



Dear All,

A warm welcome to you all at the arena of Village Barta. As you all know, to emphasize the importance of financial literacy, Reserve Bank of India has been decided to observe the week 5th -9th June, 2017 as Financial Literacy Week across the country.

The need for financial literacy and its importance for financial inclusion have been widely recognized. Based on various research studies on financial literacy initiatives, financial services' needs of a poor household at various stages of its life cycle.

Being a Microfinance Institution, we play three key roles in development.

- We help very poor households to meet basic needs,
- We work on the improvement in household economic welfare,
- We help to empower women by supporting women's economic participation and also promote gender equality.

We create access to productive capital for the women and underprivileged households, which together with human capital, addressed through education and training, and social capital, achieved through local organization building, enabling people to move out of poverty throughout our operational areas wherever we are working. By providing material capital to a woman, their sense of dignity is strengthened and this can help them to empower to participate in the economy and society.

As we all know poverty levels are well documented in India, and it is estimated that the country is home to at least one-third of the world's poor. Furthermore, up to 87% of the poorest households in India do not have access to formal credit, and there are potentially 250 million to 380 million people in need of microfinance services in India. The urban poverty of the country is extreme, but it is actually the country's rural poor who are the most isolated from financial services that could enable them to work their way out of poverty.

The need for financial literacy and its importance for financial inclusion have been acknowledged by all bankers, researchers and academics – across the globe. We being a microfinance practitioner various financial literacy programs we have been implemented and conducted. VFS is also helping individuals by providing various literacy campaigns to become self-sufficient so that they can achieve financial stability in extreme rural areas. This skill can help women to develop a financial road map to identify what she earns, what she spends and what she owes.

With Best Regards

Dr. Kuldip Maity

To emphasize the importance of financial literacy, RBI has observed the week June 5-9, 2017 as Financial Literacy Week across the country which has focused on four broad themes, viz. KYC, Exercising Credit Discipline, Grievance Redressal and Going Digital.

During this week, the RBI has advised banks to conduct select activities that include, conducting special camps by Financial Literacy Centre; displaying posters on these four themes in the local language by all bank branches in a prominent place inside the branch premises; display of these messages on the respective websites of banks; conducting financial literacy camp by rural bank branches; and hosting an online quiz for the general public on the four broad themes to generate interest/awareness about financial literacy.

On this occasion, RBI has organized an event at Kolkata. The event was graced by the presence of Ms. Rekha G Warior, regional director, RBI, West Bengal and Sikkim. Dr. Kuldip Maity, MD & CEO Village Financial Services, was present as a guest speaker among other dignitaries.

RBI observed Financial Literacy week 2017



Digitize to Delight

Technology is our best friend when it comes to turning green. We are a tree-hugger. So we believe that digitizing all our documents should be at the top of our list of tasks. Keeping this in mind VFS got associated with a technology provider for the development of Mobile App, software and MIS for microfinance operations. Mobile app is introduced to capture information at the field level and send the data to central server for Management. With the primary product BIJLI, (Business Information Justified & Logically Integrated) the technology provider ventured into the Microfinance module with its unique features:

Branch Module – To capture data at field level

Head office Module – To integrate all branches and generate consolidated report



Stories to Inspire



Bhaskar Kanti Ghosh

VFS always strives to create an environment where employees feel valued and empowered. Here is a story of one of our well-regarded team man Bhaskar Kanti Ghosh who has taken challenges as opportunities and has become a star performer.

Bhaskar is from Chapra village, Krishnagar, Nadia. His father is into stock market business and also provides tuition classes. Bhaskar started his professional life as a Marketing Manager but he was never satisfied as he really wanted to do something meaningful in life. He joined the Barajaguli Branch of VFSPL on 1st February, 2007 as Credit Executive. His hard work and dedication took him to a speedy growth path. A very delighted Bhaskar says, “I was given the responsibility to make Barajaguli a ‘default free’ branch. On fulfilling the target, I was given a bigger responsibility as Branch Manager in 2008. With the help of the branch employees, we were able to take Barajaguli Branch to Rs.5 cr. outstanding”. He was promoted to Area Development Manager for Siliguri area and later Coochbihar and Bihar. He had supported his younger brother and sister in pursuing their higher studies in Kolkata. He had borne the cost of their education. His brother is currently working as a branch manager in Panjipara branch of VFS. His sincerity and dedication gave him financial security. Bhaskar now leads a happy life with his family at his newly bought apartment at Barasat.

In his own word, “I always wanted to work for the poor and to help fulfill their dreams and it was with this desire that I joined VFSPL”. I am thankful to VFSPL for standing by the needy people and playing a vital role in shaping their future.”

Financial year highlights

We are thrilled to close the last financial year by registering revenues of Rs. 460crore for Village Financial Services Private Limited (VFS). It has been a remarkable journey, starting off as a bootstrapped venture with a small personal investment and now reaching this major milestone. By keeping our costs low and focusing on the organizational policies VFS is today one of the most successful microfinance company in the country. By 2020 VFS aims to reach every corner of the country and be present in more than 20 states. With a strong focus on the customer benefits, VFS has now established its aim of clocking revenue growth of Rs.500 crore by the end of coming financial year and we are very sure that we will be able to accomplish this milestone we have set for ourselves.



GST vis-à-vis MSME

The GST tax reform can be a major landmark in India's taxation policy since independence with the aim to streamline India's fragmented tax system with a single levy. The passing of the GST bill will provide a huge fillip to the small and medium enterprises. The start-ups and SMEs have more reason to rejoice as this GST structure will provide higher exemptions to new business, businesses with turnover between Rs 10 and 50 lakh will be taxed at lower rates. GST and lower tax rates as announced in the Budget for MSMEs may further incentivize business through formal channels. GST not only impacts the credit appraisal systems at NBFCs, it could also lead to new competition from banks.

The Goods and Services Tax (GST) Council recently decided to reduce tax rates on 66 items and the objectives behind these moves is to maintain revenue neutrality, and to ease the burden on SMEs and small businesses in trading, manufacturing, and the restaurant business because they are mass job creators. This means that a significant number of SME sector players should benefit for having a less financial burden, on account of GST. In a falling interest rate environment, the NBFC tend to do better and NBFC, which is focused on smaller ticket size loans rather than large ticket size loans, tend to do far better.



Training to Farmers Digitizing Agriculture Value Chains

Sustainable agriculture is the production of food, fiber, or other plant or animal products without relying on toxic chemical pesticides, synthetic fertilizers etc. that degrade our natural resources.

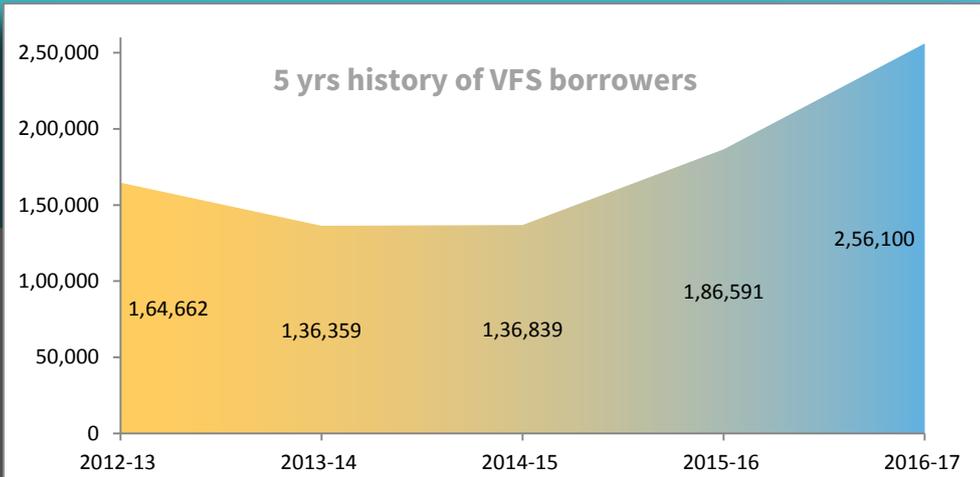
VWS, a group concern of VFS has taken an initiative by educating farmers about the benefits of sustainable agriculture with Farmer Digitization which can facilitate linkages to Banks, Insurance Companies etc. They

Provided awareness on organic farming to 1250 farmers, provided input support on bio fertilizers, and bio pesticides to 435 farmers and organized Save Soil Campaign (a complete package of practices on organic farming) for 230 farmers covering various Districts of West Bengal like Howrah, Hooghly, Burdwan, South 24 Pgs, Jalpaiguri, Haldibari etc. and parts of Assam.



Stories to Inspire

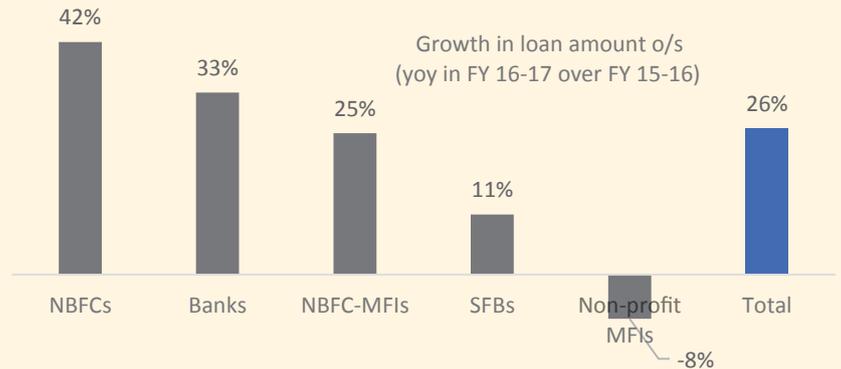
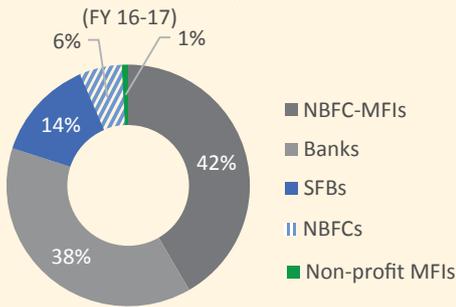
Village Financial Services believes that women have a unique position in every society. Real development cannot take place if it bypasses women. VFS is a major role player in empowering employment among rural women. One such women is Mamoni Mondal of Charchandanbati village, Kalyanl. Her husband is a daily labour, who could not fulfill the basic needs of the family including his son and aging parents. He was not being able to give his son primary education. Also, he was unable to give proper medicine for his aging parents. Mamoni was determined to build a future for herself and her son. Also she wanted to support her husband in running the family smoothly. In 2010 she happened to meet a representative from VFS, which was a God gifted opportunity for her. Mamoni joined a JLG of VFS and took a loan of Rs. 5000/- from VFS and started making panipuri at home. They used to sell them in the local area. Gradually, she was able to grow her business of making panipuri. She took multiple loans from VFS. Now her outstanding loan is Rs. 25000/-. Now she has replaced her small hut with a building, her son is going to school. Mamoni started with nothing, and was constantly pushed back by society. But she never gave up, and now, her son has a good life.



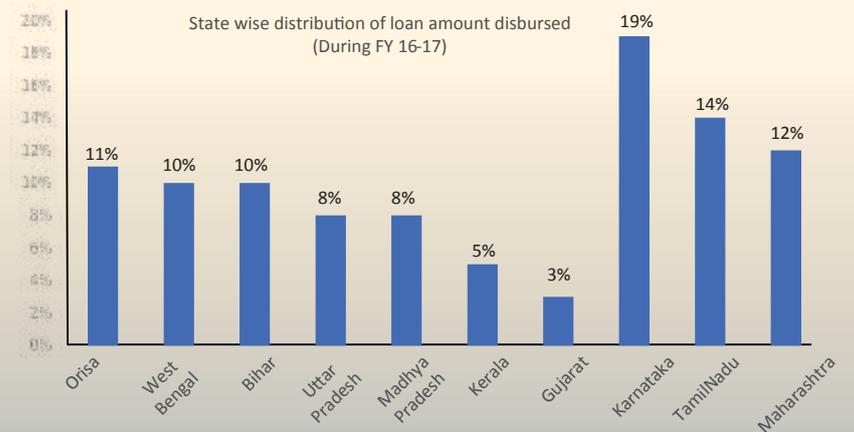
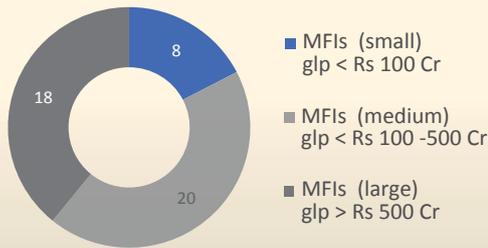
She is living with a power of a mother's love and a woman's strength. This has created a new future not just for her son, it has empowered her to help other women like herself.

"The knowledge I gained from the training from VFS has entered my bones, not just my head," Mamoni said.

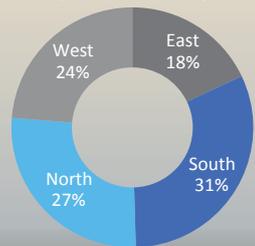
Share of various lenders in loan amount outstanding (FY 16-17)



Distribution of MFIs (as of 31st Mar 2017)



Regional distribution of glp (31st Mar 2017)



Source : MFIN

Village Karyakram



Sanitation project by VWS



Drinking water project by VWS



Borrower - running a cloth shop



Borrower - running a sweet shop



Borrower - cultivating fish



Borrower - making bamboo basket



Borrower - making fancy bags



Borrower - processing Haldi

About Us:

Village Financial Services Pvt. Ltd. is a microfinance company, registered as an NBFC under Reserve Bank of India, under section 45 IA. Village Financial Services(VFS) started its Microfinance activity in the financial year 2005-2006 with its head office based in Kolkata (West Bengal). Since then, VFS has grown to touch the lives of the underprivileged and backward sections of our society by providing them credit for income generating activities. This has helped them to become economically self-sufficient, has sensitized women about empowerment issues and brought about a qualitative change in them, their families, their standard of living and their own status in the society.