



Micro Enterprise & Mann Deshi Reducing the gap



A report on micro-enterprise and the Mann Deshi family

Executive Summary

This reports aims to assess the Micro-enterprise sector served by Mann Deshi Foundation. It highlights the story of five exemplar women entrepreneurs who uniquely depict the challenges of working in the micro-enterprise sector while showcasing the efforts of Mann Deshi to promote and facilitate rural,women micro-entrepreneurs.

Overview

Micro, Small and Medium Enterprise (MSME) sector has been recognized as a crucial wheel of the Indian economy. There are 29.8 million enterprises in various industries, employing 69 million people¹ its contribution to the country's GDP is growing at a consistent rate of 11.5%, over and above the overall growth. The growth of MSME's is significant in India's changing socio-cultural landscape and allies with the government's goals of generating employment, reducing poverty and discouraging rural-urban migration

This sector faces a serious constraint in its growth- lack of market linkages, lack of infrastructure, lack of adequate and timely financial access, lack of resources to secure financial credit and the lack of access to managerial competence and growth². Financial access is a major problem with 92.8% of enterprises being self-funded or lacking any financial support. In the micro-enterprise sector, lack of financial and technical knowledge is huge impediment, given the low access of resources for stakeholders in the micro-enterprise sector³.

- *The contribution of MSME's to India's GDP has been growing at 11.5% a year, higher than the overall GDP growth of 8%*
- *29.8 million MSME*
- *30 million enterprises belong to the unorganized sector*
- *Financial demand of 32.5 trillion!*

¹Ministry of Micro, Small & Medium Enterprise, Government of India

²Source: Report of Working Group on Rehabilitation of sick MSMEs, Reserve Bank of India

³MSME Census, 2007

MANN DESHI: *Introduction*

Mann Deshi is an umbrella group of two organizations, working in the Mann district of Satara, Maharashtra to enable rural poor women in bettering their lives through finance, enterprise and knowledge.

Mann Deshi Foundation established in 1996, is a NGO organization that provides a variety of non-financial services to help improve the lives of rural women. The region is drought prone, and people struggle to earn a sustainable livelihood around the year. Migration of young men of the region to urban areas such as Pune and Mumbai is high, and thus women tend to be the primary bread earners in the family left behind.

Mann Deshi Mahila Sahakari Bank (Mann Deshi Bank), a women's co-operative bank established in 1997, was India's first rural financial institution to receive a cooperative license from the Reserve Bank of India. Today Mann Deshi is the largest microfinance bank in Maharashtra with over 185,000 clients pioneering effective microfinance, offering its clients individual and group loans, savings, insurance and pension plans.

The Foundation works in conjunction with the Mann Deshi Bank, providing rural women with services such as financial and business management training, community radio, as well as health and farming workshops.



Women running roofless micro-enterprise

MICRO ENTERPRISE: *Mann Deshi Women*

Micro-enterprise: is defined as an enterprise with less than 10 employees and assets and annual sales amounting to less than 10,000 USD⁴. Mann Deshi's clients and beneficiaries all belong to this sector and it is a leading developer of enterprise in the rural hinterlands of Maharashtra.

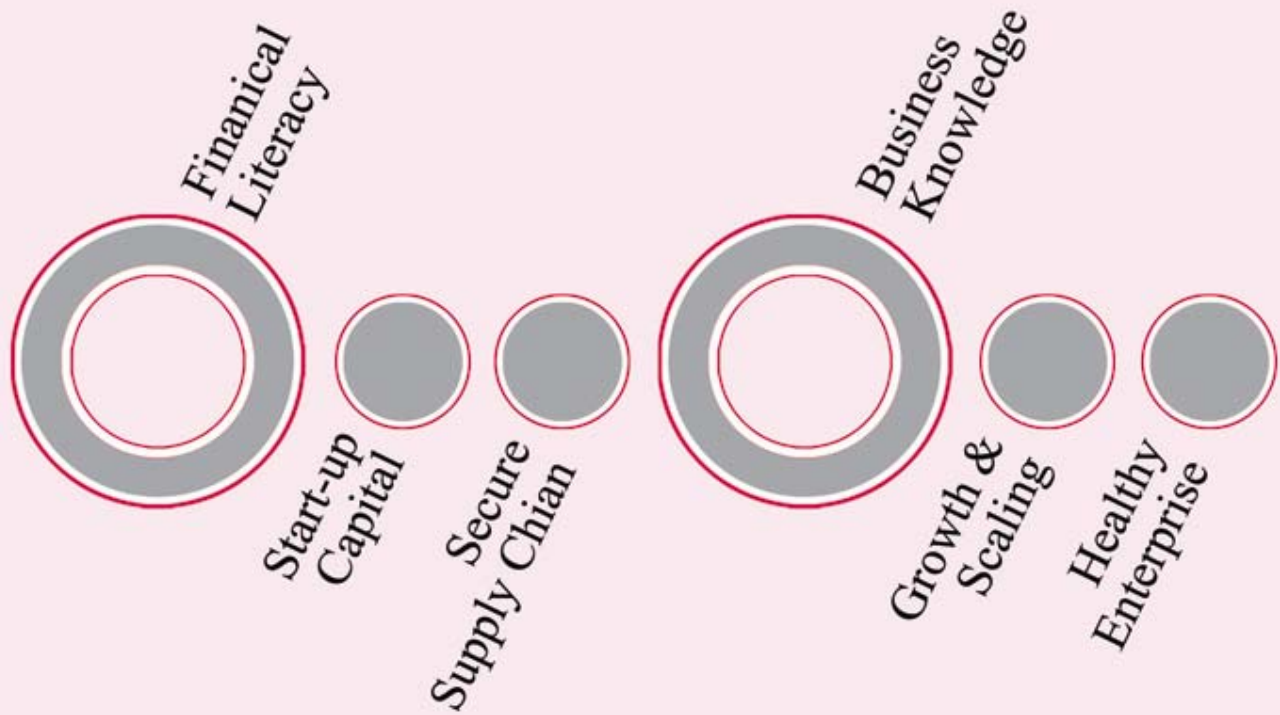
Micro Entrepreneurs: The Mann Deshi Women are exemplary in their growth in the micro-enterprise sector and we highlight the stories of their resilience, coupled with Mann Deshi's support, that has strengthened the enterprise sector in this region.

The biggest problems that the Micro-enterprise sector faces is uniquely leveraged by Mann Deshi :

- Mann Deshi Bank works in tandem with the MBA program to identify potential business and solve one of the biggest problems of overcoming financial hurdles in micro-enterprise. Regular banks rarely serve such clients and Mann Deshi bank is an invaluable resource that **finances and constructs micro-enterprise**.
- Micro business faces a steep curve in scaling itself, which comes from a range of non-financial issues such as human resource capability, in terms of employment, physical space and talent management along with financial allocation. The Mann Deshi MBA in this sense, provides women **expert consulting by mentors** who critically analyse their businesses.
- Marketing and advertising is a major obstacle in scaling or promoting a business because of transportation and lack of financially viable marketing media. Mann Deshi fills the gap by **promoting high-potential businesses** on local media and provides a major marketing platform in Marketing Mahotsav, a four day blitzkrieg of marketing where thousands of Deshi women find a tremendous business platform.
- Securing a supply chain is crucial to an entrepreneur's business network, especially for scaling purposes and they benefit from **Mann Deshi's extensive network and experience** in the region to ensure proper business facilities.
- Mann Deshi promotes efficient management of all aspects of business and maintains a **unique Wealth Card** that tracks the income and assets of an entrepreneur before and after enrolling in Mann Deshi's Business Program in order to ensure a practical and effective learning technique that produces successful business results.

⁴Source: World Bank

Mann Deshi Enterprise:



Celebrating & honouring women entrepreneurs

Kantabai Salunkhe: *My identity, is my bank passbook*

Kantabai Salunkhe lives on the municipal ground in Mhaswad with her husband and eight children. The family has no assets, not even a shed for shelter. All her children were born and raised on the street. Kantabai belongs to the Ghisadi community, a nomadic tribe, and carries out their hereditary caste job of making iron tools. She keeps all the money she earns on her body. Whatever she saves, she keeps in a plastic bag, in a plastic box or in an earthen pot. With her savings she would buy a goat and get milk. Kantabai is an active economic agent and a citizen of India. She makes and sells iron weeders that are important to the agricultural economy. She conducts 3 to 4 transactions in the market daily and is used to handling and managing cash. She buys raw materials and sells her products, and negotiates the process efficiently. Kantabai has been banking with Mann Deshi for last six years. Banking account is her first identification. She saves; she also has taken loans for six times and repaid it regularly.



We do not stay at one place. We roam and do our business. Because of regular support of the Mann Deshi Bank I have stopped roaming. Now Mhaswad is my home town.”

Anita Kumbhar: *Diversifying and growing with the rural market*

Anita, a tenth grade dropout, was married off at eighteen into a family of potters from where she slowly picked up the business of pottery. She primarily produced matkas and chulhas, traditional mud pots and cooking stoves that are necessary in every rural household. The matkas are used to store cold water and useful in the summers which meant that most of her sales took place in one season and her business was quite **unstable due to seasonal fluctuations**. A self-trained women, she often fell prey to the vagaries of the weather that affected the sale of her products. On deciding to expand her business, she took a small loan, initially, from Mann Deshi Bank and was thus introduced to the Mann Deshi family.



After she took out the loan, she found herself applying her business acumen to diversifying her product offering- she started **making products geared towards the festival market**. India is not just a land of innumerable festivals but tradition plays a crucial part in these events that hold the social fabric of the country together. Here, Anita found a great market- she started making an assortment of products that served the rural community. Come Diwali, the festival of lights, or, Ganesh Chaturthi, the festival of the Elephant God, she would be ready with her idols for consumption in large numbers. Her products found an even greater market in the **unconventional festival produce**- like toy soldiers for kids in Diwali and little mud oxen for the festival of livestock, Bendur. She not only **successfully diversified with favourable economic return**, but also discovered the multi-dimensional ways of taking business forward.

In 2012, she enrolled in the Mann Deshi Udyojika MBA program. Her greatest takeaway was developing money management skills, which meant regular account keeping and maintaining a financial diary for her business. What had earlier gone unrecorded now she started recording and this further led her to **plan her spending and savings**. Her mentors not only honed her business skills, but have her the courage to expand – she has taken an increasing number of loans of higher amounts every single time and achieved an impressive credibility. Mann Deshi plans to send her to advanced training workshops in the future to build on her skills and innovate her products even more. She continues to grow as a daring entrepreneur.



I have always been an ambitious entrepreneur and Mann Deshi has been the platform for me to explore my options and scale up my operations more effectively.”

Shobha Raut: *Rising Above Physical Disability*

Shobha had polio just after she was 10 months old and has been on crutches ever since. She was bright in studies and completed her Bachelor of commerce from Dahiwadi. She would travel over two hours every day to reach college.

After graduation she approached the newly formed Mann Deshi Mahila Bank for a position but she was rejected because of the field work requirements. She eventually found a clerical job in a nearby city. One day an accident scarred her left arm permanently after that, Shobha realized she needed help and again approached Mann Deshi. She was readily given her first loan of 15,000 rupees (\$333). Shobha's communication skills and confidence helped her in business. She paid off her first loan ahead of schedule and took a second one to expand her business into women's wares, notebooks, and stationary. After 8 years running the shop, Shobha is renowned for the high quality of her products and her friendly demeanor.



Her father pledged to leave his property in her name but she refused any outright financial assistance. Her mother told her, "Your disability was decided by God and so you have to face it" Shobha's most extraordinary physical exploit was her decision to join a one hundred kilometer pilgrimage walk to a famous temple.

Shobha owns the stationary and ladies garment shop. To expand her business she had taken a loan of 200,000 INR and has been able to repay regularly.

Malan Mane: Empowering business, empowering herself

Malan was an illiterate woman, who only attempted to make ends meet with an alcoholic husband on one side and the meagre income from making and selling traditional bamboo baskets. She couldn't leave the baskets unguarded, as that would mean her unemployed husband would sell them off and consume liquor with the money. It was a difficult life and there seemed no escape until the day she secured the help of Mann Deshi- first as a client of the bank and then as a part of the Udyojika MBA program.

Malan's biggest take away from Mann Deshi was a realization of her own self, her identity and her ability to turn her life around. For the first time, she was made aware of her potential and she chose to act on it straight away, moving from the Business-school lessons to practical applicability. The first lesson she applies is in **judicious time management**- segregating business and personal time and finances. She has learnt to buy the raw material at wholesale and not from the retailer. Mann Deshi's banner and impetus directly improved the state of her business-what earlier yielded 1,000-2,000 rupees was now quadrupled-she makes a profit of 5,000- 6,000 rupees without breaking a sweat!



Mann Deshi
*gave me an identity
and the confidence to
re-build my life. Today,
my husband is no
longer an alcoholic
and even helps me out
in my business, which is
flourishing, and at the
age of 50, it is a
huge change for me to
have achieved.”*



Mann Deshi caters to every rural businesswoman and empowers them with the tools they need to change their life- just like Malan found out by empowering herself through growing her business.

Vanita Pise: *Creating change, creating business*

Vanita faced a failure in the family business, consequently a big debt and felt the need to take the livelihood of the family into her own hands. She toiled hard as a daily wage labourer and on the side, took a loan from Mann Deshi Mahila Bank to start a business of rearing buffaloes and selling milk. She found herself involved in the **Self-Help Group movement** and felt very inspired by all the possibilities it represented. She took initiative in organizing self-help groups and in realizing that her business did not yield much savings-she, ever resourceful, started a tailoring business on the side which gave her the means to secure her savings.



In 2004, she received the idea of making paper cups for prasad or the daily offerings for prayers and took out a loan of 15,000 rupees to buy a paper cup making machine. Mann Deshi sent her to a **business and marketing training program**. From the dealership of paper cups, she found a wholesaler who supplied her with paper and paid for the production of the cups. Very soon, she grew to producing 5,000 paper cups a days and could make profit after the first year.

Her growth story is quite aggressive- she bought paper cup vending machines for women in her self-help group, providing them with raw material and taking a commission for selling their end products, along with five machines of her own which **dramatically increased production capacity**. She was awarded the CII-Bharti Women Exemplar Award from Prime Minister of India and because of the ire of her local supplier at not being mentioned in the press, she was left with a source of raw material until she **secured a new supply chain** by travelling to Mumbai. Since then, Vanita has been working on fortifying the quality standards of her product and diversifying and differentiating into different paper products to keep her business growing.

Conclusion:

Mann Deshi strives to recognize, promote and encourage the series of enterprise among women, who face all odds to translate their stories of despair and backwardness to successful business stories that speaks volumes about their courage and resilience,. The micro-enterprise sector continues to face many difficult challenges, and stronger policy reforms, government support and infrastructure development are necessary to sustain a flourishing micro-enterprise industry in our country. The Mann Deshi model of growth can finds success because of its combination of financial and technical know-how. It clearly validates that a comprehensive, holistic approach is required to strengthen and sustain the micro enterprise sector, which continues to grow at a tremendous rate.



Mann Deshi Programs:

- **Mann Deshi Udyogini** (Business School for Rural Women) provides women with no formal education the essential financial and business tools needed to successfully start or expand their own businesses
- **Mobile Business School** is a custom-built bus used by Mann Deshi Udyogini to reach women in the remotest areas and bring to them training and vocational programmes.
- **Financial Literacy** is a core course offered through Mann Deshi Udyogini, which imparts training on loan repayment and the importance of savings and has been shown to be instrumental in reducing default
- **Mann Deshi Udyojika (MBA Program)** aims to create business role models of 10,000 promising rural women entrepreneurs by providing them with a mentor and business management training through Mann Deshi Udyogini to help them achieve significant business growth
- **Chamber of Commerce-** The Chamber creates a forum where rural Indian women can access mentorship services, advocacy tools, access to markets & resources, a network of like-minded peers and increased access to capital. Chamber of Commerce has also started helpline for women entrepreneur with 'Toll free number -18002122112'
- **Community Radio** initiative builds local capacity and empowers women to improve their lives and those of their families through creative programming
- **Agricultural Workshops** offered through Mann Deshi Udyogini provide women in the agricultural sector veterinary services, access to animal feed, and entrepreneurial training for raising animals to improving management of dairies
- **Freedom Ride:** To Keep Girls in School program provides bicycles to rural girls through interest-free loans, making it possible for them to attend school
- **Umbrella Program** distributes umbrellas though interest-free loans to street vendors to protect against sun exposure

Mann Deshi's commitment to removing the financial, technical and personal hurdles women entrepreneurs in the micro-enterprise sector face is a story of growth and success.

Successful Mann Deshi women count in the thousands and all of them have applied the courage, will and innovation necessary for the micro-enterprise sector, with financial and technical backing from Mann Deshi's programmes designed for the unique challenges of micro-enterprise.

Financials:

THE BOMBAY PUBLIC TRUST ACT, 1950

SCHEDULE VIII [VIDE RULE 17 (1)]

Mann Deshi Foundation, Mhaswad

Tal :- Mann Dist:- Satara

Registration No :- F/4494 Date:- 27/3/97

Income & Expenditure Account for the year ending 31/03/2013

EXPENDITURE	AMOUNT	INCOME	AMOUNT
To Trust object & Expenses in Respect of Properties		<u>By Interest Realised/Accrued</u>	
Rates, Taxes, Cesses	32215.00	FCRA Bank Account	94511.00
Repairs & Maintenances	720680.00	Domestic Bank Account	34731.00
Salaries	3691166.00		129242.00
Insurance	89064.00	<u>By Donations</u>	
Depreciation (By way of provision or adjust.)	0.00	Government Grant towards Cattle Camp	150654249.00
Other Expenses	153456.00	Domestic Fund	11755196.00
To Interest	0.00	FCRA	16449889.27
Printing & Stationery	246032.00	<u>Fees from activities</u>	
Bank Interest & Commission paid-		YCMOU Study Centre Fees	51441.00
Electricity & Water charges(postage)	50544.00	Other fees & Receipts	498471.00
Traveling & Conveyance	1159223.00	Community Radio advt. Receipts	36587.00
Office Exp-	474935.00	By Agro Subsidory	
Bank Charges	1863.94	By Income from other Source	377707.00
Advertising	378376.00	By Remuneration trustees	
To Consultancy Fees & Legal Advice Fees	168152.00	- life membership fees	23000.00
To Audit fees -	235000.00	- members subscription	
To Misc. Exp.	324707.00	- Other Subscription	
To Depreciation on Dead Stock & Computer	1242489.90	By Marketing activities at Hubli	363853.00
To Amount transfer to reserve fund	0.00	Total Receipts	29556144.27
Grant for Exp. & Remuneration	0.00	Less: capital expenditure made during the year	11793633.00
To Expenditure on object of the trust			17762511.27
To Trust Object HO	9175522.33	By Closing Stock (hubli)	261667.00
To Hubli Trust Object	876529.75	By Closing Stock (Shen Khat)	3385281.00
To Cattle Camp Trust Object	157097742.00	By Expenses Provision written back	3660154.62
a) Agro Expenses -			
b) Cattle Camp - Drought Relief Program			
c) Donation for Educational Exp.			
d) Vocational Training Exp			
e) Savitribai Phule Exp.			
Total	176117697.92	To Deficit Carried over Balance Sheet	264593.03
		Total	176117697.92

Chetank
U. B. SALUNKHE
Proprietor

U. B. SALUNKHE
31.6.11



For U. B. SALUNKHE & Co.
Chartered Accountants

(U. B. SALUNKHE)
Proprietor

Financials:

THE BOMBAY PUBLIC TRUST ACT, 1950
 SCHEDULE VIII [VIDE RULE 17 (1)]
Mann Deshi Foundation, Mhaswad
 Tal :- Mann Dist:- Satara
 Registration No :- F/494 Date:- 27/3/97
BALANCE SHEET AS ON 31 MARCH 2013

FUNDS & LIABILITIES	Total	PROPERTY & ASSETS	Total
Trusts Funds or Corpus		Immovable Properties	
Balance as per last balance sheet		Balance as per last Balance sheet	
Opening Balance		Add : Addition during the year	
Addition during the year	29114679.31	Less : Depreciation	
Adjustment During the year		Land	4405459.00
Donation for Land		Furniture & dead Stock	1324373.04
		Computer	585613.10
		LCD Projected	32623.90
		Sewing Machine	114023.39
		Generator for Bus	9428.50
		Mini Bus & Mobile Bus	2155951.45
		Electric Dead Stock	501529.25
		Community Radio	753953.05
		Tanker	601269.00
		Vehicle: Car and Two-wheeler	803262.80
Other Earmarked Funds:		Building (WIP) (Vocational Training	
Depreciation Fund		Centre, Radio Tarang Vahini, Deveopment	17386041.00
Sinking Fund		Centre.)	
Reserve Fund		Investments/ Deposits	
Any Other Fund		Deposits for office	299240.00
Loans (Secured or Unsecured)		Loans (Secured or Unsecured)	
		Advances	
Liabilities		Income Outstanding	
Audit & Legal Fees Payable	175000.00	Govt Grant Receivable	6846444.00
Vat Payable	241.00	Other Income(Closing Stock)	3646948.00
Cattle Camp Liabilities Payable	19405792.00	Cash & Bank Balances	
		a) With Bank A / C	8783062.40
		Income & Expenditure A/c	
		Balance as per Last	181897.41
		Balance Sheet	
		Add: Current Year Deficit	264593.03
			446490.44
Total	48695712.31	Total	48695712.31

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For U. B. SALUNKHE & Co.
Chartered Accountants

(U. B. SALUNKHE)
 Proprietor



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