

ShantiMicrofinance



Microfinance Model: Project Gujarat Slums

Shanti Microfinance is a UK Charity that provides loans, technology and training to entrepreneurs in slums so that they can become bankable and have choices.

Located in Gujarat, the slums Vasana and Johapura provide an infrastructure for the poor to transform themselves, their families and their communities.

Loans are made to all entrepreneurs who have viable business models regardless of race, sex, and religion. Because loans are provided to groups of four, the community is encouraged to collaborate but also to compete and build viable businesses.

Productive Loans

The business loans we offer to the entrepreneurs are solely for their business development. The slums we choose to partner with already have good infrastructure including housing, subsidized electricity and water, co-operative banks and education for young entrepreneurs.

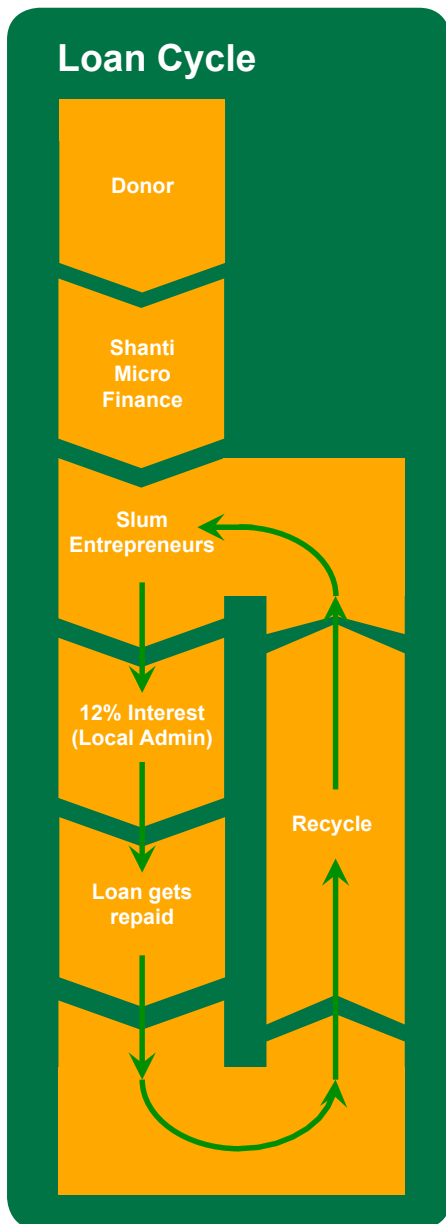
Loan amounts are Rps 7,000 + (GBP 100 +) that clients will repay over a period of six, twelve, or eighteen months at an average rate of 12%. Shanti does provide an opt in health program focussed on preventative care.

The 12% interest is used to pay field workers (local from the slums) to administer disbursements, collections and repayments. Once the group loans are repaid, the funds are recycled into the community or for follow on projects new loans.

Savings

Every loan recipient must save Rps 500 (GBP 7) in order to qualify for a loan. They will be provided with training on how to save and how to allocate their funds. The funds are kept in the local co-operative within the slum community.

Loan Cycle



Why Is Shanti Microfinance Different?

- We are not for profit - our clients receive 100% of donations
- Our 12% interest rate is far lower than the industry average and all funds gets ploughed back into employing local people to administer the scheme. Repaid loans get recycled back into further loans.
- We do not discriminate against men (Microfinance is generally focussed on women)
- Our team are entrepreneurs who have spent time in the slums and are known by the local community
- We promote a holistic approach – infrastructure, training, mentoring and health care planning
- We use a financial services software to monitor flows of funds so that we can provide real time reporting

How Can You Help?

We are looking to assist approx 2,000 entrepreneurs in 2010 by helping them to build new businesses or scale.

GBP 100,000 = 7,000,000 will help approx 1000 entrepreneurs

GBP 50,000 = 3,500,000 will help approx 500 entrepreneurs

GBP 25,000 = 1,750,000 will help approx 250 entrepreneurs

Estimated exchange rate at Rps 70 to GBP 1

We have raised GBP 10,000 from students, high net worth individuals, VCs, entrepreneurs and banks.

But we still need to raise **GBP 190,000** by the end of 2010

To see our most recent campaign go to:
www.justgiving.com/entrepreneurs

Participate in grass roots development and donate at:
www.shantimicrofinance.org

Sheetal M Mehta



Sheetal Mehta is the Founder of Shanti Microfinance and has a background in Technology, Capital and Social Entrepreneurship.

To see her bio and the rest of the team check out:
www.shantimicrofinance.org/the-team/



Client Businesses



Rehana Pathan

Rickshaw Rental
Age: 31
Av Loan: Rs 30,000
Tenor: 18 months



Abdul Aziz Sheikh

Rat Trap Production
Age: 43
Av Loan: Rs 10,000
Tenor: 15 months



Viriben Parwar

Dairy Milk Production
Age: 48
Av Loan: Rs 30,000
Tenor: 16 months



Moinudin Sheik

Fruit Stand
Age: 20
Av Loan: Rs 10,000
Tenor: 12 months