Mann Deshi Mahila Sahakari Bank, Ltd.

India's first rural women's bank

Mhaswad

Founded 1997

Who are we?

The Mann Deshi Mahila Sahakari Bank (Mann Deshi) is a regulated cooperative bank run by and for women. Founded in 1997, it is India's first rural financial institution to receive a cooperative license from the Reserve Bank of India.

100% of Mann Deshi clients are poor women with annual incomes below Rs. 18,000 ($430). Mann Deshi Bank is proud to have become the first bank in the country to have more than 11,040 clients from backward castes.

Our experience has shown that when women control the household finances, more money is spent on children, education, healthcare, and other important domestic items. We believe that the financial empowerment of women will hasten the growth and development of rural India, thereby creating a better life for future generations.

To this end, we have encouraged hundreds of women to become confident, capable leaders in their families and local communities. We have trained our women to lead Self Help Groups, manage accounts, and keep financial records.

Our services

Through its services Mann Deshi aims: to equip women with liquid assets which can be used in an emergency; to support women in becoming entrepreneurs; and to build on women's ability to plan and save for their and their family's futures.

Savings

The Bank requires all of its borrowers to open savings accounts and to save regularly - daily, weekly, or monthly. In addition, it has created a long-term savings account for those wishing to save for old age

Savings types:
Regular Savings
Term Deposits
Weekly & Monthly Deposits

Pensions

Mann Deshi's is the first microfinance institution with a pension scheme in Maharashtra. The amount saved from the Pension Scheme is sent to UTI Mutual Fund. UTI Mutual Fund invests 60% of this money in government securities (fixed profit) and 40% in shares (ownership in a company: variable profit depending on market conditions). UTI offers a floating interest rate between 8% and 15%.

Loans

Individuals can receive loans of less than Rs. 15,000 with the signatures of two other women, who serve as guarantors. For higher amounts they must put up some form of collateral. Loans may also be taken out using gold or deposits as collateral. The Bank gives 70% of the gold's value and 80% of an individual's deposit as a loan. A 1% rebate in interest is given if property is in the woman's name.

Loan types:
Short-term Loan
Loan Against Deposit
Loan Against Gold
Long-term Loan
Gold Loan

Insurance

Mann Deshi provides Life Insurance for clients between the ages of 18 and 60 and will insure sums from Rs. 5,000 to Rs. 50,000, through TATA AIG. Clients can choose between the following 3 products:

- A 0-5 year annual policy.
- A 10-year annual policy that covers the client for 15 years and returns the premium.
- A 10-year annual policy that returns the premium plus 25%.

Our Women

Vimal Balu Patole's father passed away when she was a young girl. She was forced to help her mother work on their farm to earn a meager living, so she had no time to get an education. When Vimal was 15 years old, she married Balu Patole and moved into his joint-family home in Vaduj. For a while, life was fine, with enough money coming into the household to support everyone. However, 12 years after living under one roof, the joint family broke up. This meant Balu couldn't afford the cost of living in their home anymore, so Vimal started working again. She worked as a maid in various households, washing dishes. Because she hadn't had an education, she couldn't work at any other sort of job. She used to hide her face, ashamed of her status, when she would go to work in people's houses.

One of the families she worked for opened a restaurant and offered her a position there. She quickly advanced from washing dishes to waitressing and making pooris. She also found work in a wedding hall, making bhaaji and serving for functions held there. Slowly, as she worked more in contact with people, she gained confidence and was not as ashamed anymore. She was eager to end her dependency on others for work and open her own business.

Mann Deshi showed faith in Vimal where few people and even fewer institutions in her life ever had before. Within 15 days of coming to the bank, Vimal was able to get Rs. 15,000 in loans. She used the money to open a vadaapaao stand. Every day she would work a little way towards repaying her loan by giving Rs. 20 to a pygmy agent for the bank.

For the first time in her life, Vimal was able to independently work towards supporting her family, which, over the years, had grown to include five children. But running such a business is not easy, and in rougher patches, the family is forced to rely solely on Vimal's business.

Mann Deshi offered Vimal another opportunity that she took up with gusto. *"Mann Deshi Udyogini called me to teach how to make vadaapaao and I feel very happy and fulfilled because of it, because it means that other women like me will be able to stand on their own two feet and earn a living."*

While Vimal is still continually in search of more work, in order to earn more, she recognizes how far she has come. *"I am independent,"* she is able to say proudly.

Aruna Tanaji Gaikwad worked as a wage laborer in other people's fields, earning a meager 20 rupees ($0.44) per day. She always dreamed of running her own business, and she knew she would be successful. However, she was constrained by her lack of capital.

"If you have capital for doing business then you can start. When I got a loan from Mann Deshi it was the first time I ever saw 10,000 rupees ($222,) and I never spent a single rupee unproductively. People like me who don't have any fixed assets would never get respect or loans from a big bank and would require papers and guarantors. Two other banks rejected my loan application, and I never thought that in my life I would be able to get a loan this big."

Aruna has now become one of the most successful wholesale and retail vegetable vendors in the district. She initially earned 50 rupees ($1.11) per day but has since increased her earnings to almost 400 rupees ($8.90) daily. Aruna has developed a system whereby she calls the wholesale agents in three different neighboring cities to inquire about the prices and then goes to buy from whoever has the lowest prices. Because of her relentless conscientiousness, she has become the local authority on fruit and vegetable prices, and has built a loyal following of vendors who buy exclusively from her.

After buying the vegetables, she travels to a different village market each day of the week to sell her produce. During the day, she leaves her own plot in the market every hour to briefly walk around and assess the prices, demand, and stock of the market. She then advises the other vendors who purchased from her on how to set their prices accordingly. Aruna's business is complex, particularly because she is intimately acquainted with the patterns of all 6 village markets where she works, as well as the broader supply and demand chains of fruits and vegetables throughout the district.

"I knew I had the brain to do business, but before I didn't have the capital. This Bank gave me that. This is the first time I saw that with money I could realize my dream and actually develop a business."

Our Programs

Mann Deshi, in partnership with it's sister NGO, Mann Vikas Samajik Sanstha, offers a number of innovative support programs for women, including:

In rural areas of India, more than 50% of girls enrolled in primary school drop out by 5th Standard. Although school is free, transportation costs deter rural families from sending girls to school. These families seek a mobile solution to make education a reality for their daughters. Through a partnership between Mann Deshi Bank, Mann Vikas, and the SHG Federation, Freedom Ride provides bicycles to rural girls as a 0% interest loan.

Mann Deshi has provided ?? girls with bicycles since the program started.

Bicycles

Many female vendors ply their trade in the open market, without protection from the sun. In the summertime, such exposure can lead to dehydration and even heatstroke. To protect these women from the heat, Mann Vikas and the Federation have started distributing umbrellas as interest-free loans to vendors. This Umbrella Program is a simple but effective way of protecting one of women's most important assets – their health.

Mann Deshi has distributed ?? umbrellas through its Marketing Centre since the program started.

Umbrellas

Business School

On December 2, 2006, Mann Vikas, in partnership with HSBC, launched the Mann Deshi Udyogini Business School for Rural Women. The school provides more than just vocational training to women. Its courses offer a unique blend of skills, financial literacy and confidence building, all of which are necessary to successfully open or expand a business. Designed for women with or without a formal education, the Business School fills a capacity gap in the microfinance community, catering not only to the needs of women but also responding to skills gaps in the market.

Since opening, the Mann Deshi Micro Business School has experienced high demand for courses. In 2007, the Business School will open in 2 locations, with plans to expand to all of Mann Deshi's branches and extension locations.

An impact assessment was recently undertaken for the first six months of operation. Unanimously the women rated the school "good" overall, all women reported a rise in confidence, 68% of women said their position in their family had improved since taking a class and 100% of women with businesses before enrolling said their incomes had increased.

Karnataka

In 2007 the Mann Deshi Udyogini Business School on Wheels for Rural Women, an innovative project in partnership with the Deshpande Foundation and Ashoka Foundation, was launched in Karnataka.

The Business School on Wheels will reach out to women in the remotest areas who are usually left behind because of either financial or cultural constraints. A bus has been purchased and customized to transport the necessary equipment and provide training space.

The bus will cover villages in the Hubli/Dharwad District of Northern Karnataka, as well as the Hubli slums.

In the first 6 months of operations Mann Deshi plans to offer courses in ?? villages throughout the district and will also establish static locations. Using the bus in combination with static schools, it will be possible to offer training to up to ??? women.

Courses will cover vocational, literacy and agricultural topics.

Growth projections

The Mann Deshi Mahila Bank continues to prove that microfinance can be a viable and effective financial tool for reaching the poorest of the poor. We pride ourselves on being a financially sustainable enterprise.

Mann Deshi is also moving beyond rural areas to urban centers. Work has already begun in Mumbai, and there are plans to also extend to Pune. Financial services will be offered to the many migrant workers and street vendors in these areas.

Awards

Awards recently presented to Mann Deshi include:

- The Microfinance Process Excellence Award 2006
- CII-Bharti Woman Exemplar Award 2006
- Jankidevi Bajaj Purskar Award 2005
- Ashoka ChangeMaker Innovation International Award 2005

	2002	2003	2004	2005	2006	2007	2008	2009
Branches	1	1	2	3	3	3	3	4
Extension Counters	0	0	0	1	1	1	1	2
Members	2108	2350	2613	3058	4567	5991	7492	10444
Clients	8700	9740	11020	24244	39119	58279	81214	102101
Share Capital	23.82	30.54	35.22	43	69.19	102.40	150.70	202.61
Reserves	1.78	3.75	1.46	9	13	20.48	28.42	41.85
Total Own Funds	25.67	34.59	36.68	52	82.19	122.88	179.12	244.46
Total Deposits	269.36	367.9	500.03	630.75	826.26	1030.35	1672.40	2469.89
Total Advances	203.21	264.2	352.33	433.53	619.60	765.63	1124.00	1827.72
Working Capital	303.01	404.78	545.63	686.88	914.13	1233.03	1903.52	2788.20
NPS	1.00%	3%	3.84%	2.99%	2.63%	2.61%	2.20%	1.92%
Total Incomes	43.76	58.97	77.44	83.3	96.94	137.66	188.18	281.18
Total Expenditure	43.04	58.97	76.11	81.83	94.63	135.28	176.96	259.99
Profit	0.72	0.89	1.33	1.48	2.31	2.38	11.22	21.19
CRAR	12.70%	12.62%	11.60%	13.04%	14.60%	16.23%	17.40%	18.2%
CD Ratio	75%	69%	65%	61%	68%	74%	74%	75%

Amount 31.03.2006	LIABILITIES	Amount 31.03.2007	Amount 31.03.2006	ASSETS	Amount 31.03.2007
6919100.00	1. Authorised Share Capital (20000000)	10230650.00	3925501.80	1. Cash in Hand	6358624.57
1293845.87	2. Reserves, Funds & Provisions	2047619.15	2813851.14	2. Bank Balances	11087429.94
82626289.69	3. Deposits	103035293.26	19838550	3. Investments	25896683
0.00	4. Bank Loans	6708333.32	7547925.90	5. Short Term Loan	6658698.10
227536.00	5. Interest Payable	439795.00	47366419.00	6. Medium Term Loan	60252587.00
198917.00	6. Other Liabilities	330320.00	7046005.00	7. Loan Against Deposits	9651595.00
38323.50	7. Bills for Collections (as per contract)	198620.00	221881.00	8. Other Assets	210698.00
	8. Branch Adjustment	472981.00	2193566.00	9. Dead Stock	2304132.00
231213.28	Profit	238432.88	250001.00	10. Interest Receivable	649514.00
			1828.00	11. Branch Adjustment	
			208143.00	12. Stationary in Stock	233143.00
			83230.00	13. O.I.R.	200320.00
			38323.50	14. O.B.R. (as per contact)	198620.00
91535225.3	TOTAL	123702044.61	91535225.34	TOTAL	123702044.61

Progress toward targets

From 2006-2007 Mann Deshi made the following progress towards its targets:

- 24.7% increase in bank deposits.
- 23.57% increase in loan assets.
- 19,160 new clients.
- Capital to risk asset ratio (CRAR) 16.23
- Non-performing assets 2.61

Partnerships

New partnerships formed in the past year will increase the scope of Mann Deshi's work for the years to come. We are now working with:

- HSBC
- UTI
- TATA AIG
- HDFC
- Gram Swaraj
- Deshpande Foundation
- SIDBI
- Ashoka Foundation

Contact:

Chetna Sinha, President

Mann Deshi Mahila Bank, LTD.

Mann Vikas Samajik Santha

Dist Satara, Maharashtra, India

Ph: 91-02373-270141

Fax: 91-02373-270788

manndeshi@rediff.com

www.manndeshi.com