

## Annual Report: April 2009-March 2010

### REFLECTIONS ON A YEAR GONE BY

The year began with the entire Rang De team, backed up by social investors and volunteers focusing on strategies to increase Rang De's reach across India. Some social investors were keen to support Rang De in more ways than investing money. As a logical next step, Rang De chapters started to take shape in different parts of the country. There was a significant addition to the team that grew from 3 to 10 vibrant individuals aspiring to take Rang De to greater heights

The year also saw many fruitful firsts: the first partner's meet, the first fund raising concert, the first ever audio evaluations and several other first experiments with enlightening results.

Rang De reduced the minimum amount for making a Social Investment to Rs 100 and so opened up avenues for even college students, teenagers and young philanthropists to be a provider and create opportunities for rural entrepreneurs.

We entered 2010 with figures swarming in our minds, 2 years, 2200 borrowers, 11 million INR disbursed. We realized that in a country of 1.2 billion people, we have not even scratched the surface. With 10 passionate people working and thinking of change 24/7, 3 active chapters and 5 more getting active by the day, Rang De stepped into the New Year resolute on creating the next big wave after crossing milestones and hurdles for two years since going live.

This annual report is an attempt to provide you with an overview of activities undertaken from April 2009 to April 2010.

### SIGNIFICANT MILESTONES

Rang De's operational activities, campaigns, events and forums have strived to make micro credit to the poor rural masses a meaningful product. Education loans were given to help those belonging to the weaker sections have a chance to help their children afford formal schooling. A plethora of fund raising and awareness campaigns targeting different segments of the society took root as well and the following is a brief account of the significant milestones braved by Rang De between April 2009 and April 2010.

#### **Borrower Impact**

The main indicator of Rang De's operational efficiency is the effect of loan products on borrower's lives. Rang De believes that micro credit is the only sustainable solution to poverty in India and in all our efforts we constantly drive towards creating a positive social impact by making small loans possible for borrowers with no other means of obtaining loans for their tiny business units. To ensure this, field trips and evaluations have been incorporated as ongoing activities in the micro lending process.

During the course of the year, several field trips were scheduled and taken up by different Rang De team members as well as Chapter members. Looking into the lives of the borrowers helps understand the transformation and impact propagated by the micro loan and some of the evaluation stories recorded during field trips certainly highlight remarkable changes.

## Some success stories...

Lata is a basket weaver belonging to a small village called Baghatailla in Orissa. She had reached the cross roads of her life before Rang De intervened with an affordable loan. For 8 years she had been earning by weaving baskets and Lata banks largely on her husband's assistance to sell her ware. Though he is a labourer, Lata's husband spends his spare time selling baskets and lessening her worries on marketing. However, with four growing children, her expenses began to escalate rapidly. She no longer had enough money to even buy raw materials for her business. Things changed drastically for Lata when she received a much desired loan from Rang De through Partner Agency, Gram Utthan and this enabled her to buy more raw materials and keep her business going. Like any mother, Lata longs to earn better and help her family lead a better life.



*Lata at work, weaving baskets*

Kanakama resides in Puri, Orissa and has been a recipient of Rang De loan through our Partner Pragati. She is a widow with grown children. Kanakama took up her family's occupation of vegetable vending to earn a living and has been at it for several years. She has a shop located in front of a railway station and attracts several customers. The main snag in Kanakama's trade was lack of funds that forced her to buy vegetables on credit at a higher rate, reducing her income considerably. However, she got a lucky break when Rang De stepped in with a low cost loan that has helped Kanakama's profits soar besides enhancing her financial position. She is now self reliant and her life has certainly improved.



*Kanakamma gladly weighs out vegetables at her shop*

Beebi lives in Kurnool, Andhra Pradesh along with her two daughters. Family problems forced her to leave her husband and ever since, Beebi has been selling flowers to make a living. Her daughters

assist her as Beebi is no longer able to work for long hours. There is no competition for the business, yet profit was less as Beebi had to use most of the money earned on family needs. Being the only bread winner did not make matters easy for her. However Beebi applied for Rang De's affordable credit; a decision that transformed her trade. She used the money to buy more flowers and found the repayment easy and interest rate low. Thanks to this, Beebi's business has certainly improved.



*Beebi, busy with flowers*

Lata, Kanakama and Beebi are just few of the several other entrepreneurs who have benefitted from Rang De's micro credit. Many more such stories of lives transformed by small loans are live on the site for interested readers.

## **Celebrity Field Trip**

The Rang De field trip reached a different league altogether when Ms Waheeda Rehman called after reading a DNA article that featured Rang De, to know how the Rang De Model worked. After a brief meeting with us in Mumbai, she offered to join us on a field trip and interact with some of the women who had received the loan from Rang De.



*Waheedaji interacting with borrowers at Nagpur*

On 10th February we set out on the field trip. We had decided to meet women from Nagpur and our field partner CBMD as they were the first ones to have received a loan from Rang De. Mr. Jadish Joshi - one of the Directors of CBMD had arranged for us to interact with a group of 15 women. Ms. Rehman took the women by surprise as they were not expecting a visit from celebrity. She was at ease

when it came to interacting with the women. She asked each one of them about how they had utilised the loan, their plans for the future and also at what point they would not require a loan. She had a piece of advice for everyone - for those who ran eateries - she spoke about cleanliness; for those who had daughters in their adolescence - she spoke about making them independent; for women with babies, she spoke about not having too many children. For a bollywood celebrity to volunteer for a field trip and understand how Rang De works - is commendable and we really appreciate Ms. Rehman for that.

## Audio Evaluations

Meeting a Rang De borrower after they have utilised the loan is a truly unique experience. It suddenly dispels all myths about the working poor and makes one think about how much planning actually goes into a micro-business. However, people who are not able to travel and want to interact with borrowers are usually left out without much of a choice but read the evaluation stories on the Rang De website.

All this changed when for the first time ever Rang De evolved an opportunity to talk, understand and get amazing insights into the lives of entrepreneurs who have taken a loan from Rang De without having to move out. Audio evaluations made this unique experience possible where volunteers who sign up have the ability to interact with borrowers on the phone and understand how they are doing.

The first set of audio evaluations were started by Shantaram and Aditya - social investors who are also Rang De Mumbai Chapter members. These recorded conversations proved to be a great way to connect with Rang De borrowers located in remote Indian villages. Here below are a few audio evaluations that enrich the borrower experience.

- <http://www.rangde.org/home.htm#s/691>
- <http://www.rangde.org/home.htm#s/693>
- <http://www.rangde.org/home.htm#s/1651>

## Loans Disbursed and Repayments made

The Table below summarizes the loans disbursed and repayments made by Partner Agencies between April 2009 and April 2010.

<b>Disbursements and Repayment Summary</b>		
<b>Field Partner</b>	<b>Loan disbursed (Rs.)</b>	<b>Repayments received (Rs.)</b>
Hope Foundation, Kerala	21,70,000	10,46,413
Roshan Vikas, AP	8,33,000	4,50,579
Udyogini, Rajasthan	-	2,00,000
Hope IRDS, AP	17,50,000	10,83,562
BMSKSS, UP	2,28,000	85,556
CBMD, Maharashtra	11,32,500	13,16,700
GMASS, Karnataka	1,00,000	83,330
Gram Utthan, Orissa	9,40,500	2,22,558.44
New Life, TN	3,34,000	2,52,783
Pragati, Orissa	16,50,000	7,33,350.39

<b>Disbursements and Repayment Summary</b>		
<b>Field Partner</b>	<b>Loan disbursed (Rs.)</b>	<b>Repayments received (Rs.)</b>
SAGRAS, Maharashtra	10,00,000	3,37,494.76
SAMBHAV, MP	1,00,000	29,169
SSVWS, WB	2,65,000	33,600
Industree Crafts	3,00,000	50,000
<b>Total</b>	<b>108,03,000</b>	<b>59,25,095.59</b>

## **Education Loans**

The beginning of an academic year is bound to be filled with financial worries for parents, especially those belonging to low income households. Rang De intervened to change this and extended micro loans to help individuals support education of their children through field partner Roshan Vikas. To avoid misappropriation of funds, vouchers were issued to borrowers instead of cash and these could be paid to the school to meet children's fees, uniform, books and other stationery items. After careful planning and co ordination with Roshan Vikas, 108 borrowers were screened for the loan during the year. Permission was also sought from school authorities for delayed payment as social investments had to be raised.

## **Partnerships**

No new partners were added during the year. However Rang De is looking forward to increase the partnership base multi fold in this year. New States like Gujarat, Jharkhand, Bihar, Manipur, Assam etc are targeted to further Rang De's reach to deserving entrepreneurs.

To survive and grow in the rural market, an entrepreneur should have access to funds and markets to sell his products and continuously improve the volumes of produce. It is a challenge for an individual with little access to information, advice, training or technical assistance to be dynamic, creative, flexible and responsive to change. So some rural entrepreneurs have found it easier to form Producer groups to overcome the problems of scale.

Producer groups can reach markets unlike the individual rural entrepreneur. Yet they still do need time to mobilize their resources in order to respond to the pressures of competitive markets- which is where Rang De stepped in to make a difference!

The last year saw Rang De launch out with a new product - micro ventures in partnership with Industree Crafts which facilitates market linkages to groups of artisans. The interest rate for a loan given to a producer group is higher at 10% and fairly so since these producer groups are associated with different organizations for information, advice, training or technical assistance and have better market linkages than our individual borrowers.

Two artisan groups have been funded and Rang De is committed to scale up this product rapidly in this year. The corpus fund of Rang De has provided the capital for this product so far and in the forth coming year, loans by social investors will be facilitated.

## **Social Media Highlights**

Rang De's social networking and social media reach progressed rapidly during the year with regular blog updates on happenings. Guest blogs have also been put up frequently since the beginning of 2010. The facebook and twitter feeds were streamlined and now facebook feeds are also published in twitter. Rang De's fans on these social networking sites have been increasing rapidly as well. Rang

De has also kept Social Investors well updated with the monthly news letter jotting down updates and recording events as they happen in the Rang De calendar.

## **Fund Raising Records**

May '09 ran to an end for Rang De, with the Sunfeast 10K marathon event at Bangalore. The Rang De marathon theme aptly said it all - “Let us knock out poverty” and in a very unique way, Rang De participants made themselves heard among the thousands that participated on the day of the run. Rang De was raising social investments as against donations in the run. The marathon had all the participants charged up and that resulted in a fifty plus new social investors joining the Rang De community!



*Sunfeast 10K marathon, Bangalore*

In June, Rang De team hit the streets doing what they are best at - talking about microcredit and Rang De! It may sound a strange strategy but the biggest challenge for Rang De is the lack of awareness about microcredit and its power. The focus was on malls and railway stations and team Rang De spoke out hoping to change people's attitude, alter their thinking and urging them to save a family from the vicious cycle of poverty, by taking the big first step towards micro loans. The day's end proved that the reach was limited, yet it was not just a day of awareness, but a movement to end poverty as a whole.

Rang De ran its first referral campaign in the second week of June for its social investors to win a weekend getaway to the Himalayas sponsored by HimalayanVillage.com. The social investor that got

the most investments through referrals was the winner of the vacation. Mr. Gurinder Khurana from New Delhi bagged the trip on offer for the first referral campaign by making five referrals and all of them made social investments.

A series of corporate campaigns began with Sasken in June '09. Rang De spiced up the campaigns to attract attention and to make the day interesting and interactive. A quiz on microcredit was on offer and was taken by all. The highlight of the day however, was the “Knock out Corner”. The person who threw the maximum number of punches under 30 seconds won a prize. Sasken employees had fun wearing gloves and punching as well. Rang De even solicited employees from the adjacent building Mphasis and reached a wider audience with microcredit.

On Mobile, was an exhilarating experience for Rang De team. The genuine interest and warmth with which employees of On mobile interacted was totally unexpected and a pleasant surprise. Employees walked to the stall to make social investments with absolutely no canvassing from Rang De. Gift

vouchers were redeemed and some used credit cards. The quality of interaction in On Mobile was so unique and enjoyable for the team.

Corporate connect at Zoho saw nine social investments, six volunteers and one person who was willing to start the Rang De chapter in Chennai. Even though fund raising is an essential component of corporate events, Rang De aspired to make the employees of Zoho feel connected to how their actions can create a social impact.

The contributions from various corporate during the year are as follows:

<b>Corporate Partners</b>	<b>Fund Raised (Rs.)</b>
Spark Capital	2,00,000
Zoho Corp	1,00,000
Muthoot Papacchan Group	5,00,000
Vernalis Systems	3,00,000
Wekare Capgemini	24,000
Hexaware Ramanan	75,000
	<b>11,99,000</b>

### **Oxygen therapy at the Rang De concert**

On 13th March 2010, Rang De’s first fund raising cum awareness concert took place in Chennai. The popular fusion music band Oxygen rendered each number with a brilliant display of talent to enthrall the audience while Rang De spread the word on micro credit. Rs. 100 from the sale of each ticket was set aside as social investments and in this way everyone who attended the concert or bought tickets became social investors.



*A centre stage view of Oxygen’s performance*

This was the first event of a series which we decided to call “Saturday Night with Rang De”. At the end of the concert, we had a couple who came forward to sponsor half of the hall cost as well. Thus was the Rang De - oxygen combo. All in all, this concert was a great experience for the Rang De team. Many lessons were learnt about organising events leaving Rang De geared up for the next event on a Saturday Night!

The Holi campaign was initiated by the Rang De Bangalore Chapter with an intent to do something that would involve school children. Taking a leaf out of google's creativity, a collaborative idea was born. A plain, colourless Rang De logo was given away to school kids in the age group of 10 -12. They had a week's time and all they had to do was to fill it up with colour in the most creative manner and give it a caption too. An idea that was born in the Bangalore chapter saw itself taking roots in the Chennai chapter with the members getting permission from two schools in no time. With St. Michaels and Sherwood getting on-board, and St. Joseph's in Bangalore agreeing to do it, the Holi campaign was kick started. We received some amazing responses with some very apt captions too. Many of these logos will be used as Rang De logos on special occasions like the Independence Day. The logos can be viewed at the event "Share the Colours of Joy" on our facebook fan page.

## Internship Projects

A bunch of energetic interns from various premiere institutions like IIM Calcutta, NIT Trichy and ISB&M Pune were associated with Rang De at different points of time all through the year.

Internship at Rang De involves a lot of hands on experience. The interns worked on projects varying from field mentorship to creating a social media campaign for Rang De. The Rang De team now looks forward to the internship season, as the team suddenly gets an extra doze of energy and passion, thanks to the interns.

## Chapter Diary

Rang De's chapters have been active in vocalizing our cause all through the year in differnt forums, events and innovative campaigns. Members have volunteered in more ways than one and the following is a gist of happenings in Mumbai, Bangalore, Delhi, Hyderabad and Kolkata chapters.

### ***Rang De Mumbai Chapter:***

The Mumbai Chapter along with our team member Shirley, participated in Start up city Seven volunteers to create awareness and excitement among the participants of the Silicon India Start Up City event. Sparsha was another opportunity that the chapter grabbed to spread the word about Rang De and micro credit. The members also decided to have a face to face interaction with borrowers and set off on two field trips that were co-ordinated with our Field Partners in Maharashtra. The trips proved to be a platform for members to get acquainted with new friends and gave a deeper understanding of how Rang De and microcredit work and to make a stronger resolution to make a meaningful impact. On the whole it was weekends well spent and truly worth the time and money. Chapter members eagerly pitched in for the mood indigo event that happened in IIT Mumbai as well.

### ***Rang De Bangalore Chapter:***

The Bangalore Chapter had set an agenda to make presentations at various corporates besides embarking on a field trip and running effective online campaigns. Members also got together and marched on MG Road with a set mission to spread awareness about Rang De. Co branded initiatives took root as well when Rang De turned 2. The Bangalore Marathon was yet another successful attempt by members to reach out with the message of micro credit.

### ***Rang De Delhi Chapter:***

The Delhi Chapter has been energetically working towards raising social investments all through the year. This vibrant community of enthusiastic volunteers participated in 'Smash Up', an event for entrepreneurs organised by TIE (The Indus Entrepreneurs). Rang De had a stall in the event and the Rang De Experience Voucher was distributed to all visitors. Some participants even purchased gift vouchers on the spot and Rang De was quite the star of the show.

### ***Rang De Hyderabad Chapter:***

Several corporate events and an evaluation of Roshan Vikas in Hyderabad filled in the schedule of Rang De's Hyderabad Chapter. Being the first time for Rang De at Education Loans, there were several teething issues that were thrown up during the evaluation that helped Rang De to fine tune the education loan model.

### ***Rang De Kolkata Chapter:***

Two members from the Kolkata chapter went on a field trip Sripur in West Bengal. The purpose of this trip was to meet the first of Rang De's borrowers in West Bengal in order to get a clear understanding of the entire process. The trip educated the members on how competitive the micro finance landscape currently is and how important it is to minimise the loan disbursal cycle time to allow borrowers to make the most of their loans. Chapter meetings have been happening with gusto and members are ready with huge plans to further micro credit and Rang De.

## **Conferences Represented**

### ***Sa-dhan Microfinance India Conference, New Delhi***

Rang De had an opportunity to meet with academicians, practitioners and policy makers of Micro finance institutions at the Sa-dhan Microfinance India Conference in New Delhi during April 2009. Prof. Mohammed Yunus, Nobel laureate and founder of Grameen Bank in Bangladesh highlighted Grameen's journey putting across some interesting milestones.

### ***Microfinance Summit, New Delhi***

The annual Microfinance India Summit 2009 with the theme of Doing Good and Doing Well was held on 26th, 27th and 28th October. Rang De participated in the Knowledge Fair where thought leaders debated on key current issues in the microfinance sector. Rang De was represented by Ram - CEO, Diksha - Alliances Manager, Krishnan - Chief Technology Officer (CTO) and Gurinder - Founder and President of the Rang De Delhi Chapter.

This annual event that Rang De has been attending for three consecutive years has now become more of a family reunion for the regulars and for Rang De its nostalgia all over again. All in all we have always found this to be a great event to network with people from the industry and micro finance enthusiasts.

### ***Rang De at Berlin***

The Global Online Giving Marketplaces is a group of committed organizations, using the online space as a medium to create awareness on various social issues and enable individuals to bring about a more inclusive world. Rang De was invited last year to be a part of this group, with Smita and Ram travelling to San Francisco to speak about Rang De. This year around, Rang De travelled to Berlin as one of the organizers of the meet. The event created a bigger sense of purpose in our minds and came to an end with a determination to work as a group to collaborate and share knowledge and with promises to meet up again next year and expand our efforts.

### ***Rang De's first Partner's Meet***

Another significant milestone in Rang De's calendar happened on December 11th and 12th, 2009. Rang De's field partners from across India had come to Chennai for a two day meet discuss their current partnerships with Rang De, participate in Rang De's new microcredit programs, and to give feedback on Rang De. Rang De team members came from across the country (Pune, Mumbai, and Bangalore) and this was the first time the current Rang De team met. By the end of the meet, participants were highly supportive of Rang De's underlying mission - alleviating poverty through low cost micro-credit and they made a commitment to work together towards achieving the same. The field partners made a unanimous resolution in writing to ensure this. What followed was an

overwhelming response with a barrage of ideas on how to achieve it. From sharing address books to having the Rang De logo on their web site and even promises of each partner getting social investors, suggestions came in from all quarters.



*Ice breaking session during the meet*



*Snapshot of participants*

## CHALLENGES FACED

Manthrayam & Yemmiganur in Kurnool District, Andhra Pradesh, were hit by a massive flood last year and around 50 Rang De borrowers along with thousands of others suffered major loss of business and assets. Thankfully none of our borrowers lost their lives.

After the assessment of the situation on the ground by our field partner, we decided to provide the affected borrowers a repayment moratorium of 6 weeks and informed our social investors about the same. Rang De also raised funds for flood relief and many of our social investors donated wholeheartedly. The funds were used to buy clothes, soap and food for the affected and the relief work was carried out in full swing by our field partner Hope IRDS. However, for many of our borrowers everything they owned was lost and they were forced to migrate to other places in search for work and food.



*Distribution of relief materials in flood affected villages, Kurnool, AP*

It took some time for the affected to start over again. Most of the borrowers started the repayments well within the initial period of 6-8 weeks and a few who were worst affected will started from 29th of March. We would like to thank our social investors who stood by the borrowers and helped them pass through the turbulent times.

## ACHIEVEMENT GALLERY

Rang De's achievement banks on what the supporters of our cause feel. We wrote to them to ask what prompted them to sign up their support and we got some original, true and honest responses.

Shobhit Bansal works as Program manager at IBM India. He says, *"It is the only way to help infinite number of needy people. A person is needy because of his circumstances and micro loaning ensures that his dignity is intact. He will eventually return the money with interest. The money goes to the right hands through Rang De - as the beneficiary receives benefits and returns the loan"*.

Rajaram Santhanam another one of our social investors who works for Zoho at Chennai says, *"Rang De enables the common man to make a difference in alleviating poverty. Imagine this, people can loan (not donate) as less as 100 rupees to help somebody realize the dream of running their own business, however small it is."*

Then there is Arjun Zacharia who says, *"I want to be the opportunity who will change at least one person's life"* and Rajiv Gupta adds an interesting thought, *"When a small step can make an impact, then why not step ahead?" He vouches to ensure that given time, more people will realize the potential of how small amounts of money can put big smiles on a few faces!"*

## ROAD MAP FOR THE YEAR AHEAD

With the completion of two financial years, Rang De is clearly moving on from its start up days. The team has now grown to a size of 10. In addition to making our social impact stronger, we are also working on building a strong organisation. Having established a point of presence in 10 states in the last two years, we are looking forward to ramping up operations with the help of our existing partners along with increasing our reach in the states of Bihar, Jharkhand and the north east. These are exciting times for Rang De as we consolidate our past efforts and work on a scale up plan. We would like to take this opportunity to thank CSO Partners and ICICI foundation for their support, our field partners for walking the talk and helping us in living our dream, our social investors for believing in us and all our corporate partners for their unconditional support!