



MD's Desk



Dear Friends,

I am pleased to re-launch our quarterly newsletter Village Barta. Here you will find articles on different topics related to the microfinance industry, financial inclusion and our collective dream of inclusive growth in India. We will also inform you about our plans and programmes for successive quarters through Village Barta.

This quarterly supplement will publish news and stories on VFS and interesting Q & A pertaining to our organisation and the microfinance industry as well.

With our valued partners, associates and a long list of well-wishers of VFS we hope this newsletter will serve as one of the ways to be connected with each other and to find many opportunities to exchange our thoughts. We are working hard with a vision to enter 20 states by 2020. We are open to collaborate with appropriate organisations to take our philanthropic initiatives in other parts of the country.

There is plenty to look forward to make this initiative more meaningful for everybody concerned. I solicit your valuable feedback to enrich this endeavour. Stay tuned to Village Barta.

Happy reading!

Dr. Kuldeep Maity

Village Karyakram



"Best Enterprise" Award by Europe Business Assembly.



Bankers and Stakeholders Meet, 2016.



'Green Initiative' by VFS.



Uttarakhand Branch Opening Ceremony.



International Women's Day Celebration.



Outstanding achiever's Award to Dr. Kuldeep Maity from Global Achiever's Foundation.



Credit Support for livelihood development.



Customers Meet, 2016.



Women Empowerment – Need of the Hour

The world has started recognising the power of Indian economy and its market. India emerges as the fastest growing economy in 2016. I strongly believe this century is India's century and Integration of women in India's economy holds the key.

We are celebrating the 70th year of independence and still Women are under-represented in India's economy. According to McKinsey Global Institute report, women in India are just 24% of the workforce, compared with 40% globally. Increased women participation in the workforce can add \$700 billion to India's GDP by 2025. We must engage our women workforce to a greater extent to get a more vibrant economy. When women play more participatory role in every sphere of life, the society gets benefitted both at micro and macro level.

Mr. Kofi Annan very truly said 'There is no tool for development more effective than the empowerment of women.'

Though our constitution and judiciary system treat both men and women equally, our society doesn't. Violence against women and gender discrimination at different layers of our lives are very much present. This patriarchal mind-set is deep rooted in our society. It needs a continuous effort to fight against this mind-set. Whenever we set the girls free instead of clipping their wings, they have made us proud. Every day we should remind ourselves that the two girls got us medals from the Olympic when the boy's brigade failed miserably. Most of the leading banks and financial institutions in India are being led by women executives. We have a long list of women achievers but that does not mean, we as a society, are nurturing women talent from grass roots level.

Long back Swami Vivekananda had said, "There is no chance for the welfare of the world unless the condition of women is improved."

The struggle is still on. Women Empowerment means setting free women from the vicious grips of social, economic, political, caste and gender-based discrimination and give her equal rights in the society and workplace. In simpler words it can be understood that giving power to women to make decisions of their own lives would develop their confidence and increase their inner strength and self-reliance. Thus they will find their rightful place in the society.

According to United Nation's Human Development Index India stand 135 among 147 nations on women empowerment.

This is really disappointing. Starting from girl child protection to minimising girl students drop outs, providing vocational

training to them in rural areas to make them employable, encouraging them for higher education, a concerted effort is needed by the government and the corporate India. Education is the most important and indispensable tool for women empowerment. Education will empower women with the knowledge and skill and give them confidence to be economically self-sufficient. Educated women understand that there is more to life than an early marriage.

Economic freedom plays a very important role in empowering women. The rapid pace of economic development has increased the demand for educated female workforce almost in every field. Sustainable income provides economic power in the hands of women for which they were earlier totally dependent on males. Women can only participate in decision-making only when they are financially independent.

Gender discrimination in all levels should be handled by implementing strong legislation. Women should be given due respect and status which they rightfully deserve in society. Women empowerment also demands a safe working environment. More women workforce is likely to join the main stream only when there is an assurance of safe environment at workplaces.

Women of 21st Century have made strides in every field like politics, space exploration, Police and Defence force which were previously reserved for males. Still there is a gap which has to be filled by women themselves.

We still have a long way to go to achieve the goals of women empowerment. Despite distinct social development and technological advancement, women in villages still continue to be victims of exploitation, superstition, illiteracy and social abuse.

Women also have to empower themselves and need to realize that opportunities will not land in their hands. They will have to grab the opportunities which they come across. Women must empower themselves by changing their attitude. I hope this will bring freedom to women from being at the bottom of every single development indicator.

As Pandit Jawaharlal Nehru had rightly said "when women move forward the family moves, the villages move and the nation moves"

I strongly believe, if every Indian realises that the woman empowerment is the most important instrument for social change and come forward to facilitate women empowerment then nothing can stop us from being the economic super power in the world.

Authored by Dr. Kuldeep Maity, MD & CEO, Village Financial Services Pvt. Ltd.



Village Bartalaap

Excerpts of an interview of Mr. Kuldip Maity published in a National Daily.

Women entrepreneurship may not have picked up as fast as it should have, but at the bottom of the pyramid, it's different. Going by your experience, what do you think of it?

There are a number of industries where women are playing a major role. For instance, in agro-based and home-based industries. At the “bottom of the pyramid,” women entrepreneurs do play a significant role. But, by and large, they confine themselves to petty business and tiny cottage industries.



In states like Mizoram, Orissa, Karnataka, Goa, Lakshadweep, Kerala, Tamil Nadu and Pondicherry, the share of employed women is significantly higher (more than 20 per cent). Women entrepreneurs make attempts to analyse the dominating entrepreneurial traits, the motivational forces and performance, both quantitatively as well as qualitatively.

There are more reasons than one why women at the bottom of the pyramid start their own business.

Interestingly, while some of them are driven by positive factors, some others are forced to jump in because of negative circumstances such as low family income, lack of employment opportunities, dissatisfaction with the current job or the need for flexible work. Another interesting fact is that women entrepreneurs at the bottom of the pyramid are more involved in what they do than their counterparts at a higher level.

Shouldn't the microfinance model be replicated in some form or the other by banks to promote women entrepreneurship?

Certainly yes. Replicating this model would be of great help to society. Many women entrepreneurs are driven by a desire to do good work. They translate their dreams into reality and prove their detractors wrong, rather than just make money.

I strongly believe that a microfinance institution can give them loans up to a certain amount. If banks too come and work with us we can definitely reach our goal and succeed in our mission.

Should MFIs be allowed to offer bigger/larger loans to help aspiring women entrepreneurs?

MFIs are specialised in small ticket size loans. But in some cases, they may be allowed to provide loans up to Rs 5 lakh to women entrepreneurs, who have long track record with the MFI.

What do you think are the reasons why women are still not joining the startup bandwagon in large numbers?

Things have changed dramatically over the years. Nowadays, the ideas are also changing dramatically. A large section of women is interested in living on their own. They are also trying to do something to create and establish their own identity.

We should promote the concept of “go together, grow together.”

What more needs to be done?

I would suggest the following:

1. Creation of equity fund by the government to support the capital requirement for women enterprises.
2. Special tax benefits for initial five years of business.
3. Special rate of interest for loans offered to women entrepreneurs.



Village Gatha

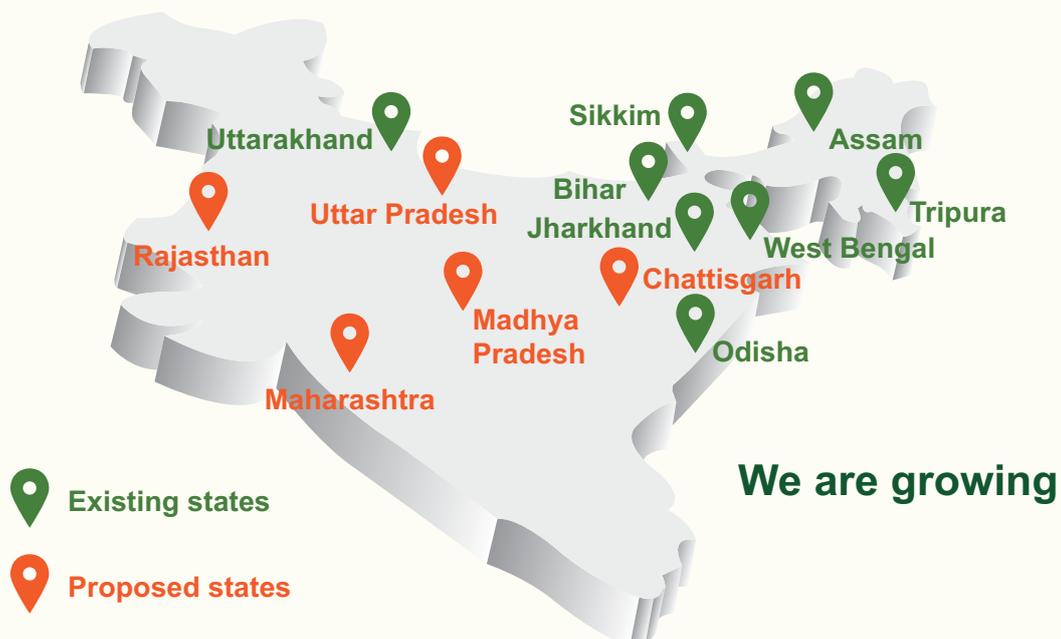
Kanika Halder, a housewife, couldn't even think of going out for work in her early life. She was confined to household work and had to make the best out of a meager income of her ailing husband. Her everyday struggle was to meet the both ends with her three children, husband and father-in-law. But unfortunately, her husband died of cancer and they were put to the brink of starvation.

Her neighbors introduced her to VFS at the Tapan branch of Dakshin Dinajpur. She took a loan of Rs. 8000/- in 2011 and started selling fish in the local market. Initially the earning was not enough but her business grew gradually to many folds. She has taken multiple cycles of loans from VFS and remains our customer. Kanika repaired her house and also got her two daughters married. Her youngest daughter is now studying in the university. Kanika expresses her thanks in her own words, *"Today I can bear all expenses of my family with my income. I am thankful to VFS for giving me the support to get back the hope. I find VFS at my door whenever I need their support."*



Village Avagata

VFS is currently working in West Bengal, Bihar, Odisha, Assam, Jharkhand, Tripura, Uttarakhand, Sikkim and plans to enter five more states - Uttar Pradesh, Madhya Pradesh, Chattisgarh, Rajasthan & Maharashtra by the end of FY16-17. It currently operates through 185 branches in eight States with a customer base of more than 2 lakhs.



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