



RANG DE

SOCIAL RETURN ON INVESTMENTS

2013 - 15

Social Return on Investments

While some of Rang De's Social Impact Areas are easily quantifiable, others are best evaluated in terms of qualitative impact analysis. Rang De is using SROI Analysis for measuring the social value per investment it has created.

SROI Analysis

1. Establishing scope and identifying key stakeholders

A. Scope of the Analysis

Here is the Social Accounts for the time period from April 2013 to March 2015. Figures are as on 31st March 2015. All objectives with regard to Livelihoods, Education and have been covered. The MVOA framework has been developed after detailed discussions with the team from CSIM.

The Rang De Social Accounting Team framed questionnaires. All relevant data has been extracted from various systems internally. The team has primarily done report writing. All economic impact analysis has been attempted with the field partners, social investors and end-beneficiaries. For the next year's social accounts, we are trying to cover the indirect social impact like increase in the discretionary spending ability and Compounding of savings.

B. Identifying the stakeholders

Key Stakeholder at Rang De are

S.No.	Stakeholders	Reason for Inclusion
1	Rang De Operations Team	Responsible and accountable for delivering Rang De's mission
2	Field Partners	Identify underserved communities and service them with Rang De loans.
3	Social Investors	Provide finance and so affect the activity
4	Borrowers	Expected to gain the most benefits from the activity.
5	Volunteers/Chapter Members	They are socially active as a result of the activity and are motivated to bring social changes in the society
6	Corporate	Poor people are getting credit at low interest rate resulting in improvement in their living condition.

Other stakeholders such as Government and Financial Institutions have not been included while calculating the SROI primarily because their influence on Rang De's operations was negligible during the time period under consideration. They may be taken into consideration while calculating future SROI.

2. Mapping Outcomes (Impact Map)

Organization	Rang De			
Objectives	Leverage the internet and technology to alleviate poverty by providing access to low cost capital to underserved communities.			
Scope	Activity	Disbursal of 14,41,57,100 to 14120 Beneficiaries from FY 2013 to FY 2015 and reaching out to diverse underserved communities		
	Contract/Funding/Part of organisation	Donation & Grants from different sources, Investments from different Social Investors		
Stakeholders	Inputs	Value	Outputs	The Outcomes
Rang De Operations Team	Operation costs : Time & efforts (at wages)	3,52,00,000	Number of Social As well as corporate investments achieved and Number of borrowers provided with low cost credit	Availability of low credit capital to the borrowers resulting in the livelihood upliftment, education etc.
Field Partners	Time & efforts (Actual share of interest paid to the field partners)	61,18,180	Number of borrowers provided with low cost credit	Improvement in borrowers' lives can be seen in all areas of basic needs. (more and more number of needy people are getting credit at low cost and increased outreach is there)
Social Investors	Providing finance for microcredit, micro venture & education(at minimum Interest Rate), time & efforts	3,25,98,780	Number of Social Investments made in the Financial Year	Increase in availability of loans to borrowers thereby resulting in better livelihood opportunities, education opportunities to the children as well as good health care.
Borrowers	Time	0	-	Results in good education opportunities to the children as well as good health care, Financial Literacy, Improve livelihood conditions, Community Development
Volunteers/Chapter Members	Valuable Time & efforts	26,40,000	Number of campaigns/ workshops conducted	Increase in awareness of people getting engaged in social upliftment with minimum efforts

Corporate	Providing grants & Donations for microcredit, micro venture & education	0	Number of Corporate Social Funds received	Social Upliftment of the society
Total		₹ 7,65,56,959.53		

3. Evidencing outcomes and giving them a value

Time Period	FY 2013-15	Objective	Leverage the internet and technology to alleviate poverty by providing access to low cost capital to underserved communities.		
Type	Forecast	Act Purpose	Leverage the internet and technology to raise and provide low cost capital		
The Outcomes (what changes)					
Indicator	Source	No. of borrowers	Duration	Financial proxy	Value per borrower
Saved from the trap of Money Lenders and other MFI as a result of Financial Literacy and availing loans at a low cost of credit (both livelihood & education loans)	Off Map from evaluations in Field (Education)	836***	(April 2013 to August 2014)	Difference in Interest Rate charged by the Money Lenders and Rang De	₹ 6,474.67
	Off Map from evaluations in Field (Education)	103***	(September 2014 to March 2015)	Difference in Interest Rate charged by the Money Lenders and Rang De	₹ 2,866.81
	Off Map from evaluations in Field (livelihood)	9527	(April 2013 to August 2014)	Difference in Interest Rate charged by the Money Lenders and Rang De	₹ 1,699.43

	Off Map from evaluations in Field (livelihood)	3593	(September 2014 to March 2015)	Difference in Interest Rate charged by the Money Lenders and Rang De (September 2014 to March 2015)	₹ 1004.18
	Off Map from evaluations in Field (Vocational Loans)	40	(April 2013 to March 2015)	Difference in Interest Rate charged by the Money Lenders and Rang De	₹ 472.50
Economic Impact of the livelihood loan on the borrower	Off Map from evaluations by Impact partners in Field	13127**	2 Year	Increase in income per month	₹ 18,720.00
Increased livelihood generation in the Community by supporting Community owned Projects (Micro-venture)	Off Map from evaluations in Field	250*	3 Months	Income generated as a result of employment opportunity	₹ 11,250.00
	Off Map from evaluations in Field	362*	2 Year	Income generated as a result of employment opportunity	₹ 90,000.00

*This reflects the number of lives impacted rather than number of loans made. For eg. A single loan may have impacted 250 beneficiaries. (Total 12 microventure loans were disbursed)

** This reflects only the livelihood loans excluding 7 Field partner staff loans.

*** This excludes the 2 higher education loan made in the specific duration.

**** Total Number of loans made are 14,120. In the Impact Map, different outcomes represent different set of loans.

4. Establishing Impact

The Indicators	Deadweight	Attribution	Drop Off (%)	Impact
Saved from the trap of Money Lenders and other MFI as a result of Financial Literacy and availing loans at a low cost of credit (both livelihood & education loans)	5%	0%	0%	₹ 51,42,184.83
	5%	0%	0%	₹ 2,80,517.13
	5%	0%	0%	₹ 1,53,80,919.88
	5%	0%	0%	₹ 34,27,612.77
	5%	0%	0%	₹ 17,955.00
Economic Impact of the livelihood loan on the borrower	5%	0%	0%	₹ 23,34,50,568.00
Increased livelihood generation in the Community by supporting Community	5%	0%	0%	₹ 26,71,875.00
	0%	0%	0%	₹ 3,25,80,000.00
Total				₹ 29,29,51,632.61

5. Impact Map - A Summary

Stakeholders	Inputs	Value
Rang De Operations Team	Time & efforts (at wages)	3,52,00,000
Field Partners	Time & efforts	61,18,180
Social Investors	Providing finance for microcredit, micro venture & education(at minimum Interest Rate), time & efforts	3,25,98,780
Borrowers	Time	0
Volunteers/Chapter	Valuable Time & efforts	26,40,000
Corporate	Providing grants & Donations for microcredit, micro venture & education	0
Total Cost (A)		₹ 7,65,56,959.53

6. Calculating the SROI

Outcome Indicators	Year 1
Saved from the trap of Money Lenders and other MFI as a result of Financial Literacy and availing loans at a low cost of credit (both livelihood & education loans)	₹ 51,42,184.83
	₹ 2,80,517.13
	₹ 1,53,80,919.88
	₹ 34,27,612.77
	₹ 17,955.00
Economic Impact of the livelihood loan on the borrower	₹ 23,34,50,568.00
Increased livelihood generation in the Community by supporting Community owned Projects (Micro-venture)	₹ 26,71,875.00
	₹ 3,25,80,000.00
Total (B)	₹ 29,29,51,632.61
C. Net Benefit (B-A)	₹ 21,34,56,719.28
Social Return on investment (C/A)	2.83

We haven't used the discounted method, as forecasting the impact for coming 5 years was found to be challenging. Therefore, we have used Cost benefit analysis only for a year.

Reporting the SROI

An SROI ratio of **2.83 implies** that for approximately every 1 Rupee invested, 2.83 Rupees of social value is created each year in terms of Improvement in livelihood, reduced cost of credit, better education facilities, increase in savings etc.

Future SROI Analysis

In the next Social Accounts, we will like to capture the increase in livelihood income as will also try and assess the increase in the discretionary spending ability and compounding of savings as well.

We will also try and increase the sample survey size for carrying out the impact study so as to make the calculations more accurate. Also Rang De wants all its borrowers to not only progress in terms of their financial and social status but also to achieve sustainable livelihood.

Going forward, we would not only like to measure the SROI in terms of measuring savings and income enhancement but would also take into account the larger impact of sustainable livelihoods in communities.

Assumptions Taken For Cost and Benefit Calculation:

A. Cost Calculation

- Rang de Team salary along with all the operational cost is taken as the cost to the Rang De Team.**

Description	FY 2013-14	FY 2014-15
Salary Cost	43,00,000	55,00,000
Operational Cost*	1,02,00,000	1,52,00,000
Total	1,45,00,000	2,07,00,000

* Stationary, technology charges, rent, office expenses, admin cost etc..

- Field Partners Income calculated as cost.**

Impact Partner	Partner Income
Udyogini	3,000
Pragati	2,042.22
Samagra Gram Vikas Sanstha	4,58,003.7
Hope Foundation	23,867.5
Sambhav Social Service Organisation	895.9
Sripur Swami Vivekananda Welfare Society	5,63,954
SUPPORT	3,538.4
Prayas Jhabua	1,21,207.98

Jeevan Jyoti Kala Kendra	1,45,076.34
Nari & Sishu Kalyan Samittee	1,92,181.09
Dakshin Budhakhali Improvement Society	5,197.92
Centre for Development Orientation and Training	19,209.88
Socio Economic Development Programme	2,814.12
Darbar Sahitya Sansad	94,022.26
Social Action for Rural Community	80,243.38
Self Employment Voluntary Association	1,97,728.1
Parvati Swayamrojgar	1,30,407.5
BNGVN	1,96,032.86
Kalighat Society for Development Facilitation	97,477.35
Gram Bikash Kendra West bengal	7,24,370
Shakti Mahila Sangh	24,50,45.52
Safe Hands Vividoddesha Sahakari Sangha Niyamit	30,540
Sakhi Samudaya Kosh	47,937.5
Magic Wand Empowerment Pvt. Ltd.	400
Swami Vivekananda Youth Movement	1,37,353.02
VAMA : Bal-Mahila Vikas Samiti	15,703.14
Total Cost FY 2013-14	35,38,249.68

Organisation Name	Partner Income
Udyogini	750
Pragati	937
Samagra Gram Vikas Sanstha	4,85,032
Sripur Swami Vivekananda Welfare Society	53,970
Jeevan Jyoti Kala Kendra	43,009
Nari & Sishu Kalyan Samittee	1,48,910
Centre for Development Orientation and Training	3,334
Darbar Sahitya Sansad	1,33,100
Social Action for Rural Community	95,063
Self Employment Voluntary Association	3,01,966
Parvati Swayamrojgar	1,51,790
BNGVN	1,23,249
Kalighat Society for Development Facilitation	1,56,698
Gram Bikash Kendra West bengal	1,49,575
Shakti Mahila Sangh	2,89,576
Safe Hands Vividoddesha Sahakari Sangha Niyamit	22,905
Sakhi Samudaya Kosh	22,063

Swami Vivekanada Youth Movement	2,62,166
VAMA : Bal-Mahila Vikas Samiti	1,34,193
Pratigya Samanvit Vikas Sakh Sahakari Sanstha Maryadit	1,644
Total Cost FY 2014-15	25,79,930

3. Fresh Investment by Social Investors and the interest lost is taken as the cost

We have taken only fresh social investments (excluding reinvestments, autoinvestments etc.) disbursed during the Financial Year. As the time lag between disbursements and Fund Raised is approximately one month , we have taken the funds raised from March 2013 to Feb 2015.

Total Social Investment		
Month	Fresh Individual Social Investment	
	FY 2013-14	FY 2014-15
March	14,46,749	11,09,330
April	15,14,343	8,69,124
May	10,61,312	15,13,610
June	12,29,190	9,81,321
July	10,43,599	8,31,448
August	9,78,455	25,52,667
September	13,64,968	10,62,737
October	8,25,098	14,86,804
November	12,34,777	12,86,654
December	13,87,311	17,44,710
January	8,50,292	21,14,492
February	9,80,462	21,40,646
Total	1,39,16,556	1,76,93,543

*All figures are in Rupees

We have taken an interest differential between Rang De's interest rate and saving bank account's interest rate. We have assumed that even if the money is lying back in social investors saving account and they are not utilizing it, what will be the amount they are losing.

Interest Differential				
Month	Cumulative Social Investment	Rang De's Interest (3.67%)	Banks's Interest (4.5%)	Difference
FY 2013-14				
March	14,46,749	53095.69	65103.71	12008.02
April	29,61,092	99616.07	122145.05	22528.97
May	40,22,404	123018.52	150840.15	27821.63

June	52,51,594	144550.12	177241.30	32691.17
July	62,95,193	154022.39	188855.79	34833.40
August	72,73,648	155716.68	190933.26	35216.58
September	86,38,616	158518.60	194368.86	35850.26
October	94,63,714	144715.96	177444.64	32728.68
November	1,06,98,491	130878.21	160477.37	29599.16
December	1,20,85,802	110887.23	135965.27	25078.04
January	1,29,36,094	79125.77	97020.71	17894.93
February	1,39,16,556	42561.47	52187.09	9625.62
Total	13916556	1396706.72	1712583.17	315876.45
FY 2014-15				
March	11,09,330	40,712.41	49,919.85	9,207.44
April	19,78,454	66,558.49	81,611.23	15,052.74
May	34,92,064	1,06,798.96	1,30,952.40	24,153.44
June	44,73,385	1,23,129.92	1,50,976.74	27,846.82
July	53,04,833	1,29,791.58	1,59,144.99	29,353.41
August	78,57,500	1,68,215.98	2,06,259.38	38,043.40
September	89,20,237	1,63,686.35	2,00,705.33	37,018.98
October	1,04,07,041	1,59,141.00	1,95,132.02	35,991.02
November	1,16,93,695	1,43,052.87	1,75,405.43	32,352.56
December	1,34,38,405	1,23,297.37	1,51,182.06	27,884.69
January	1,55,52,897	95,131.89	1,16,646.73	21,514.84
February	1,76,93,543	54,112.75	66,350.79	12,238.03
Total	17693543	1373629.56	1684286.93	310657.37

*All figures are in Rupees

	FY 2013-14	FY 2014-15
Donations made to Rang De*	1,78,289	1,98,815

* All figures are in INR

4. Cost for the Volunteers/ Chapter Members is calculated as:

A. FY 2013-14

Details of Active Chapter members	
UK Chapter	6
Dubai	2
Mumbai	1
Total	9

- Volunteers give approximately 2 hours per week (Inclusive of events) so on an average they contribute 96 hours per year (2*4*12)
- Through interaction with different volunteers we got to know that approximately there monthly salary is around 70,000
- So we computed the cost of their time as (2,52,000 Rs):

Parameters	Calculation
Per Day Salary	2333
Per Hour salary	292
Salary for 96 hours	28000
For all the volunteers (9 in total)	2,52,000

*All figures are in Rupees

B. FY 2014-15

Details of Active Chapter members	
UK Chapter	11
Dubai	2
Mumbai	1
Singapore	4
Bangalore	3
Total	21

- Volunteers give approximately 2 hours per week (Inclusive of events) so on an average they contribute 96 hours per year (2*4*12)
- Through interaction with different volunteers we got to know that approximately there monthly salary is around 70,000
- So we computed the cost of their time as (5,88,000 Rs):

Parameters	Calculation
Per Day Salary	2,333
Per Hour salary	292

Salary for 96 hours	28,000
For all the volunteers (21 in total)	5,88,000

C. Full Time Volunteers

One of the Volunteers works full time for Rang De. According to her skill, expertise and vast experience in the domain, we are assuming that her salary can be atleast 75,000 Per Month

Parameters	Calculation
Cost she is bearing yearly	9,00,000
For two years	18,00,000

5. Cost for Corporates is taken as nil since it is CSR.

B. Benefit Calculation

1. Saving as a result of Low Cost Credit

- A. Amount a borrower is saving as a result of educational loans from Rang De is calculated by comparing the interest amount payable for a Rang De with other Money lenders for two different duration (before and after interest rate change in August 2014). Since **MFIs typically do not provide loans for education purposes**, for benefit analysis comparison has been done only with the loans provided by money lenders:

April 2013 to August 2014

APR taken by most of the Money lenders	60 %
APR taken by Rang De	9.02 %
Average Loan Amount is Rs.8965	
So, saving as a result (for borrower will be)	
Interest for other lender	5379
Interest for Rang De	809
Saving	4570
Saving Per Month	381
Saving for 17 Months	6475

*Note: Source for 60% APR being charged by Money Lenders is an informal conversation between one of our auditor and an education loan borrower during the social accounting period

September 2014 to March 2015

APR taken by most of the Money lenders	60 %
APR taken by Rang De	11.79 %
Average Loan Amount is Rs.10,194	

So, saving as a result (for borrower will be)	
Interest for other lender	6116
Interest for Rang De	1202
Saving per year	4915
Saving Per Month	410
Saving for 7 Months	2867

B. Amount of Savings a borrower is making as a result of low cost livelihood loans from Rang De is calculated by comparing the Interest amount of Rang De with other MFIs:

April 2013 to August 2014

APR taken by most of the MFIs	28
APR taken by Rang De	15.33
Average Loan Amount is Rs.11,312	
So, saving as a result (for borrower will be)	
Interest for other lender	2651
Interest for Rang De	1451
Saving per year	1200
Saving Per Month	100
Saving for 17 Months	1699

*Note: Source for 60% APR being charged by Money Lenders is an informal conversation between one of our auditor and an education loan borrower during the social accounting period

September 2014 to March 2015

APR taken by most most of the MFIs	28 %
APR taken by Rang De	17.97 %
Average Loan Amount is Rs.17,163	
So, saving as a result (for borrower will be)	
Interest for other lender	4806
Interest for Rang De	3084
Saving per year	1721
Saving Per Month	143
Saving for 7 Months	1004

C. Amount of Savings a borrower is making as a result of low cost Vocational Training loans from Rang De is calculated by comparing the Interest amount of Rang De with other MFIs:

APR taken by most most of the MFIs	28 %
APR taken by Rang De	9.1 %

Average Loan Amount is Rs.2,500	
So, saving as a result (for borrower will be)	
Interest for other lender	700
Interest for Rang De	228
Saving per year	473
Saving Per Month	39

2. Economic Impact of the livelihood loan on the borrower

As per the data gathered, as a result of low cost credit, the income of the beneficiaries has increased to Rs 780 per month

Increase in income for a month	780
Increase in income for two years by a beneficiary	18720

The data (Rs. 780) has been inferred from a survey conducted with a sample of 50 borrowers belonging to 4 different states : Orissa, West Bengal, Madhya Pradesh and Manipur.

3. Increased livelihood generation in the Community by supporting Community owned Projects (Micro-venture)

Taking into consideration the minimum wages paid per day is Rs.150, we have assumed that by providing employment for a certain duration, Rang De has empowered the beneficiaries to earn atleast Rs.150 per day.

Due to employment generation, every single beneficiary is able to earn approximately 150 Rs per day

Income per month *	3750
Income in two years per beneficiary	90,000

For 250 individuals associated with Rangсутра, we have generated 3 months (Project duration was of 3 months) of employment:

Per day income	150
Per month Income *	3750
Income for three months per beneficiary	11250

* A month has been assumed to have 25 working days