

Aamara Biswas

Women Helping Women through Nano Finance

Report and Areas of Operation (April 1, 2011 – March 31, 2012)

(Reported by Joyasree Mahanti)

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A. Introduction

Aamara Biswas was established on November 9, 2007 to start the Nano Finance program. The main goal of this program is to empower extremely poor women and girls in rural villages and poor urban neighborhoods in the state of Odisha by providing them with access to very small interest free loans (Rs 500 to 1000) with a payback period of a one-full year. The loan is for their emergency needs, children's education, health care, and to help them start or expand their own small business. By giving interest free loans through its signature nano-finance scheme, it has helped more than 5000 women in four and half years.

Under the Nano Finance system, women get access to additional interest free loans under the condition that the previous loan is paid back in full. Borrowers are also advised not to exceed Rs 1000 per loan at a time. AB gives individual loans and re-circulates the returned money to provide loans to other women who are in similar situations or to the same women when they have additional needs after repayment of the existing loan.

Generally, when women get bigger loans through micro finance institutions or other sources, other family members become aware of the loan amount. In case of nano finance loans, the women have complete control over the small amount and they solely take decision for using the loan for improving their livelihood. It is easy to keep the small amount as a secret from other family members and start small trades and pay back the loan by themselves without much constrain or help. Of course, at the end, the entire family is benefitted by this system.

Trust (BISWAS) is the key factor for the success of nano-finance. In fact, the women themselves are responsible for the success of nano-finance concept and for the existence of Aamara Biswas organization. The coordinators and the women who are part of the Nano Finance system are responsible for the vitality of Aamara Biswas.

At the beginning, the default of loan payment was about 15%. Once the women realized the benefit of interest free small loans, the default rate reduced dramatically. Currently, in some areas the loan payment is nearly 100%. It is encouraging to hear that women prefer to take small loans which they can pay back comfortably than taking bigger loans through micro finance institutions.

B. Financial Report

Details of Collections

Items	Amount in Rupees
Interest Accrued	86,231.00
Bank Balance	4,00,560.70
Total Donation	13,65,354.00
Grand Total	18,52,145.70

Details of Expenses

A. Nano Finance:

Balikuda (Jagatsingpur)	1,40,000.00
Kiakata (Anugul)	60,000.00
Khamara (Anugul)	50,000.00
Puri	85,000.00
Total	3,35,000.00

B. Water Filter Project:

Buying the Water Filters	1,76,500.00
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C. Salaries	1,56,400.00
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D. Travel & Transportation	14,950.00
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E. Training Centers (Kiakata)

Construction of the Hall	48,000.00
Sewing machines (4)	14,800.00
Furniture	5,600.00
Scissors, Needles, etc.	2,000.00
Total	70,400.00

F. Others Expenses

Rent	4,200.00
Cycle	2,800.00
Fan	1,000.00
Total	8,000.00

G. Purusottampur Production Unit **2,00,000.00**

H. Fixed Deposit **5,00,000.00**

Total Expenses **Rs 14,61,250.00**

Bank Balance (January 1, 2012): **Rs 3,90,895.70**

C. Details of the Projects:

Sambalpur Town: Aamara Biswas has given loans to more than 2700 women in the last four and half years. The monthly collection is about Rs. 25,000. The returned amount is recirculated to give loans to others and to allow existing borrowers to take new loans. A total amount of Rs. 4,73,000 was used for giving loans. The total amount loaned between Nov, 2007 and Dec. 2011 is Rs 20,83,000. AB is not planning to add more funds to this center. AB's head office is in Sambalpur. **Protima Sahu** is the coordinator of the center. The center runs smoothly without much problem. The women are aware of the rules of Nano Finance system and Aamara Biswas.

Kiakata, Anugul District: This is one of the poorest villages where AB has made an impact. The women constantly take small loans for their emergency needs. Last year, 30 women were given loans for brick making, which has turned out to be a quite lucrative enterprise. The same women borrowed again this year, after returning the earlier loans. 30 more women have taken loans for the same venture. **Kamalini Badi** is the coordinator of this area.

A small training/production center has been established to give training to young girls/women for making women's garments. Once trained, the interest-free loans will help them to start their own small businesses. Aamara Biswas will help them with the marketing. In a few months, women will generate income from the sale of the garments. **Sushama Pattnaik** manages the training center and also helps Kamalini with the Nano Finance project.

Khamara, Anugul district: Most women here use the loans for small businesses and farming. They prefer to return the loans in four to six months. The return rate in Khamara is a perfect 100%. AB has expanded the project by adding more funds. **Geeta Pradhan**,

the coordinator, reports that some women have made almost Rs 10,000 using their starting loan amount, Rs 500.

Bramahagiri, Puri district: **Sworna Jena**, the coordinator of the area reports, the loan payment is more than 95% although the women take more than one year to pay off the loans and some women need constant reminder. Nearly 80% of the loan is used for agriculture and the rest is used for education and health purposes. AB has supported a group of women for making ropes for their livelihood by providing them with rope making machines and coconut fibers.

Balikuda, Jagatsingpur District: The return rate in this area is nearly 100%. The progress of the women and their stories are extremely encouraging. The women took loans in a group to buy a rice husking machine for their use and also for rental purpose. They have started a sewing business with their profits. AB gave 30 more women loans to buy sewing machines to expand their business. Another group of women have taken loans to start a chicken farm. The loans have improved the livelihood of these women and once again, made an impact. AB is planning to start a small training/production center in this area where the young girls/women will be benefitted greatly.

Neerupama Barik, the coordinator is responsible for the success of Nano Finance project in this area. She was invited to join politics at the village level. She refused and her comment was “I prefer to work for Aamara Biswas than joining politics”.

Nolia Sahi, Jagatsingpur district: **Itishree Behera** is the coordinator from the fisherman's village. In spite of multiple problems in this area, due to her strong determination many women are getting help through Nano Finance project. This year, AB has added some more funds to expand the project. The loan is used mostly for agriculture.

Purusottampur, Cuttack district: In Dec. 2010, Aamara Biswas took over a women's garment production center which was not functioning due to lack of funding by giving Rs. 1,24,000 as a loan to buy raw materials. In this center, there was already an established infrastructure with several sewing machines and other materials to start the production unit with enough trained girls/women in the village. The center is now running but with a very small profit. AB has added another Rs2,00,000 for buying raw materials. This center provides livelihood to nearly 15-20 girls/women.

Jyoshna Rani Tripathy, the coordinator continues her effort to manage the center with limited funding and with the hope for the future expansion.

D. Water Filter Project

Aamara Biswas has started this project in November, 2010 with 555 water filters costing about Rs 580 each. The women are buying the filters through the Nano Finance scheme at Rs 600. The extra amount covers the administrative and transportation costs. There is a significant reduction in waterborne diseases by using the water filters. (Please visit the website, www.immt.res.in/announcement/terafil.pdf to get more information about the water filter.) Currently, most of the filters are given to the women of Jagatsingpur district. In 2011, AB has bought additional 310 water filters by recycling the returned loan money and also adding more funds to the project.

Kedar Sahani is the coordinator of this project. Due to his hard work and tireless effort, the project is quite successful and he hopes to expand the project to different parts of Odisha in the near future.

The **coordinators** are the backbones of Aamara Biswas. Due to their hard work, diligence and sincere interest in working for the under privileged women of the society, the projects are successful and progressing well. They work with very little salaries, without much demand or complain. This is called true “Social Work”. Also, the women who take loans from AB are responsible for the success of the project. Most of the women come to the coordinators to return their loan. In a few cases, coordinators have to go to their homes for collection. The reason can be the distance or postponing the interest free loan payment as their lower priority or lack of discipline. The coordinators don’t force or penalize the women for not paying back the loan but remind them their responsibilities and how their payments help them and others when they are in need.

E. Project Evaluation by Joyasree Mahanti

It is overwhelming and exciting to see the impact of Nano Finance on thousands of women in last four and half years. The women now understand the benefit of working together by taking small interest free individual loans. AB encourages the women to start small trades within their reach and comfort level and expand their trades with time and experience. When they are asked to take bigger loans from micro finance institutions for expanding their businesses, their answer is No; they would rather take a small interest free loan from Aamara Biswas which they can return comfortably at their own convenience within a reasonable time period without going through any other lending agencies.

AB still does not advertise its activities. The women from the nearby areas find it through word of mouth and often come from a distance to take loans. It is difficult to deny but we don’t have a choice. The coordinators try their best to give loans to the women who are really in need. It is easy to give loans to the same women who have a good credit history. But there are others who are in desperate situations and want to improve their

livelihoods with the help of AB. AB provides loans with trust and hopes that the women will return the loans for their own and others' benefit.

Now AB has reached a stage where it is necessary to train the women for different livelihoods by starting small training centers. This opens the doors for different opportunities for new livelihoods.

The other goal of AB is to find a way to have some small business where part of the profit can be used for the sustainability of the organization. For example; the coordinator of the Sambalpur center is making ladies garments in the office space when she is not busy with nano-finance activities. She keeps most of the profit and contributes a fraction of her profit to AB. The future plan is to have small training/production centers where a small percentage of the profit will go towards the salaries and maintenance of the centers.

Though the administrative cost is small, as the project expands, it needs more funds to cover the administrative costs. Currently, AB has a corpus fund and the interest accrued covers part of the administrative cost. The plan is to increase the amount of the corpus fund in the coming years. One day, AB hopes not to depend on outside funding for its sustainability.

Aamara Biswas faces problem when a coordinator leaves the organization without handing over all the information to another coordinator to continue the project. For example; AB had to discontinue the project in the villages of Baragarh district. The coordinator, after getting married moved to another place without informing AB or the women whom she had given loans. Though the women of the villages are asking to continue the project, AB has not decided whether to continue the Nano Finance project in that area or not. Also, it is difficult to re-establish the same trust in an area where the coordinator drops the project without giving proper explanation and reason to the women who have taken loans from her in the past. This also affects the credibility of the organization. A total of Rs 70,000 was loaned to more than 140 women, many of them multiple times, improving their livelihood, and making a difference in their day to day lives.

Also, when a coordinator has desperate need of money for her own emergency situation, she may misuse the fund for her personal use. We all have the temptation of getting money even though our living conditions are much better than these coordinators. One way is to avoid this problem if two people are involved during the time of collection and distribution. In some areas, it is already happening. Aamara Biswas thrives with trust. The Nano Finance project will not succeed without trust.

The best part of Nano finance project is, all the areas are completely disconnected from each other. If one area discontinues, it does not affect the other areas. Occasionally,

Aamara Biswas does face problems. At the same time, the impact of the Nano Finance project on the lives of women is so much that it is really worthwhile to continue this project.

G. Conclusion

I am thrilled with the results and excited to see the progress of each woman even at the smallest level. I see the future of Aamara Biswas through their success stories. The sustainability of Aamara Biswas relies greatly on these women. It is their organization and they are responsible for its existence.

Occasionally, I am in a dilemma and feel extremely sad when the coordinators break the trust. At the same time, the organization is also run by the coordinators. I realize I have to accept human weaknesses as I accept their strengths because the purpose of Aamara Biswas is to empower women and the impact of Nano Finance project on the lives of thousands of women.

Very often, the women tell their success stories with a smile and excitement by holding my hand. When I tell them that we all belong to the same group, caste, and religion, they all look at me surprisingly and I tell that group is called “WOMEN” and due to our accident of birth, we are in different places. They smile at me with hope and confidence and I assure myself that the empowerment of women will change the world and cure many social malaises which only can be done by the women.