>	No. of loans Outstanding at end of the year	21,702	33,761	51,221
		Amt. Outstanding at end of the year	62,646,581	95,111,153	144,368,430
		Repayment ratio %	100%	100%	100%
		Average size of loan per member	2,887	2,817	2,819
VI	<b>Portfolio distribution ratio ,%</b>	Agriculture	9,766	13,504	17,927
		Services & Business Sector	9,983	16,881	28,172
		SSI ( including Artisans)& DAIRY	1,953	3,376	5,122

# 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 31/03/2015 were Rs. 55,80,388.21/-

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 : 12th May, 2015

# Loan Recovery Mechanism Certificate

**NARESH RAJANI & CO.**

*Chartered Accountants*



MIG-1/5, AMBER COMPLEX, ZONE-II, M.P. NAGAR,  
BHOPAL-462011

PH: 0755-2571157

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

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## To Whomsoever It May Concern

We have verified the Loan Recovery Mechanism of M/s SHAKTI MAHILA SANGH BAHUDDDESHIYA SAHKARI SAMITI MARYADIT, MAJHOLI On the basis of verification conducted by us, we hereby award Rating "A" to the said concern.

For NARESH RAJANI & CO.  
CHARTERED ACCOUNTANTS

CA. NARESH RAJANI  
(Proprietor)



PLACE : BHOPAL

DATE : 05/05/2015

M. No. : 077500

# 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)



### **AUDIT REPORT**

To

The Share Holders,  
SHAKTI MAHILA SANGH BAHUUDDESHIYA SAHKARI SAMITI MARYADIT,  
MAJHOLI

We have audited the attached Balance sheet of **SHAKTI MAHILA SANGH BAHUUDDESHIYA SAHKARI SAMITI MARYADIT, MAJHOLI** as at 31<sup>st</sup> MARCH, 2015, and also the Income and Expenditure Account for the year ended on that date annexed thereto. Society's Governing body is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial statements based on our audit.

Further to our comments as before, we report that:

We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of account as required by law have been kept by the Shakti Mahila Sangh so far as appears from our examination of those books.

The balance sheet and Income & Expenditure Account dealt with by this report are in agreement with the books of account:

In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance sheet, of the state of the affairs of the Shakti Mahila Sangh as at 31<sup>st</sup> March, 2015, and
- (ii) in the case of the Income and Expenditure Account, of the excess of income over expenditure for the period ended on that date.

PLACE : BHOPAL  
DATE : 27/04/2015

For NARESH RAJANI & CO.  
CHARTERED ACCOUNTANTS

CA. NARESH RAJANI  
(Proprietor)



# Balance Sheet

**SHAKTI MAHILA SANGH BAHUUDDESHIYA SAHKARI SAMITI MARYADIT, MAJHOLI**  
**BALANCE SHEET AS AT 31ST MARCH, 2015**

Liabilities	SCH.	Amount (Rs.)	Assets	SCH.	Amount (Rs.)
SHARE CAPITAL	"A"	<b>2,454,000.00</b>	FIXED ASSETS	"F"	<b>1,591,681.00</b>
RESERVES & SURPLUS	"B"	<b>3,126,388.21</b>	ADVANCES	"G"	<b>25,590,518.71</b>
DEPOSITS	"C"	<b>26,227,179.00</b>	CASH AND BALANCES WITH BANKS	"H"	<b>19,826,572.69</b>
BORROWINGS	"D"	<b>15,277,690.50</b>	OTHER ASSETS	"I"	<b>1,790,108.96</b>
PROVISIONS	"E"	<b>1,713,623.65</b>			
NOTES ON ACCOUNTS	"J"				
<b>Total(Rs.)</b>		<b>48,798,881.36</b>	<b>Total(Rs.)</b>		<b>48,798,881.36</b>

FOR NARESH RAJANI & CO.  
 CHARTERED ACCOUNTANTS

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

Bhopal  
 27th April, 2014



FOR SHAKTI MAHILA SANGH BAHUUDDESHIYA SAHKARI SAMITI  
 MARYADIT

  
 Shri Narendra Parihar  
 (CEO) **CEO**  
 Shakti Mahila Sangh Bahu Uddeshiya  
 Sahkari Samiti Maryadit Majholi

# Income & Expenditure

**SHAKTI MAHILA SANGH BAHUUDDESHIYA SAHKARI SAMITI MARYADIT, MAJHOLI**  
**Income & Expenditure Account For the Year ended 31st March, 2015**

S. NO.	Expenditure	Amount (Rs.)	S. NO.	Income	Amount (Rs.)
<b>Operating Expenses:-</b>					
1	Interest Paid on SBI MFI Bhopal Term Loan No.2	26,447.00	1	Interest on Loan to SHG Members	7,160,269.83
2	Interest Paid on SBI MFI Bhopal Term Loan No.3	178,661.00	2	Interest on Loan to Employees	30,477.24
3	Interest Paid on SBI Term Loan No.4	304,850.00	3	Procesing Fees	482,870.00
4	Interest Paid on Loan from Ananya Finance for Inclusive Growth Pvt.Ltd	266,832.00	4	Interest on FDR	704,653.00
5	Interest Paid on BASIX Loan 1	68,091.00			
6	Interest Paid on BASIX Loan 2	491,029.00			
7	Interest Paid on SHG Saving	129,156.00	5	NABARD SHG Formation	180,000.00
8	Interest on SHG Saving (Provision)	109,342.95	6	Financial Literacy Grant (NABARD)	285,390.00
9	Interest Paid on RMK Loan	20,270.00	7	MEDP Nabard	72,050.00
10	Interest Paid on RD	60,547.20	8	NABARD Project Maintainence	12,000.00
11	Interest on RD (Provision)	295,688.70	9	SIDBI PSIG	1,051,856.00
12	Interest Paid on FD	3,908.00	10	Rang De MFI Research Project	35,000.00
13	Interest on Fixed Deposit (Provision)	333,373.00	11	IGS BASIX	150,000.00
14	Interest Paid on Rang De Project 2	17,497.00			
15	Interest Paid on Rang De Project 1	214,005.00	12	<b>Other Income:-</b>	
			13	Insurance Commission Income	4,672.99
			14	SHG Insurance fees received	607,570.00
			15	Income from Membership Fees	1,263,300.00
			16	Service fees Received	860,796.00
<b>Grant Expenses</b>					
<b>PSIG SIDBI Grant Expenses</b>					
17	System Review Exp	134,837.00			
18	Cibil Fees	15,393.00			
19	Porfolio Audit fees	129,377.00			
20	PSIG Exposure visit exp.	81,905.00			
21	Salary and Boarding & Lodging	615,344.00			
22	System Evaluation Exps	75,000.00			
<b>NABARD Grant Expenses</b>					
23	Financial Literacy Exp.	465,390.00			
24	Nabard Project Expenses	20,400.00			
25	MEDP Training Exp	80,350.00			
<b>Rang De Grant Expenses</b>					
26	Rang De MFI Research Project Exp.	32,000.00			
<b>IGS BASIX Grant expenses</b>					
27	Exposure Visit Expenses	150,000.00			
<b>Administrative &amp; Other Expenses</b>					
28	Bank Charges	32,844.00			
29	Head Office & Branch Rent Paid	126,467.00			
30	Electricity Exps.	101,096.00			
31	Telephone & Internet Exps.	171,165.00			
32	Employee Salary Paid	3,204,656.00			
33	Employee Bonus Exp	23,000.00			
34	Staff Welfare Exp.	128,687.00			
35	Credit Rating Exp.	153,540.00			
36	Advertisement Exp.	56,220.00			
37	Meeting Expenses	2,070.00			
38	Business Promotion Expenses	154,914.00			
39	Computer Repair & Maintenance	186,210.00			
40	Insurance Exps.-SHG Members	607,570.00			
41	Insurance Exps.- Staff	797,420.00			
42	Exposure Visit Exps.	260,000.00			
43	Diesel Exp	188,000.00			
44	Mess Exp.	110,111.00			
45	Boarding & Lodging Expenses	32,960.00			
46	Field Visit Exp.	3,560.00			



## Income & Expenditure (Conti....)

**SHAKTI MAHILA SANGH BAHUUDDESHIYA SAHKARI SAMITI MARYADIT, MAJHOLI**  
**Income & Expenditure Account For the Year ended 31st March, 2015**

S. NO.	Expenditure	Amount (Rs.)	S. NO.	Income	Amount (Rs.)
47	Vehicle Hire Charges	229,000.00			
48	Vehicle Maintenance Exps.	8,000.00			
49	Training Expenses	58,000.00			
50	Postage Exps.	29,579.00			
51	Printing & Stationery Exps.	313,233.00			
52	Stamp Charges	25,000.00			
53	Office Expenses	26,262.00			
54	Misc. Exp.	20,153.00			
55	Statutory Audit Fees	44,944.00			
56	Internal Audit Fees	40,000.00			
57	Legal fees and other certification work	92,764.00			
58	Audi Fees paid to Registrar	50,000.00			
59	Depreciation	442,593.00			
60	Loan loss Provision	252,881.00			
62	Excess of Income over Expenditure trans. To Balance Sheet	608,312.21			
Total(Rs.)		12,900,905.06	Total(Rs.)		12,900,905.06

FOR NARESH RAJANI & CO.  
 CHARTERED ACCOUNTANTS

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

Bhopal  
 27th April, 2014



FOR SHAKTI MAHILA SANGH BAHUUDDESHIYA SAHKARI SAMITI  
 MARYADIT

  
 Shri Narendra Parihar  
 (CEO) **CEO**  
 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-  
UDDESHIYA SAHKARI SAMITI MARYADIT, MAJHOLI**" along with their profile.

### Governing Body : Board of Directors:

SI 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	8 years
2	Mrs. Poona Bai Khagar	8 <sup>th</sup> standard	Vice- president	Vice- president	4 years
3	Narendra Singh Parihar	M A& MBA Runnig	CEO	CEO	8 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	8 years
6	Mrs. Bharti Bai	Bachelor of Arts (BA)	Board Member	Board Member	8 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	8 years
9	Mrs Savitri Lodi	10 <sup>th</sup> standard	Board Member	Board Member	4 years
10	Mrs. Usha jhariya	9 <sup>th</sup> standard	Board Member	Board Member	4 years
11	Mrs. Laxmi Bai	8 <sup>th</sup> standard	Board Member	Board Member	7 years
12	Miss. Ruchi Malvi	Bc &Msc& MBA& MSW Runnig	Board Member	Board Member	4 years
13	Mrs. Jayanti Thakur	8th Standard	Board Member	Board Member	8 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 : 27/04/2015

## 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.

## Code of Conduct

### 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).

#### 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.

1.

#### 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).

## Code of Conduct

### 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.

### 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 recruits 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.

## Code of Conduct

### 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 / availed.

### 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



**BASIX**  
Equity for Equity



**Ananya**



**NATIONAL BANK FOR AGRICULTURE  
AND RURAL DEVELOPMENT**

