

VAMA'S MICRO-FINANCE

**A TOOL OF CHANGE IN
WOMEN LIFE**



Training Activities in Photos



Bal-Mahila Vikas Samiti



Group Management Training Workshop



Financial Literacy Program June 1st to Nov. 30th 2008



VAMA'S MICRO-FINANCE

**A TOOL OF CHANGE IN
WOMEN LIFE**



Bal-Mahila Vikas Samiti

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A Tool of Change in Women Life

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From Executive Secretary Desk



Bal-Mahila Vikas Samiti



If efforts could bring about 'Change' on a large scale, we have initiated efforts to begin a chain to enforce a change. This 'Change' would in turn transform the lives of millions to create a new beginning. The new beginning would witness growth, development and upliftment of many in all areas of life.

VAMA continues to be committed towards the goal of social change which has begun with the Micro-Finance initiative. According to an old saying, "Growth means change and change involves risk, stepping from the known to the unknown". VAMA is slowly but steadily making a change by taking greater risks with its initiative. The organization's endeavor to realize the growth of the Gwalior-Chambal region seeks more support and concerted effort. I thereby accept all forms of risks on behalf of the organization for the cause of the people and call upon all beings interested in growth and development to join us in our vision to create a truly empowered society.

Our Micro-Finance initiative would enable the rural and urban poor to access micro-credit for enterprise based activity. This would lead to poverty alleviation on a wider scale focusing on self-employment and mutual benefit among the community. In this regard, VAMA is also leading women folk towards a better and empowered future through its MF initiatives.

Wishing an empowered future for All,

**Indra Bhushan Verma
VAMA, Gwalior**



VAMA : Two Decades in Social Engineering

The years of social work and awareness campaigns in the work area generated the much needed conditions for the Micro-finance initiative.

Social change is a form of change necessitating multi-dimensional approach and effort. This necessarily cannot be only affected through expression of thoughts, speeches, demonstrations and effective planning. It requires uncompromising commitment and concerted effort and hard-work towards your goal. Circumstances are never conducive at any level wherein the courage of an Individual or an organization to stand up with such uncompromising commitment and hard-work makes things possible. This fact is more befitting for Non-Governmental Organizations (NGOs). NGOs successful in achieving such standards are illuminating the hundreds of lives in small villages, towns, sections and communities seriously affected by Poverty, Unemployment, Superstitions, Exploitation and Injustice. Such concerted efforts are bearing fruits and slowly and steadily the society is witnessing the 'change'. This is how 'Change' is affected. It is not an overnight phenomenon. An organization, spreading such rays of hope among the people of Gwalior and Chambal region, is VAMA (Bal-Mahila Vikas Samiti).

Registered under the Madhya Pradesh Registration Act-1973 in the year 1988, VAMA aims at establishing an egalitarian



society based on rights so that the poor, marginalized and deprived have equal participation in all spheres. It is actively engaged towards achieving this mission for the last two decades. It is obvious that the path was not easy as any success attained by VAMA at any level is direct result of hardcore effort. Again only hard-work doesn't form the core of success. It requires planned and organized effort in a scientific way so that the impediments, adverse situations and failures do not divert the organization from its mission. VAMA also believes in such concerted effort and hard-work. This has been the motivating factor behind the organization's work in the development blocks of Gwalior, Chambal and Bundelkhand region overshadowed with a

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geographical remote outreach and core backwardness. The organization is spreading rays of hope among the women folk of remote rural areas and poverty stricken zones of the cities in the work area.

Even registered under the Foreign Contribution Regulation Act (FCRA) and 12A & 80G of Income Tax Act, 1961, VAMA is preparing the deprived and backward people of various communities in its work area to help each other in their needs. The organization is bringing them

together through the formation of Self Help Groups. It is carrying out capacity building of the villagers through community based training programmes and information dissemination. It is also facilitating the formation and strengthening of the community organizations while establishing

functional linkages & networking among these. The organization is laying greater stress on the immediate fulfillment of livelihood necessities of the community through participation. Being constantly engaged in raising awareness about land and women rights, VAMA is also helping emancipate deprived women from exploitation.

Associative Organizations

VAMA is also associated with various Associative Organizations like VANI (Voluntary Action Network of India, New Delhi); AFPRO (Action for Food Production, Gwalior); AVARD (Association for Voluntary Agencies for Rural Development, New Delhi); MPVHA (Madhya Pradesh Voluntary Health Association, Indore); PRIYA (Participatory

Research in Asia, New Delhi); SAMARTHAN (Centre for Development Support, Bhopal); AADHARSHILA (Advocacy Centre, Bhopal); PAIRVI (Public Advocacy Initiatives for Rights & Values in India, New Delhi); SPS (Samaj Pragati Sahyog), Bagli, Devas; CRATIBILITY ALLIANCE, New Delhi; SADHAN, New Delhi; SP Jain Institute of Management & Research Mumbai; Punjab National Bank, Gwalior and Corporation Bank, Gwalior in its various initiatives.

V A M A along with the associative organizations have been successful in many initiatives like creation of linkage groups which at present numbers 1407 covering about 119 villages and urban slums of Gwalior district. The organization has disbursed loans worth 4,47,13,100



to 5778 members till March 2009. The figure disbursed, in the form of Micro-finance, is enormous considering the backward region with limited scope of livelihood creation. The organization with its sustained efforts in the last two decades has been able to generate various means of livelihood through goat rearing, cattle farming and introducing new procedures of farming for increased productivity. It was instrumental in the regularization of 11 primary schools and making safe drinking water and sanitation facilities available for 512 families in 10 villages. Apart from these, efforts were made towards training women folk on resource generation, financial literacy and promoting ecologically sustainable farming system.

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Support Agencies and Corporate

VAMA is supported by NCSTC (DST) New Delhi, EPCO Bhopal, SAMARTHAN Bhopal, CAPART New Delhi, IGSSS New Delhi, FORRAD New Delhi, NABARD Bhopal, CIDA (Canadian High Commission) New Delhi, Butterfly & UNICEF New Delhi, National Education Group (NEG) New Delhi, CEOEDECON Chaksu Jaipur, CARITAS New Delhi, CASA Bhopal, PUNJ LLOYD Pvt. Ltd Banmore Gwalior, Delhi School of Social Work New Delhi, Indore school of Social Work (ISSW) Indore, Indian Institute of Information Technology & Management (Deemed University) Gwalior, MPSACS (Madhya Pradesh State AIDS Control Society) Bhopal, Access Development Bhopal, DFID (Department Alternatives), New Delhi, State Bank of India Gwalior & Bhopal, ICICI Bank Mumbai, FWWB (Friends of Women's World Banking India) Ahmedabad, SIDBI Bhopal.

An Inspiring Executive Secretary

Turning a mission into reality, Mr. Indra Bhushan Verma, founder member and Executive Secretary of VAMA, formed the organization with the aim to alleviate the standard of living of the people in the work area. Assisting him in his endeavor are 11 members of his Executive Board. They include Dr. Uma Kikan as Chairman, Aditya Saxena as Vice-Chairman, Awadhsh Namdeo as Treasurer, Shobha Suryavansi as Joint Secretary, Abhishek Gautam as member of the Board, Rahul Awade as member of the Board, Shanker Kukreja as member of the Board, Arun Tyagi as member of the Board, Mithlesh as member of the Board and Laxmi Tomar as member of the Board.

Apart from being a visionary himself, Verma is a social worker and activist on various issues. His writings published in various leading publications of India reflect his high profile education that has a Diploma in Journalism with Fellow of MIND (Management in Development) from Bilance,

VAMA has made a mark for itself in various fields like Micro-Finance, Sanitation, Natural Resource Management, Rural Education, Mother & Child Health Issues, Women Empowerment, Awareness towards violence against women, Female Feticide and promoting ecologically sustainable farming. Counting on the milestones, in the field of Micro-Finance, VAMA has formed 1407 linkage groups covering about 119 villages and urban slums of Gwalior district.

Netherland. Apart from his writings, he has been closely associated with various studies on Panchayati Raj Institutions, Mines Worker, Child Labour, Girl Child Infanticide, Chambal Ravines, Participatory Irrigation Act etc. His association with renowned voluntary organizations in various designated capacities speaks volumes about his visionary personality. His development inspiring thoughts and perspectives continues to inspire the organization towards new avenues of growth and development. In his own words, Verma conveys, "People are seriously hurt, there bodies have turned into carcass owing to pain. How can I do enough to make their life meaningful?" Speaking about his organization, Verma said, "We have 265 volunteers, 69 full-time employees and 8 consultants who are working for VAMA round the year towards the main goal of organization".

Milestones Achieved

With help from its support agencies and

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associative organizations, VAMA has made a mark for itself in various fields like Micro-Finance, Sanitation, Natural Resource Management, Rural Education, Mother & Child Health Issues, Women Empowerment, Awareness towards violence against women, Female Feticide and promoting ecologically sustainable farming.

Counting on the milestones, in the field of Micro-Finance, VAMA has formed 1407 linkage groups covering about 119 villages and urban slums of Gwalior district. It has disbursed loans amounting to Rs. 4,47,13,100 to 5778 members of these groups till March 2009. It has made arrangements for safe drinking water and sanitation facilities among 512 families of 10 villages. It succeeded in the regularization of 11 primary schools while gaining valuable experience on various trainings like the issues of women empowerment, training of Asha's, Panchayati Raj Issues, National Rural Employment Guarantee Scheme, financial issues etc. Apart from these it has focused on violence on Women, Female Feticide, Sex Determination and promoting Sustainable Environment and Ecological Management. VAMA is successfully operating ANM Nursing School in Datia district providing Nurse training to girl

Within a short span of less than 3 years (Micro-finance work started in July 2006), the organization's ability to disburse such huge amount of loan speaks volumes about its necessary preparations in the former years. The amount of financial awareness created, convincing of the semi-literate or illiterate villagers especially women to take loans and above all creating livelihood means for the successful recovery of the loans.

students.

Within a short span of Less than 3 years (Micro-finance work started in July 2006), the organization's ability to disburse such huge amount of loan speaks volumes about its necessary preparations in the former years. The amount of financial awareness created, convincing of the semi-literate or illiterate villagers especially women to take loans and above all creating livelihood means for the successful recovery of the loans. The years of social work and awareness campaigns in the work area generated the much needed conditions for the Micro-finance initiative. If social change is a phenomenon, VAMA has successfully achieved it through its Micro-financial efforts. ■





Micro-Finance

As a Growth Model

According to an assessment report by CRISIL, the growth of the Micro-Finance programme carried out by VAMA from the year 2006 till March 2008 (last assessment year) reflects steady growth with rapid increase in demand for credit.

In the last one decade, the Micro-Finance sector has emerged as an effective tool towards the elimination of poverty in India. The United Nations, as part of its poverty alleviation initiatives, had declared the year 2005 as International Micro-credit year. The poor class has so far not been able to procure loans from the commercial banks. The reasons are many the banks lacking remote rural presence, the persons being unknown to the procedures of these banks, the apathetic attitude of the bank officials, not able to fulfill the conditions or rules required to get the loan approved etc. In these circumstances, the Micro-finance initiatives are making this process easy for the needy poor people. Now, the poor persons residing in remote rural areas are able to obtain loans from Micro-Finance Institutions (MFI) to fulfill the necessity of small business requirements and for other educational and health purposes. In other words, now the person concerned can procure small credit for his small requirements and they are available easily through MFIs in comparison to the commercial banks. In Micro-finance initiatives, SHGs (Self help Groups) are formed for savings purposes and also arranges for small credits. In this way, Micro-finance has proved to be effective in economically uplifting the poor class.

Micro-Finance as a Concept

Micro-Finance Institutions (MFI) mostly aims at procuring loans for the poor who fail to draw benefits out of the commercial banks. These institutions (MFIs) receive financial support from other foreign Institutions, Non-Governmental organizations and commercial banks. These institutions and organizations provide financial support to the MFIs at lower interest rates than the market and in-turn the MFIs disburse the amount in small units to the needy persons. Apart from the credit activities, the MFIs undertake financial services at a large scale like Savings fund and Insurance services. Additionally, the MFIs provide training to the capable debtors to enhance their business activities.

Scope and Significance

Now the question lies as to whether micro-credit helps is poverty alleviation? The answer to the question is, yes, as this loan amount can be utilized in income generation activities resulting in growth of the investment. This will cause long term growth in the income of the debtors. On the other hand, it creates the possibility of additional source of income or its alternative through the utilization of the credit as investment for income generation activities. This would also assist in the savings of necessary items. Micro-credit can provide

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relief during emergencies like sudden spurt in health related expenses due to sickness of the person or the family members, drought conditions looming large in the area or the village and situations arising out of reduced yield or productivity. In other words, Micro-finance can prove beneficial in raising the social status of the family through better education, health benefits and managing necessities of the house and family in requirement. The contribution of Micro-finance in crafting positive changes in the social and economic conditions of rural women folk is discerning too. Thus it can be identified as a tool for women empowerment creating financial and small savings related awareness in the rural areas. On the whole, the social and economic condition of the person is strengthened through micro-financial support.



VAMA and Micro-Finance

Established in 1988, VAMA (Bal Mahila Vikas Samiti) entered the Micro-Finance sector in July 2006, about 18 years after its initiation of social work in the work area. It means that the organization had made necessary preparations in these years before it started disbursing micro-financial credit to the people. The preparations meant carrying out community development programmes to improve the life, standard of living and livelihood opportunities of the people. In this regard, the organizations regularized primary education, implemented health and sanitation awareness, awareness for safe drinking water practices, against female feticide and sex determination, promoting ecologically

sustainable farming etc.

VAMA's Micro-finance (VAMAMF) has adopted both the lending models -Self Help Groups (SHG) and the Joint Liabilities Group (JLG).

Under SHG, each group has 10 to 17 female members of the same residential locality. VAMA keeps a track record of all the groups under the SHG model and depending on it, the economic activities carried out by the

group, the need and urgency of the loan, the loans amounting between Rs 1000 and Rs 50,000 are distributed to the needy individual women. The duration of the loan is between six months and two years. The organization charges an interest rate of 16 per cent per annum on flat basis. The groups

in rural areas have to stand in as guarantors for individual borrowers from their group. Under the JLG model, VAMA lends equal amount to all members of the group.

Ensuring the loan provided to the individuals and groups, VAMA has tied up with Birla Sun Life Insurance Company Ltd and ICICI Prudential Life Insurance Company Ltd. It insures all borrowers (SHG & JLG) under the group scheme and collects a premium of Rs 90 per year per borrower. The Insurance also provides accident and death cover of up to Rs. 10,000 per borrower.

VAMA as an organization has empowered the individual women to engage in livelihood generation activities that ensure recovery of loans on the scheduled time. The whole procedure is secured with the creation of small savings thereby facilitating small credits to the groups and individuals while again

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insuring the loans against accidental happenings and recovery threats. The risk factor in the urban loans is reduced with the group guarantee for the rural loan ensures that there is no failure of recovery at the rural level too.

Outreach and Formation of SHGs

VAMA has formed 1407 linkage groups with 11,080 members in total in the Gwalior, Chambal and Bundelkhand region. It covers more than 119 villages and urban slums of the Gwalior District. Loans amounting to Rs. 4,47,13,100 have been disbursed to 5778 members by the end of March 2009.

The formation of the groups and its members is facilitated by the field coordinators of VAMA. They call upon a community level meeting with prospective members and apprise the participants about the profile of the organization, the terms and conditions and borrowing products on offer. Following this, they are asked to form groups based on their residential areas. This gives the groups a distinct identity. After the formation of the groups, the members are asked to save anywhere between Rs 20 to Rs 100 depending on their capacity and earning profile. The savings amount is determined by the group members rather than by the MFI. The group is then graded by the field officer concerned. Following the grading, the loan applications are prepared as per the required format and submitted to the Project Coordinator (PC). The PC then visits the group and assesses its viability, track record and the capacity of the individual women members to repay the loan. Based on the assessment, a report is prepared by the PC and is sent to the loan approval committee with his own recommendations. The application is then approved or rejected by the committee.

The whole procedure is made simple and viable so as to remove procedural hassles and impediments for the borrowers. The role of the field officer is vital in the whole process as

the information furnished by him in the report forms the major basis for loan approval and later on in the loan recovery process. The credits being mostly used for small businesses such as dairy development, irrigation, micro-enterprises, agriculture and for infrastructure construction, constitutes an investment and paves way for recovery of the same. Not to forget, the amount of awareness generated about financial activities, creation of new micro-enterprises, agriculture etc.

Year-wise Growth (2006-2008)

According to an assessment report by CRISIL, the growth of the Micro-Finance programme carried out by VAMA from July 2006 till March 2008 (last assessment year) reflects steady growth with rapid increase in demand for credit. Looking at the yearly figures, it is evident the number of loans disbursed by March 2007 was 325 which increased to 2,536 by March 2008 (*See Chart No.1*). Similarly, the number of borrowers also increased from 325 in the year 2007 to 1,876 in 2008 (*See Chart No.2*). The total loan disbursement amount increased from Rs 2.1 million in the year 2007 to Rs 19.19 million in the year 2008 (*See Chart No.3*).

VAMA has remarkable figures considering the total outstanding balance associated with loans. The percentage of outstanding loans that are paid on time was 100

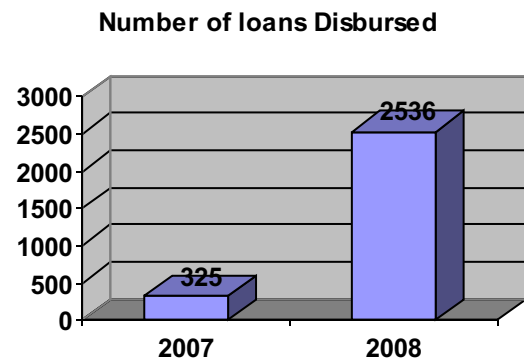


Chart No. 1



Number of Borrowers

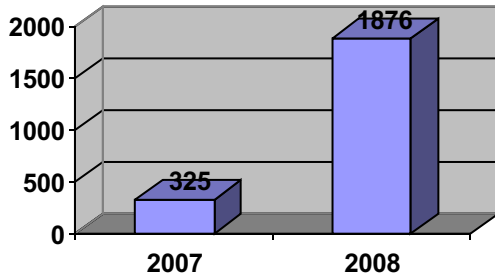


Chart No. 2

Percentage of Outstanding Loans Paid on Time

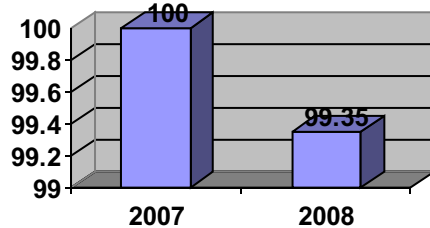


Chart No. 4

Total Disbursement Amount (In Million)

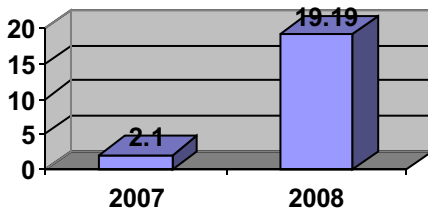


Chart No. 3

Percentage of Late Payment (at least one payment)

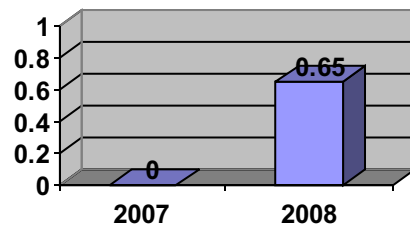


Chart No. 5

percent in the year ending March 2007 while it was 99.35 percent in the year ending March 2008 (See Chart No.4).

The percentage for late payment of loan (at least one payment) was registered only for loans having duration of 30 days. The loans with higher duration registered no defaulters. The percentage of late payment in the year ending March 2007 was zero percent while it was 0.65 percent in the year ending March 2008 (See Chart No.5).

The Micro-Finance programme of VAMA has essentially become a potent tool for poverty alleviation with the Micro-Finance activity gaining acceptance and success among

the rural and urban individuals. With the viable and easy means of procuring, the procedural guarantee and checks for approval, investment centric loan disbursement, providing insurance cover to the recovery ensures on time recovery and encourages long term income generation activities among the groups and individuals. The organization is necessarily facilitating a production chain by inducting Micro-financial credit into the system in the work area without overburdening it with recovery risks. ■



Raising Economic Status of Women in Gwalior Region

The sector wise loan outstanding figures of VAMA shows that mostly the loan amounts was used for micro-finance i.e.44 per cent while 56 per cent of the loan amount issued was used for agriculture and dairy purpose.

Affecting a sea-change in the economic status of women folk in the Gwalior region, Micro-finance initiatives by VAMA have generated huge scope for developmental activities in the rural and urban belt of the region. The organization has made 'credit' an easy and viable solution to the necessities of livelihood. Accessing loans for micro-enterprises, farming, irrigation and dairy development etc. by women groups and individuals have received boost with VAMA emerging as an MFI. The organization is fulfilling the additional necessity of funds with expenditure exceeding the income of a rural household. With employment providing limited sources of income, VAMA through its Micro-finance initiative has created scope for small or micro-enterprises run by women that generate substantial additional income for the household. In these circumstances, there is requirement for investment, made available by VAMA in the form of loan or credit.

Years without Micro-Finance

It is difficult to imagine about the years without Micro-Finance considering the living standard of the people in the area. The backwardness of the area, adding to it the inaccessible topography and limited means of livelihood, created unlimited hindrances in the process of development of the region. With the commercial banks rarely reaching out to these remote areas, the people are mostly dependent



on money lenders or local individuals for loan purposes. Moreover, the poor people lack any substantial assets on which loans can be issued, and if they do, the complex loan approval procedure is enough for them to refrain from going through it. The only sources remaining are the money-lenders who exploit the people with very high/exorbitant rate of interest - about 36 percent annually or 3 percent monthly or even more than that.

Years with Micro-Finance

The scenario of the region can be gauged from the fact that VAMA was active as a social service organization for the last 20 years implementing developmental activities like safe drinking water, regularization of primary schools, creating awareness drives for women empowerment, gender equality,

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livelihood generation, promoting ecologically sustainable farming system, training women on PanchayatiRaj issues, National Rural Employment Guarantee Scheme, Financial Awareness and Reproductive and Child Health activities.

In the dearth of livelihood and basic requirements of living, the people in the region were subject to the backward conditions that restricted the initiation of Micro-finance activity. The lack of basic amenities for living among the people of the region needed to be



addressed first on priority. VAMA made arrangements for safe drinking water and sanitation facilities among the families. It was successful in regularizing 11 primary schools for education purposes. Ecologically sustainable farming system was promoted for ensuring agriculture development and creating food security among the people.

After having addressed basic issues, stress was laid on generation of livelihood which was required to sustain the development of the region. Here, the supply of credit or monetary necessities emerged as the major obstacle or hindrance factor. Agriculture and farming based labour is the only source of income for these people then. If the people needed to increase their income, they required to be self-employed through initiation of micro-enterprises. Again the lack of financial and savings awareness proved to be

detrimental to this whole process. VAMA, as part of its MF initiative, conducted awareness and training campaigns for generating financial literacy among these people. It created necessary understanding about needs, life-cycle and fulfillment of these needs. Awareness was also created about financial jargons like payment, receipt, savings and loans. The people understood the advantages and disadvantages of loan and credit in these trainings. Thus, the hindrances in the implementation of MF were removed with financial literacy in the region.

Implementation of MF Activity

VAMA as a Non-Governmental Organization, through its various awareness and community development programmes, generated the much needed base for the successful micro-financial activity. The training programmes and information dissemination activity by VAMA encouraged capacity building of the communities while it established networks of these communities through formation of linkage groups. These groups were later informed about the financial aspects of Micro-Finance like understanding the mode of operation of VAMA, the loan conditions, procedure of loan approval and the need for insurance cover.

VAMA not only generated the credit chain but also showed the ways and means for timely disposal of loans. It trained them with the necessary expertise required to operate the micro-enterprises. The rate of interest charged by VAMA is 1.33 percent per month on a flat basis which is even less than half the rate charged by the money-lenders.

The Micro-Financial support by VAMA has changed the lives of many in the work area. Among these, president of Khedapati SHG, Lilawati, belonging to village Laliyapura described VAMA's initiative as successful while confirming the receipt of a loan amount of Rs 20,000 at the rate of 1.33 percent per month. Earlier, she had taken loan

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amount of Rs 5000 for the marriage of her elder daughter and another amount of Rs 10,000 for purchasing wheat and goat, both of which have been disposed off. Similarly, the treasurer of the same group had taken loan for three times and each time disposed it on time.

Apart from these, Triveni Lodhi of Bastari village, Pacho Devi, Vimla Sharma of Bazera had thrice taken loan amounts and had already returned it on time. Likewise there are many women folk in the region that have taken



loan amounts at low interest rates for beginning micro-enterprises like bangle shops, tailoring, preparation of clay utensils, carpet weaving, tea and vegetable vendor shops, Tiffin centre etc. and thereby strengthening their economic condition. In some cases, the loan amounts are also helping to fulfill their emergency necessities like health related expenditures and marriage. The fact that the individual women have taken loan multiple times, proves that they are being benefited by it as loan amounts will not be issued for the second or third time until the previous ones have been totally cleared.

Year-wise Growth (2006 - 2009)

The growth figures for VAMA's micro-finance programme shows steady growth in number of loans disbursed during each year, the number of groups formed and members associated with it. The ratio for no. of

loans outstanding per branch has increased along with the ratio for no. of members per branch. Similarly, the ratio for no. of borrowers per credit officer has increased while the ratio for no. of members per credit officer has declined showing greater focus by the credit officers on lesser no. of members.

The total no. of members was 6075 till March 2007 while the number was 8119 in March 2008 and by March 2009, the number touched 11080 (*See Chart No.1*). Similarly, the no. of loans disbursed by March 2007 was 325 which increased to 2,536 by March 2008 and touched 5778 by March 2009 (*See Chart No.2*). Similarly, the number of borrowers also increased from 325 in the year 2007 to 1,876 in 2008 and touched 5778 by March 2009 (*See Chart No.3*). The total loan disbursement amount increased from Rs 2.1 million in the year 2007 to Rs 19.19 million in the year 2008 and touched 44.71 million by the year 2009. (*See Chart No.4*).

Number of SHG's Members

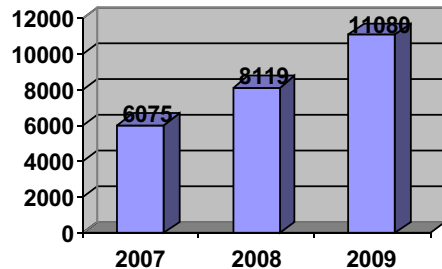


Chart No.1

Number of Loans Disbursed

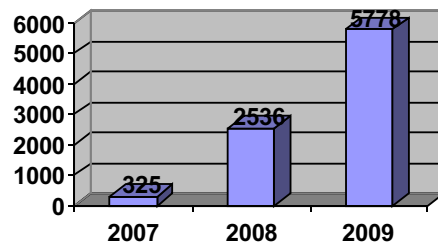


Chart No.2

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The total loan outstanding was Rs 1.56 million in the year ending March 2007 while it was Rs 9.70 million in the year ending March 2008 and touched Rs 15.18 million by March 2009. (See Chart No.5) The ratio of loan outstanding per credit officer was Rs 0.24 million in the year ending March 2007 while it was Rs 0.91 million in the year ending March 2008. (See Chart No.6) The number of borrowers per credit officer was 36 in March 2007 while it was 89 in March 2008 and touched 107 by March 2009 (See Chart No.7).

VAMA has remarkable figures considering the total outstanding balance associated with loans. The repayment rate was 100 percent in the year ending March 2007 while it was 99.35 percent in the year ending March 2008 and 99.04 percent in March 2009 (See Chart No.8). The percentage for late payment of loan (at least one payment) was registered only for loans having duration of 30 days. The loans with higher duration registered

Total Loan Outstanding (Rs. in Million)

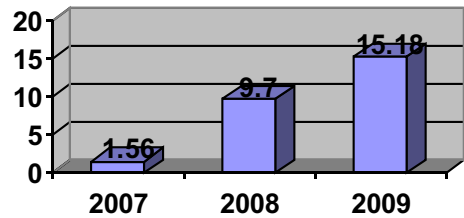


Chart No.5

Number of loan Outstanding per credit Officer

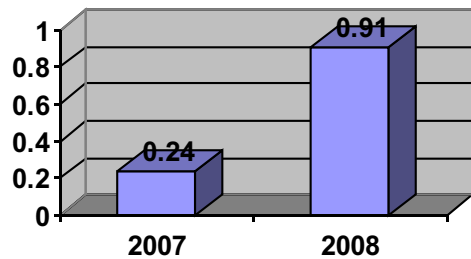


Chart No. 6

Number of Borrowers

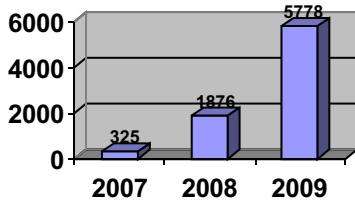


Chart No.3

Number of Borrowers per Credit Officer

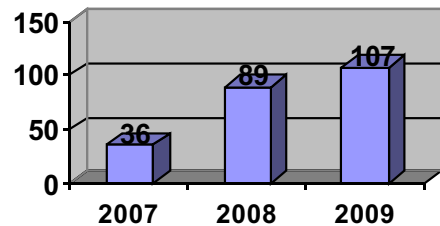


Chart No.7

Total Disbursement Amount (Rs. in Million)

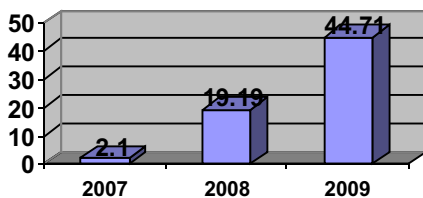


Chart No.4



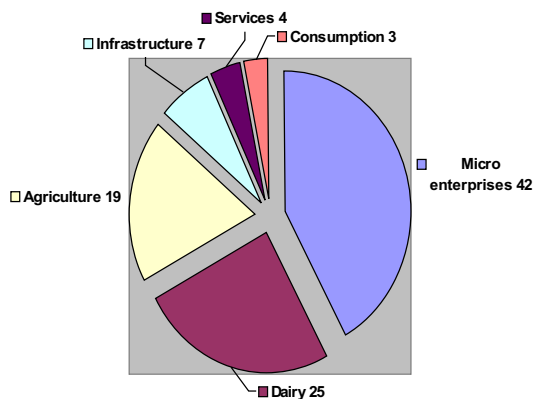
VAMA'S MICRO-FINANCE

no defaulters. The percentage of late payment in the year ending March 2007 was zero percent while it was 0.65 percent in the year ending March 2008 and 0.96 percent by March 2009 (See Chart No.9).

On the whole, the sector wise loan outstanding figures of VAMA shows that mostly the loan amounts was used for micro-enterprises i.e 42 percent while 25 percent of the loan amount issued was used for dairy purposes. Similarly, Agriculture registered 19 percent use of the loan amounts while

infrastructure related expenditures witnessed use of 7 percent of the loan amounts issued. Apart from these, 4 percent of the loans issued were used in services sector while 3 percent was used for consumption purposes.

Sector wise loan Outstanding (In Percent)



Percentage of Outstanding Loans Paid on Time

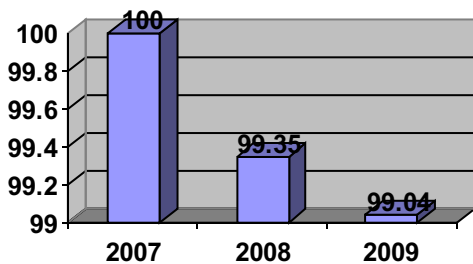


Chart No. 8

Percentage of Late Payment (At least one payment)

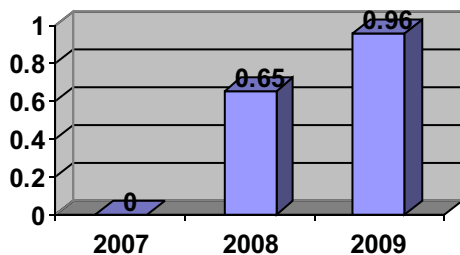


Chart No. 9

The Scenario Now

Presently, VAMA has issued loan amounts to 5778 members of the 1407 linkage groups covering 119 villages and urban areas of Gwalior district. The ratio of no. of borrowers per credit officer is 107 till March 2009. Similarly, the repayment rate on time was 98.73 percent while the total amount of loan disbursed was Rs 44.71 million. The figures speak volumes about the raging credit practices of the people in the Gwalior region.

The above figures clearly outline the majority use of the loan amounts in micro-enterprises and dairy related businesses. These two sectors are profitable in nature and witness returns on the investment made. This can be accounted for the high rate of loan clearance on time. In these three years, VAMA has made remarkable progress in terms of credit disbursal and timely recovery through productive investment of the loans in these profitable sectors. ■



A Tool of Change in Women Life

Women folk of rural and urban belt in remote Gwalior-Chambal region are fulfilling their dreams and aspirations through Micro-Finance initiative. Each of these women has her own priority like improvement in agriculture yield with utilization of better quality seeds, setting up of shop etc. In other words, these women are on their way towards self-employment. Their success has varied dimensions with these propounding examples of women empowerment while also strengthening the economic base of their families. The involvement of these women in self-employment initiatives makes them self-dependent, adding to it the related awareness. In these circumstances, a sentient woman helps in the creation of a well-informed family. The children in the family too become informed and self-dependent. In this way, an informed family forms the base for an awakened society helping the formation of an awakened nation. These women also necessarily encourage

Micro-Finance has not only fulfilled the dreams of these women but also assisted in the self-dependence of these women. They have their own work which is absolutely managed by them like getting the raw material, manufacturing of goods and selling them.

small scale industries or micro-enterprises. Making out with small savings, attitude for mutual cooperation and entrepreneurial development are certainly the landmarks achieved by these women.

It is said that 'a ray of hope is enough to clear away the darkness'. The saying has become a fact in this region with Micro-Finance clearing the darkness of poverty in the lives of the women. The things were not the same during the early times when the debt of the money-lender extended to two generations of the same family. The credit from the money-lender used to fulfill the immediate necessities or problems of the person concerned but the high rate of interest lowered the economic status of the person and his family. The scenario has changed since then, with VAMA MFI lessening the impact of the loans among the people concerned. This can be accounted for the major reason of these women taking loans in more than one occasion. In other words, the women could attempt to get loans issued for the second time only when they have disposed off the previous loan completely. If the women folk could get loans issued for more than once, then it is clear that the previous loan has empowered them so as to enable the repayment of the loan amount on time.



VAMA'S MICRO-FINANCE



The entry of Micro-Finance has shaped the dreams of these women folk. Let's have a look at some of the case studies of women belonging to poor families wherein their dreams are taking shape in reality.

Village : Laliyapura **Assistance in Marriage of Daughter and Agriculture**

Laliyapura is a rural village in Gwalior region. A Self Help Group (SHG) named 'Khedapati SHG' was formed by 10 women of this village. VAMA issued the group with loan amount of Rs 43,568. The president of the group Lilawati Baghel and treasurer Jandevi had taken loan thrice in order to fulfill their family responsibilities and self-employment purposes.



Lilawati

According to Lilawati, she had taken loan amount of Rs 20,000 for the third time on July 2008 from VAMA MFI. She enthusiastically adds that she had earlier taken loan twice and successfully repaid them on time. Lilawati had taken Rs 5000 loan for the marriage of her elder daughter. After returning the amount she took another loan amount of Rs 10,000 for the purchase of wheat and goat. She said that VAMA MFI charges her 1.33 percent per month as interest which is very less than what is charged by money lenders. Lilawati is strengthening her economic status through these loans.

Likewise Lilawati, the treasurer of the group Jandevi also takes loans through micro-finance to fulfill her needs and repays them on time. Jandevi is illiterate and has taken loan thrice from VAMA MFI. Jandevi says that she had taken loan amount of Rs 10,000 for the first time and purchased a house and a Buffalo. She

wanted to earn by purchasing the Buffalo. After repaying the loan, she took another loan of Rs. 15,000 for purchase of seeds of wheat crop and investing that in agriculture and having a good yield, she repaid the loan amount. Again Jandevi took another loan of Rs 20,000 for the marriage of her daughter. According to Jandevi, the women in the village are taking loan in time of their need and returning them on time also.



Jandevi

Village : Bastari **Animal Husbandry** **Extending Support to Family**

Triveni Lodhi is the president of 'Beznath Self Help Group' located in Bastari village. According to Triveni, the group was formed on 28 June 2006 having 9 members. Counting on the benefits of forming the group, she said that the formation of the group has enabled them to avoid taking loans from money lenders. Earlier, she had to visit the money lenders for loan purposes. She informed that the money lender used to charge Rs 3600 as interest over a loan amount of Rs 10,000 which is more than twice the rate charged by VAMA MFI.



Triveni

Triveni had taken individual loan of Rs 8000 for the first time. She purchased cow with the amount and earned income by selling the milk. After repaying the loan amount of Rs 8000, she took another loan of Rs. 12,000 for goat farming purposes. She purchased four



Pacho Devi goats and now has 8 goats after one year. Similarly, Pacho Devi was able to strengthen her economic condition with loan from VAMA MFI. She took loan amount of Rs 15,000 for the third time and purchased in Buffalo farming. She said that she sells the milk from the buffalo and makes profit out of it.

Village : Bajera

Prosperity through Agriculture

A total of 10 women in Bajera village formed the SHG named 'Jai Karoli Ma'. The president of the group Vimla Sharma informed that the money lenders provided loans at the rate of 3 percent per month and asserted that loan from VAMA MFI is more profitable in comparison to the money lender. Vimla had taken loan amount of Rs 30,000 thrice and invested in agriculture. She grows mustard, wheat, gram and rice crops.

The profit made by Vimla through micro-finance based loan has encouraged her son Ravi Kumar also. Ravi wants to start a brick charring factory and is confident that he will be able to fulfill his dream through loan from VAMA MFI.

Urban Area : Sikander Kampu

Owning a Shop

The story of the members of 'Amarnath' SHG in Sikander Kampu area is similar to the women of Laliyapura, Bastari and Bajera village. Member Anita Devi of the group carries out work of carpet weaving (hand made carpet). For this she had taken a loan amount of Rs 10,000 last year. She earned profit in her work and repaid the loan amount and again

took another loan of Rs 20,000. According to Anita Devi, she invested the loan amount taken through the group in setting up micro-enterprise. Through the availability of capital, she procured more raw materials which increased her work and profit simultaneously.

The president of the group Anna Devi and another member Jayanti Devi have also taken loans to increase investment in their work and gain profit. Anna Devi conducts business of bangles while Jayanti Devi conducts garbage business. According to these members, they have to pay less interest for loans from VAMA MFI and moreover, they do not have to ask for loans from anybody which they previously did from money lenders.

According to Anna Devi, she required money for the marriage of her sister's daughter and in these circumstances the loan through the group helped. Anna Devi has two sons and two daughters who study. She said that she sells bangles as a vendor. She accepted that getting loans from banks is a difficult process. They ask for many documents and proofs for which she never attempted to take loan from the banks, she said. She further stated that now money is available at her home and she doesn't have to ask for it from anyone. She had invested Rs 20,000 taken as loan in the bangle business. She plans to take another loan amount of Rs 35,000 and set up her own shop.



Anita Devi



Anna Devi

Jayanti Devi runs a garbage shop. She had taken loan thrice which includes Rs 3000



Jayanti Devi

children two sons and two daughters. She earns her livelihood through her shop.

Urban Area : Nayapura (Taraganj) Relief from Debt & Improvement in Work

The 'Harsh' Self Help Group of Nayapura presents an example of empowered women through self-employment. The group has 10 members. The president of the group Manorama Devi carries out work of Hosiery (tailoring). Apart from these, she also carves statues from mud and Plaster of Paris (PoP). According to Manorama Devi, she had taken loan amount of Rs 7500 initially and then Rs 12,000 for the second time. She purchased the sewing machine out of the loan amount, she added. Before VAMA, she used to take loans from others at a high rate of interest but now she gets them easily at low rate of interest from VAMA MFI.



Manorama Devi

Sumitra Devi, who is also the secretary of the group, has taken a loan of Rs 4,000. She has invested it in tailoring like Manorama Devi. According to her, she gets profit out of this work depending on the season. Like Sumitra Devi of the group, another member Latabai has taken loan and extended

for the first time, Rs 3000 as loan for the second time and Rs 6000 for the third time. According to Jayanti Devi, she had taken loan once for the treatment of her brother during sickness. She has four

her work. Latabai said that she sells vegetables as a vendor. She had taken Rs 5000 as loan amount from VAMA MFI and invested in vegetable selling business and is receiving profit out of it.



*Sumitra Devi
& Latabai*

Like 'Harsh' SHG, another Self Help Group named 'Moti' with 7 members operates in Nayapura area. The president of the group, formed 10 months ago, Mahadevi had taken a loan amount of Rs 8000. Mahadevi says, the members of her family jointly carry out book binding work in the house itself. They receive work from the court in which they bind the books of law. She said that she had to take loan from others for this work but is now easily available from VAMA MFI. She invested the amount taken as loan from VAMA MFI in book binding work and expanded her work.



Mahadevi

Urban Area : Lakkadhana Extended Work through Small Loans

The 'Sriram' SHG of Lakkadhana has 8 members who save Rs 20 each per month. The group was formed 14 months ago. The secretary of the group Premlata had taken loan twice through the group. Premlata runs a Tiffin center. She took loan from VAMA MFI and invested in this work. She says, she took the loan and invested in tiffin service work and started receiving profit out of it. She said that she had first taken loan amount of Rs 7500. After repaying it, she took another loan of Rs



12,000, she added. Further, she added that she is providing tiffin service to more number of people these days in comparison to earlier times as investment of more money is enabling her to prepare more number of tiffins.

Premlata is arranging for the education and livelihood of her children through the tiffin service. She has



Premlata

five children 3 sons and 2 daughters. One of her daughters is studying in college and another is in 10th standard. She also informed that another member of the group runs tea stall and plans to expand her work by procuring loan from VAMAMFI.

Small Dreams, Enlightening the Darkness

From the above success stories, it is evident how the women folk are scripting their own success. The subject matter of all the stories is the same as everyone has small dreams like the dream to own a shop for bangles, vegetables, garbage, tea stall etc. The dream to expand their business or micro-enterprise like hand made carpet weaving, hosiery, tailoring, statue carving, book binding, expand agriculture activities, animal husbandry and tiffin service etc. These dreams



The subject matter of all the stories is the same as everyone has small dreams like the dream to own a shop for bangles, vegetables, garbage, tea stall etc. The dream to expand their business or micro-enterprise like hand made carpet weaving, hosiery, tailoring, statue carving, book binding, expand agriculture activities, animal husbandry and tiffin service etc.

have been enlightening the darkness in the lives of these women through the effective tool of Micro-Finance. The small credit or loans through Micro-Finance are assisting these women to empower themselves towards self-employment. The women are able to receive easy credit for any amount sitting at their home and at low rate of interest.

Micro-Finance has not only fulfilled the dreams of these women but also assisted the self-dependence of these women. They have their own work which is absolutely managed by them like getting the raw material, manufacturing of goods and selling them. The women have gained financial literacy in the process to know about the procedure of loan approval, knowledge about rate of interest and the types of interest rates. Now, the accounting, cost-expenditure and profit related to the business are not frightening for them. These women have started investing in their own work or business, taking risk, which speaks volumes about their level of confidence in terms of their labour and sincerity towards work. ■



VAMA as a MFI: An Assessment

The organization's long presence in the area of operation and community interactions saves a lot of time and effort in building rapport with the community. This has raised the acceptability of its MF programme among the community.

Being a facilitator of Micro-credit, VAMA has registered outstanding growth as a Micro-Finance Institution from its initiation in July 2006. Its easy reach across the people and communities with the understanding of enterprising activities that can be carried out considering the geography of the region has given it an edge as a Micro-Finance Institution. VAMA has slowly surpassed the standards of a quality MFI in the Gwalior-Bundelkhand region comparable with that of other large MFIs in the country. It has slowly been able to increase the necessary ratios like the no. of loans outstanding per branch, no. of borrowers per credit officer, no. of loans disbursed during the year, total outstanding balance in case of loans, percentage of delayed payment etc. The two assessment reports of CRISIL and MicroSave provide an analytical insight into the strengths and weaknesses of VAMA as a MFI.

Strengths

According to CRISIL, the management of VAMA's micro-finance programme is very strong and well experienced. The key members handling the operations are more than five to eight years experienced in works related to group formation and other related activities. According to MicroSave, the organization's long presence in the area of operation and community interactions saves a lot of time and effort in building rapport with the community.

This has raised the acceptability of its MF programme among the community.

MicroSave also stressed on the strong linkages developed by VAMA with local nationalized banks and government financial institutions like NABARD and SIDBI. This has helped in fund mobilization efforts by the organization. CRISIL's report has also mentioned about the presence of an adequate credit approval system in VAMA where loans



are approved by a committee comprising a board member, two project coordinators and two field officers.

Both CRISIL and MicroSave have pointed to the presence of committed staff having long standing track record in developmental activities. The team being

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experienced in SHG-Bank linkage programme of the organization, could deliver on extending the financial services to the communities under the Micro-Finance programme.

Another strength area of VAMA is its good asset quality which is reflected in the timely repayment of the loans. The CRISIL report points out that timely repayment rate is 99.98 percent as on March 2008 while the PAR (Portfolio at Risk) of more than 90 days is at zero percent.

Conclusion

Analyzing both the reports of CRISIL and MicroSave, it can be said that VAMA has made a remarkable progress in this short span of time. In these three years from July 2006 till February 2009, VAMA has mobilized credit flow in the area with more than 99 percent recovery success. The figures in the reports speak in terms of the scope available for expansion of Micro-Financial activity in the region. The low borrowers-to-members ratio of 13.7 percent is one of the lower ratios among the comparable MFIs. It means that huge numbers of members are still without any credit support. VAMA has to increase its capital adequacy to support the high demand of credit among the potential customers in the region.

Apart from these, VAMA faces competition only from local money lenders



with not many MFIs operating in the region and low penetration of banking services in the region. The comparatively low rate of interest, i.e 16 percent annually on a flat basis against the rate charged by the money-lenders i.e 36 percent annually, allows VAMA to gain greater acceptance among the individuals.

Considering the risk factors in the region, VAMA faces threat from drought conditions in the operational area. The area has history of recurrent droughts. Apart from this, it faces regulatory threats from regulators. The savings mobilization activity and micro-finance programme is being carried out by the same organization. Similarly, the subsidy led behaviour of the target population may affect repayments owing to loan waivers and subsidies in the government schemes operating in the region. On the whole, VAMA's composite character as a Micro-Finance initiator and social worker offers it a better chance to bring in a kind of social change to the region. ■





Micro-finance in India & VAMA's Initiative in Gwalior

MFIs have so far eased the whole process of rural credit thereby making Micro-Finance a potential and useful tool for rural poverty alleviation. VAMA, as an MFI in the Gwalior-Chambal region, has extended the success story of rural upliftment to new dimensions.

With Micro-Finance emerging as an effective tool for providing financial support to the urban and rural poor for poverty alleviation, it has created the much needed support base in India. Micro-Finance Institutions (MFIs) are emerging as new social businesses within this framework. The rural sector being mostly ignored by the relatively widespread banking infrastructure of the country with low remote rural area penetration has resulted in financial divide among the urban and rural populace. This has resulted in the rural populace having lesser access to credit. MFIs have so far eased the whole process of rural credit thereby making Micro-Finance a potential and useful tool for rural poverty alleviation. VAMA, as an MFI in the Gwalior-Chambal region, has extended the success story of rural upliftment to new dimensions.

In the 1960s, India realized the high welfare costs resulting out of financial exclusion of low income segments predominantly residing in the rural areas. Identifying access to credit as an integral component of development plan, the Government of India encouraged initiatives in rural credit markets. This change of tactics, referred to as the 'social banking' phase witnessed the establishment of RRBs (Regional



Rural Banks) and apex institutions such as NABARD (National Bank for Agriculture and Rural Development). In the 1990s, India witnessed the next phase of initiatives with the formation of Self Help Groups (SHG) - Bank linkage programme by NABARD. This prompted many NGOs working with the poor to collaborate with NABARD program. This phase also marked the entry of MFIs (Micro-Finance Institutions) with financial intermediation emerging as the new development formula.

According to a report of MIX (Micro-Finance Information Exchange), the outreach of Micro-Finance in India, including both MFIs

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And the SHG-bank linkage programme, amounts to 15-20 million clients among the 70 million poor families residing in the country. The total outreach based on MFIs amounts to about 5.6 million clients to 6.6 million clients as three-quarters of these MFIs are based in South India and another 20 percent in the East. The average rated institution grew about 80 percent per annum with average of 64,000 active borrowers. Some of the large MFIs boast of over one million clients and plan to take the number to five million in the next five years.

In comparison to the above data, VAMA is a small MFI with 5778 loan borrowers (till March 2009) in Gwalior district only. Its size and outreach is small in comparison to the large MFIs of South and East India region. It also must not be forgotten that the overall concentration of MFIs in the North is very small i.e five percent (according to MIX data). Also VAMA has a small track record in the Micro-Finance initiative i.e just 3 years.

The national average of 64,000 active borrowers per MFI in India may be too high for VAMA which is focused to the overall improvement of the populace in the rural and urban slums of the Gwalior region only. Its work area being small, the initiative is successful considering the outreach to 119 villages and urban slums in the region. Similarly, the borrowers-to-members ratio of



VAMA is relatively very small i.e 13.7 percent in comparison to 90 percent averaged by the MFIs in other parts of the country.

The national average for (PAR) Portfolio at Risk or loan outstanding among the national MFIs is 1.1 percent while that of VAMA is 0.02 percent that outlines the rate of successful recovery of loans Considering the scale of operations of VAMA, the percentage of PAR is very efficient. Again VAMA charges interest at the rate of 16 percent while the national MFI average of interest rate is around 10-14 percent which is just two percent more than the national average.

The national MFIs average 14 percent in the operating cost ratio while VAMA is very close to the national average i.e 13.55 percent as of March 2008. This proves that the network and field operations of VAMA are very effective with the penetration being same as the large national MFIs. In other words, the capital adequacy ratio and borrowers-to-members ratio of the large MFIs of India may be high but at the operating level, small MFIs like VAMA are as efficient as the large MFIs.

On the whole, VAMA is close in certain key ratios to the national MFI average while being far from certain averages. Having a small area of operation, the organization has made remarkable progress as a MFI. With the complete North region being low in concentration of MFIs, VAMA has huge scope for expansion as a MFI of national repute in the years to come. ■

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Future Prospects of Micro-Finance in Gwalior

VAMA is projected to add over 3000 member every year to take the figure to cross 11000 in 2009 Similarly, the number of members is projected to reach 14000 by the year 2010. Also the number of branches which is currently 3 in March 2009 is set to reach 6 by the year 2010.

Micro-Finance initiatives have started a chain that involves the demand, supply and repayment with huge scope for growth in the years to come. Being a backward region with remote connectivity, Gwalior has a huge population living below the poverty line thereby necessitating poverty alleviation programmes with necessary supply of credit. The credit would in turn convert into investment and generate self-employment initiatives, which is the only solution for sustainable development in the region. The projected growth potential in the same region is abundant in terms of demand and supply of credit. Further, the sustainable development activities, through use of credit in production based investment, would ensure long term growth with a large chunk of the population being pulled above the poverty line.

In accordance with the reports of independent agencies, CRISIL and MicroSave, VAMA is projected to add approximately 3000 members every year to take the figure to cross 11,000 in 2009. Similarly, the number of members is projected to reach 14,000 by the year 2010. Also the number of branches which is currently 3 in March 2009 is set to reach 6 by the year 2010.

Considering the number of active

borrowers, it is slated to increase to 7300 by the year 2010. Till March 2009, the number of active borrowers was around 5778. The no. of loans disbursed would increase to 7300 in the year 2010. The total no. of loans disbursed had already touched 5778 by March 2009 surpassing the projected figures of 2009 hinting at the rapid growth in terms of loans disbursal.

Likewise, the amount of loan disbursed would increase to Rs 75 million by the year 2010. It had already touched Rs 44.71 million by March 2009 surpassing the projected figures of 2009.

The operational expense ratio is also





Key Projections:

- *VAMA to set to add approximately 3000 members every year. It would reach 14,000 by the year 2010.*
- *The number of branches, currently at 3 in March 2009 is set to be 6 by the year 2010.*
- *The number of active borrowers is slated to increase to 7300 by the year 2010.*
- *The no. of loans disbursed in a year would increase to 7300 by the year 2010. By March 2009, the total no. of loans disbursed had touched 5778.*
- *The amount of loan disbursed would increase to Rs 75 million by the year 2010. It had already touched Rs 44.71 million by March 2009.*
- *The operational expense ratio is slated to go down to 11 percent by the year 2010.*
- *The PAR (Portfolio at Risk) in case of loans with duration of 30 days is slated to turn to zero percent by the year 2010.*



slated to go down to 11 percent by the year 2010. The PAR (Portfolio at Risk) in case of loans with duration of 30 days is slated to turn to zero percent by the year 2010.

All the above figures showcase the huge growth prospects of Micro-Financial activity by VAMA in the Gwalior region. This in turn would evolve into greater demand and supply of credit amounting to gross sustainable development of the people in the region. The self-employment of the people through supply of credit empowers them towards long term sustainable growth making the Micro-Finance initiative by VAMA in the region, a success. ■



Appreciation Quotes



Bal-Mahila Vikas Samiti

"I hope that VAMA is association with SIDBI would partner a long innings in providing Micro-Finance services in this region and would succeed in betterment of the financial/economic condition of the poor".-Aditya Mishra, SIDBI, Bhopal

"Good rapport with the community & strong team. Good MIS All indications for fast growth"-Deepa Shankar PWWB, India

*"Excellent efforts in MF programme. I wish best regards and wishes for future growth".
-Prashant H Sude, FWWB, India*

"VAMA's effort to initiate a process of self-reliance in society is worth appreciating".-Kshitiz Samadhya, ABN AMRO Bank Mumbai

"Well maintained. Very good account system & knowledgeable work experience. We had not seen this type of work in Maharashtra. Keep it up. Good wishes from me".-MES Mahananda, B.Alyalmath, Manager (Micro-credit), State Bank of India, Mumbai LHO

"It is an eye opener to see the courage and the wonderful work done by the organization. Together we can & together we will make a change. I wish the organization the best of future and excellent Business growth".-Ashok Pandit, State Bank of India, ZO Gwalior, Channel Management Advisor

"I always respected the organization and the staff for the commitment, dedication and tireless hardwork. Highly regarded the impressive growth VAMA has demonstrated in this year and appreciating the team for the growth and the success. Best wishes to Mr. Verma & his team. Access is always there to access". -K. Rathna, Access Development Services

"I must say that I am very impressed by the commitment levels, involvement and motivation of each and every person in the team. I wish them the best".-P. S. Ganesh, DGM, Rural Business

"The Social & Economic upliftment of deprived people is more important than any other in the world. Swami Vivekananda said exactly service to man is equal to service to God. So you are doing that job in a organized manner. Wish you all the best for success in future. Where there is a will, there is a way". -S Vijaya Kumar, CRISIL

"The agency has a strong set up in all the fields and the various functionaries are committed towards their work. The agency works as a team and is committed towards upliftment of rural poor. The system and procedures, credit policy, MIS etc. are well developed and the agency practices the best of the industry norms. I wish them all the success in their future endeavors".-G. Sampath Kumar, Dy. General Manager, SIDBI, Bhopal

"I have been impressed by the excellent work done by the institution for the upliftment of poor. Keep it up".-N.Sridharan, Chief Manager, SBI, Micro-Finance for Bhopal

About Us

VAMA is working intensively in ravine affected & very backward development blocks of Gwalior Distt. Chambal Bundelkhand region of M.P. It's activity involves issues of gender equality / adverse sex ratio, drinking water & livelihood for deprived communities and Reproductive and child health of Chambal-Bundelkhand region at regional & state level through peoples' organization.

VAMA: Bal Mahila Vikas Samiti, a free, non-profit and non-government voluntary organization, registered on 14th December 1988 under section 44 of M. P. Society Registration Act. 1973 and FCRA Act. VAMA is exempt under section 12A and 80G of Income Tax Act. VAMA is also a member of Credibility of India and Volunteer Action Network of India. VAMA is working on various issues of village and Nagar Society with cooperation of local community. The main objective of the organization is to try to establish "Classes, exploitation & injustice free, peaceful & enlightened society".

Mission Statement: To establish an egalitarian society based on rights so that the poor, marginalized and dalits have equal participation in all spheres.

Aims and objectives:

- To promote activities focused on the development of the downtrodden, backward, Dalits & tribal communities.
- To work for the communities in such a way that they develop spirit for mutual co-operation, participation, gender equity, integrity and justice.
- To promote education and awareness, on health and nutrition, the use of science and technology based on traditional pattern, ecological farming and sustainable livelihood systems.
- To promote sustainable utilization of human and natural resources: land, water, biological resources, energy etc. and to popularize the use of renewable/alternative energy sources for ecological restoration.
- To develop micro enterprises based on local resources and undertake capacity building activities for the upliftment of the poor marginalized and other vulnerable groups.



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