


KAKATIYA GOVERNMENT COLLEGE
HANUMAKONDA

Name : Dr.G. PAVANI
Designation : Asst. Professor of Commerce
Year of Award of Ph.D. : Dec 2023
Name of the University : Kakatiya University
Year of entering into Govt. Service : Dec 2011

S. No.	Details of copies of Certificates	Remarks
1	Copy of Ph.D Certificate	Enclosed
2	Press note	Enclosed
3	Research work dates of seminars and Pre-Ph.D Date of joining in this college	Pre-Phd: 21-01-2013 RDS: 12/Dec/2014 PSS: 2dMay2023 30/06/2018
4	Details of Ph.D Admission-part time or full time	PART TIME
5	Copies of RDC Approval letters of Ph.D	Enclosed
6	Name of guide/supervisors with mobile number, email id	Prof KUCHI SAYULU (Rtd) 9703697444, kuchi-sayulu@yahoo.com
7	Copies of guide allotment letter	Enclosed
8	No. of increments sanctioned for Ph.D.	3
9	Published Research article-copies.	Enclosed
10	Original Ph.D Thesis.- Book.	Enclosed Available in softcopy enclosed office


PRINCIPAL
KAKATIYA GOVT COLLEGE
Hanamakonda.


Name & Designation
Dr. G. PAVANI
ASSISTANT PROFESSOR
DEPARTMENT OF COMMERCE
KGC HANUMAKONDA

KAKATIYA GOVERNMENT COLLEGE

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Dr. G. PAVANI

ASSISTANT PROFESSOR
DEPARTMENT OF COMMERCE
KGC HANUMAKONDA

Kakatiya University

4358

No. **1108**



PROVISIONAL CERTIFICATE Ph.D.

This is to certify that Pavani Guduru

Son/Daughter of Kamalakar has been declared qualified

for the award of the Ph.D. Degree in Commerce & Business

Management of this University in December, 2023.

Topic of Thesis:

"IMPACT OF MICROFINANCE INSTITUTIONS ON WOMEN
EMPOWERMENT - A STUDY"

Warangal T.S. - 506 009

Date: 21-12-2023


for Registrar



OFFICE OF THE CONTROLLER OF EXAMINATIONS
KAKATIYA UNIVERSITY
WARANGAL - 506 009 (TELANGANA)
(Accredited with A+ Grade by NAAC)

No. 176 /Ph.D./E1/KU/2023

Date: 05-12-2023

PRESS NOTE

Mr/Ms. Pavani Guduru, Research Scholar in Commerce & Business Management, Kakatiya University, Warangal, who has presented the thesis entitled "IMPACT OF MICROFINANCE INSTITUTIONS ON WOMEN EMPOWERMENT - A STUDY" has been declared qualified for the Degree of Doctor of Philosophy (Ph.D) in Commerce & Business Management of Kakatiya University.

"By Order"

CONTROLLER OF EXAMINATIONS

Copy forwarded for information to:

1. The Registrar, Kakatiya University, Warangal.
 2. The Secretary, University Grants Commission, New Delhi-110 002.
 3. The Editor, University News, A.I.U., 16 Kotla Marg, New Delhi-110 002.
 4. The Dean, Faculty of Commerce & Business Management, KU, Warangal.
 5. The Coordinating Officer, U.G.C. Unit, Kakatiya University, Warangal.
 6. The Principal, University College of Commerce & Business Management, K.U.Wgl.
 7. The Chairperson, Board of Studies in Commerce & Business Management, K.U., Wgl.
 8. The Head, Department of Commerce & Business Management, KU, Wgl.
 9. The E X A M I N E R.
 10. Prof. K. Sayulu (Rtd.) (Supervisor), Commerce & Business Management, KU, Wgl.
 11. The Nodal Officer, Kakatiya University, Warangal.
 12. The Member-in-Charge, University Library, Kakatiya University, Warangal.
 13. The Deputy Registrar (Admn.), Kakatiya University, Warangal.
 14. The Public Relations Officer, Kakatiya University, Warangal.
 15. The Secretary to Vice-Chancellor, Kakatiya University, Warangal.
 16. The Documentation Section (E5), Examination Branch, KU, Warangal.
- ✓ The Person concerned (Pavani Guduru S/D/o. Kamalakar).

(4358)

Departmental Research
Committee (DRC)



Department of Commerce
and Business Management,
KAKATIYA UNIVERSITY,
Warangal – 506009, T.S., India

Date: 20-03-2023

Certificate

Certified that **Pavani Guduru** has presented (I - Seminar) **Research Design Seminar (RDS)** on **12th December, 2014 (Friday)** at **03:00 p. m.** before the Departmental Research Committee (DRC) on the topic titled '**Impact of Micro Finance Institutions on Women Empowerment – A Study**' under the supervision of Retired Professor **Prof. K.Sayulu**. It is approved in conformity with the Ph.D rules of the University effective from 2010-11.


Chairperson - BOS

Chairperson (BOS) 20/3/2023
Dept. of Com. & Business Mgt.
Kakatiya University, Warangal


Head & Principal

University College of Commerce &
Business Management, Kakatiya University,
Warangal - 506 009 (T.S)


Dean 20/3/23

DEAN
Faculty of Commerce & Business Management
KAKATIYA UNIVERSITY
Warangal - 506 009, Telangana, India.



Date:

Certificate

Certified that Mrs. Guduri Pavani has presented (II – Seminar) Pre-Submission Seminar (PSS) on 20th May 2023 at 11.00 a.m. before the Departmental Research Committee (DRC) on the topic title “Impact of Microfinance Institutions on Women Empowerment – A Study” under the supervision of Prof. K. Sayulu. It is approved in conformity with the Ph.D. rules of the University effective from 2010-11.

Prof. RAJENDER KATLA
BOARD OF STUDIES

UNIVERSITY COLLEGE OF COMMERCE
& BUSINESS MANAGEMENT
KAKATIYA UNIVERSITY, WGL

Prof. K. RAJI REDDY

Principal
UNIVERSITY COLLEGE OF COMMERCE
& BUSINESS MANAGEMENT
KAKATIYA UNIVERSITY, WGL

Prof. P. AMRAVENI
DEAN

Department of Commerce and Business Management
Kakatiya University, Warangal-506 009, T.S.

KAKATIYA UNIVERSITY

WARANGAL - 506 009

No. **3641**

MEMORANDUM OF MARKS

Date 21-01-2013

Pre-Ph.D. COMMERCE & BUSINESS MANAGEMENT Examination, Annual - ~~XXX~~ NOV, 2012

Roll No. 11000-1451

Name PAVANI GUDURU

Son / Daughter of KAMALAKAR

PAPERS	MAXIMUM MARKS	MARKS SECURED	RESULT
PAPER-I: RESEARCH METHODOLOGY	100	057	PASS
PAPER-II: FINANCE	100	038	FAIL
Grand Total	200	095	

Aggregate in words NINETY FIVE hundred and XXX only

Result FAILED


Clerk in Charge


Superintendent


Controller of Examinations

KAKATIYA UNIVERSITY

WARANGAL - 506 009

Date 27-03-2014

No. **3556**

MEMORANDUM OF MARKS

Pre-Ph.D. COMMERCE & BUSINESS MANAGEMENT Examination, Annual - 2013 FEB., 2014

Roll No. 11000-1451

Name PAVANI GUDURU

Son / Daughter of KAMALAKAR

PAPERS	MAXIMUM MARKS	MARKS SECURED	RESULT
PAPER-II: FINANCE	100	057	PASS
Grand Total	100	057	

Aggregate in words FIFTY SEVEN hundred and XXX only

Result COMPLETED

[Signature]
Clerk in-Charge

[Signature]
Superintendent

[Signature]
Controller of Examinations



No. 053/ Dean/ FCBM/ 2023

Date: 08.05.2023

ORDER

Sub:- Extension of Registration of Ph.D of Ms. GUDURU PAVANI in the Faculty of Commerce and Business Management – Issue of Orders – Reg.,

With the approval of the Vice- Chancellor, Kakatiya University, the order is hereby issued for Extension of Registration of the Research Scholar of Ms GUDURU PAVANI under Rule 13 (iii) of Rules and Regulations of Degree of Doctor of Philosophy (Ph.D) enforced from 2015-16.

Name of the Scholar & Supervisor	Original Title	Extended – Registration Period	
		From	To
Ms. GUDURU PAVANI & Prof. K. SAYULU	Impact of Microfinance institutions on Women Empowerment – A Study	11-02-2023	11-02-2024

K. Raji Reddy
DEAN 8/5/23

To

The Person Concerned (Ms GUDURU PAVANI)

Copy to:-

The Registrar, Kakatiya University, Warangal

The Principal & Head, Department of Commerce and Business Management, Kakatiya University, Warangal

The Chairperson, (BoS), Department of Commerce and Business Management, Kakatiya University, Warangal

The Controller of Examinations, Kakatiya University, Warangal

The Joint Registrar, Academic, Kakatiya University, Warangal

The Secretary to Vice-Chancellor, Kakatiya University, Warangal

The Supervisor Concerned

The stack file



OFFICE OF THE DEAN
FACULTY OF COMMERCE AND BUSINESS MANAGEMENT
KAKATIYA UNIVERSITY – WARANGAL – 506 009 (A.P.)

Prof. K. Omprakash

DEAN

No.45 /DEAN/FCBM/KU/2012

Date: February 29, 2012

Joining Orders

**Sub: Faculty of Commerce and Business Management – Admissions into
Ph. D. Programme for the year 2010-11 – Issue of Joining Orders.**

The following candidates have been admitted into the Ph. D. Programme for the year 2010-11 in the Faculty of Commerce and Business Management on the recommendation of the Admission Committee and with the approval of Vice-Chancellor, Kakatiya University, Warangal. These candidates have joined the programme as per the dates stated against their names.


S. No	Name / Father's Name	Research Supervisor	Mode	Date of Joining	Basis of Admission	Course Work
01	SISIRA NETI	Prof. P. Indrasena Reddy	Part-Time	31-01-2012	NET	Required
02	MALLA REDDY MEESALA	Prof. B. Venkat Rathnam	Part-Time	06-02-2012	MPHIL	Exempted
03	SRIDHAR R	Prof. K. Omprakash	Part-Time	06-02-2012	NET	Required
04	THIRUPATHI KANCHU	Prof. K. Raji Reddy	Part-Time	18-02-2012	MPHIL	Exempted
05	VEENA DHARMAPURI	Prof. G. V. Bhavani Prasad	Full Time	01-02-2012	ELG TEST	Required
06	CHINNAPPAIAH YARNAM	Prof. V.V. Subramanya Sarma	Part-Time	17-02-2012	SLET	Required
07	SANJAY KUMAR	Prof. V.V. Subramanya Sarma	Part-Time	16-02-2012	ELG TEST	Required
08	GOWTHAMI CHINTALA	Prof. N. Hanumantha Rao	Part-Time	07-02-2012	ELG TEST	Required
09	VENUGOPAL K	Prof. S. Kamaleshwar Rao	Part-Time	04-02-2012	MPHIL	Exempted
10	DEEPASRI KUMMARI	Dr. S. Narasimha Chary	Part-Time	16-02-2012	ELG TEST	Required
11	PAVANI GUDURU	Prof. K. Sayulu	Part-Time	11-02-2012	NET	Required
12	VEERENDAR M	Prof. Ch. Rajesham	Part-Time	06-02-2012	SLET	Required
13	VENUGOPAL JANGA	Prof. B. Venkat Rathnam	Part-Time	16-02-2012	MPHIL	Exempted
14	YELLA SWAMY AMBATI	Dr. Ch. Satyanarayana Reddy	Part-Time	7-02-2012	ELG TEST	Required
15	PRASAD KUSHINI	Dr. P. Amaraveni	Part-Time	17-02-2012	ELG TEST	Required
16	PREETHI K	Prof. T. Srinivasa Rao	Part-Time	03-02-2012	ELG TEST	Required
17	KAVITHA LOYA	Prof. P. Indrasena Reddy	Part-Time	04-02-2012	ELG TEST	Required
18	VVNR MURTHY VELAMURI	Prof. G. V. Bhavani Prasad	Part-Time	11-02-2012	ELG TEST	Required
19	VIJAYA LAKSHMI S	Prof. T. Srinivasa Rao	Part-Time	16-02-2012	ELG TEST	Required
20	NARENDAR S	Dr. K. Rajendar	Part-Time	08-02-2012	MPHIL	Exempted
21	SAI SHARAN KONISHETTY	Prof. G. V. Bhavani Prasad	Part-Time	14-02-2012	ELG TEST	Required

22	SRINIVAS REDDY GUJJULA	Dr. S. Venkateshwarlu	Full time	23-02-2012	ELG TEST	Required
23	RAJU SHATHABOINA	Dr. K. Raji Reddy	Part-Time	08-02-2012	MPHIL	Exempted
24	HANUMANDLU T	Prof. M. Subramanya Sarma	Part-Time	09-02-2012	ELG TEST	Required
25	SOWJANYA YADANDLA	Prof. N. Kusuma	Part-Time	16-02-2012	ELG TEST	Required
26	RAVINDER G	Prof. N. Kusuma	Part-Time	17-02-2012	ELG TEST	Required
27	LAXMINARASIAH K	Dr. P. Varalaxmi	Part-Time	16-02-2012	MPHIL	Exempted
28	SRINIVAS D	Prof. N. Hanumantha Rao	Part-Time	17-02-2012	ELG TEST	Required
29	CHAITANYA GOLLAPALLY	Prof. N. Kusuma	Full time	13-02-2012	ELG TEST	Required
30	SRINIVAS GUNDARAPU	Dr. M. Sathyavathi	Part-Time	15-02-2012	MPHIL	Exempted
31	PARASHURAMULU B	Dr. P. Amaraveni	Part-Time	07-02-2012	ELG TEST	Required
32	CHAITANYA SRAVANTHI PULI	Dr. Ch. Satyanarayana Reddy	Part-Time	14-02-2012	ELG TEST	Required
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42	AMENA KHATOON	Prof. N. Hanumantha Rao	Part-Time	15-02-2012	ELG TEST	Required
43	ESHWARAMMA NAKKA	Dr. M. Satyavathi	Part-Time	18-02-2012	NET	Required
44	SANTHOSH M	Dr. P. Varalaxmi	Part-Time	14-02-2012	NET	Required
45	THIRUPATHI J	Prof. K. V. Janardhan Rao	Part-Time	15-02-2012	ELG TEST	Required
46	RAJENDAR PONNALA	Dr. S. Narasimha Chary	Part-Time	17-02-2012	ELG TEST	Required
47	NARASIAH AMBATI	Dr. K. Rajendar	Part-Time	02-02-2012	MPHIL	Exempted
48	ANITHA CH	Prof. K. Sayulu	Full Time	06-02-2012	ELG TEST	Required
49	SAMATA JANNU SOLOMAN	Prof. S. Kamaleshwar Rao	Part-Time	04-02-2012	ELG TEST	Required
50	KUMARY MARY MATHE	Prof. Ch. Rajesham	Full Time	06-02-2012	ELG TEST	Required
51	JARUPULA CHINNA	Prof. D. Sakriya	Part-Time	08-02-2012	MPHIL	Exempted
52	RAJEERU JARUPULA	Prof. K. Omprakash	Part-Time	19-02-2012	NET	Required
53	NARENDER NAIK DHARAVATH	Prof. D. Sakriya	Part-Time	07-02-2012	ELG TEST	Required
54	VANITHA KUMARI VANKUDOTH	Dr. S. Venkateshwarlu	Full Time	15-02-2012	ELG TEST	Required
55	SRINIVAS VAGINEPELLI	Prof. K. Raji Reddy	Part-Time	16-02-2012	ELG TEST	Required
56	YAKAIAH ABBANAPURI	Dr. S. Upendra Sastry	Full Time	04-02-2012	ELG TEST	Required
57	RAJU GUGLOTH	Prof. M. Subramanya Sarma	Full Time	06-02-2012	JRF	Required

The admitted candidates are informed that:

1. The full-time / part-time scholars have to complete the Ph.D. Programme within a minimum period of 2 / 3 years and a maximum of 4 / 5 years from the date of registration.
2. The full-time research scholars shall attend to the department / college regularly, wherever their Research Supervisors are working and put up minimum attendance as per the University Rules certified by the Research Supervisors and Drawing Officers of the department/college concerned.

3. They have to renew their admission through proper channel by paying the applicable fees every year as per the norms of the office of the Principal, University College, Kakatiya University and file a copy of the Receipt / Challan with the office of the Dean, Faculty of Commerce and Business Management.
4. They should present a minimum of two (2) seminars during the programme, including one on Research Design and the other before the submission of the thesis.
5. They should publish at least one paper on the research area concerned in reputed / recognized /referred Journal before presentation of second seminar.
6. They should submit half-yearly progress reports on the progress of the research work from time to time through the Research Supervisor and Head of the Department to the Dean of the Faculty.
7. The candidates other than M. Phil degree holders should undergo Course-Work and pass Pre-Ph.D. examination within two successive attempts from the date of Registration. The candidates with M. Phil degree from Kakatiya University either through regular or distance mode and M. Phil degree holders from regular mode from other universities recognized by UGC are exempted from course work.
8. The candidates registered as part-time research scholars are required to undergo course work by applying leave for the entire duration of the course work.
9. In all other matters, the candidates are governed by the Rules and Regulations of Degree of Doctor of Philosophy, 2010. Any violation of these rules and regulations by the candidates will entail the cancellation of their registration.


DEAN

Copy to:

1. The Principal, University College, Kakatiya University, Warangal.
2. The Head, Dept of Commerce and Business Management, Kakatiya University, Warangal.
3. The Chairperson, BOS in Commerce and Business Management, Kakatiya University.
4. The Controller of Examinations, Kakatiya University, Warangal.
5. The Member-in-Charge, University Library, Kakatiya University, Warangal.
6. The Deputy Registrar, Academic Branch, Kakatiya University, Warangal.
7. The Secretary to Vice-Chancellor, Kakatiya University, Warangal.
8. All the Research Supervisors of the Faculty.
9. All the candidates concerned.
10. The Stack File.



OFFICE OF THE DEAN
FACULTY OF COMMERCE AND BUSINESS MANAGEMENT
KAKATIYA UNIVERSITY – WARANGAL – 506 009 (A.P.)

Prof. K. Omprakash

DEAN

No.45 /DEAN/FCBM/KU/2012

Date: February 29, 2012

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34	MOHD YAKUB	Dr. K. Rajendar	Part-Time	08-02-2012	ELG TEST	Required
35	VENKATA RAJAM CHIRRA	Prof. M. Subramanya Sarma	Part-Time	16-02-2012	ELG TEST	Required
36	JOSHUA DANIEL S	Prof. K. V. Janardhan Rao	Part-Time	17-02-2012	ELG TEST	Required
37	VAMSHI KRISHNA B	Prof. P. Krishnama Chary	Part-Time	11-02-2012	ELG TEST	Required
38	SRINIVAS USHKAMALLA	Prof. P. Indrasena Reddy	Full Time	16-02-2012	ELG TEST	Required
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46	RAJENDAR PONNALA	Dr. S. Narasimha Chary	Part-Time	17-02-2012	ELG TEST	Required
47	NARASIAH AMBATI	Dr. K. Rajendar	Part-Time	02-02-2012	MPHIL	Exempted
48	ANITHA CH	Prof. K. Sayulu	Full Time	06-02-2012	ELG TEST	Required
49	SAMATA JANNU SOLOMAN	Prof. S. Kamaleshwar Rao	Part-Time	04-02-2012	ELG TEST	Required
50	KUMARY MARY MATHE	Prof. Ch. Rajesham	Full Time	06-02-2012	ELG TEST	Required
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54	VANITHA KUMARI VANKUDOTH	Dr. S. Venkateshwarlu	Full Time	15-02-2012	ELG TEST	Required
55	SRINIVAS VAGINEPELLI	Prof. K. Raji Reddy	Part-Time	16-02-2012	ELG TEST	Required
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3. They have to renew their admission through proper channel by paying the applicable fees every year as per the norms of the office of the Principal, University College, Kakatiya University and file a copy of the Receipt / Challan with the office of the Dean, Faculty of Commerce and Business Management.
4. They should present a minimum of two (2) seminars during the programme, including one on Research Design and the other before the submission of the thesis.
5. They should publish at least one paper on the research area concerned in reputed / recognized /referred Journal before presentation of second seminar.
6. They should submit half-yearly progress reports on the progress of the research work from time to time through the Research Supervisor and Head of the Department to the Dean of the Faculty.
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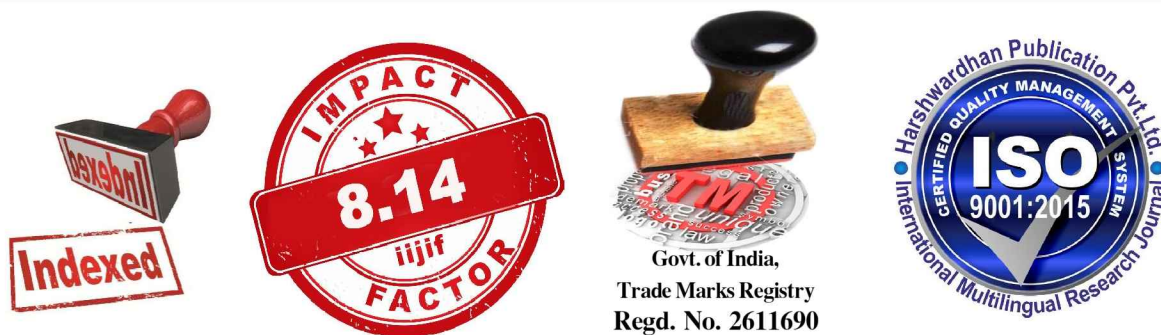
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05

STATUS OF MICROFINANCE IN SOUTHERN REGION OF INDIA

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Abstract:

"Give a man a fish, he'll eat for a day. Give a woman microcredit, she, her husband, her children and her extended family will eat for a lifetime." – **Bono**

Due to the constraints in banking services in India, microfinance has been widely used to provide financial inclusion and poverty alleviation. It is a powerful instrument that enables the poor to accumulate assets and boost their income. The current status and performance of the MFIs in southern region of India, the present paper is divided into six sections the first section is about introduction of microfinance followed by objectives in the second section, review of literature is given in third section, the fourth section defines the data source and methodology, in the fifth section the status of microfinance in the southern region is given followed by conclusion in sixth section.

I. INTRODUCTION:

In the past couple of years, the phrase "microfinance" became a popular word all around the world. As a result, various countries started to make significant contributions to the micro finance industry. Since banks have been unable to provide credit to the poor, microfinance has been seen as a way to bridge the gap between these individuals and the financial institutions. Most of the time, MFIs are focused on achieving one or more objectives.

These include reducing poverty, developing living standards, and increasing women's empowerment. Micro financing is a powerful tool that can help the poor improve their living standards. It allows them to take advantage of the opportunities that come with being a low-income household.

As per World Banks Microfinance Handbook, Microfinance is an economic development approach that aims to provide financial services to low-income individuals. This is usually done through the provision of credit and savings. Aside from providing financial intermediation, many microfinance institutions also offer social intermediary services, such as the formation of groups and the development of self-esteem among members of a group.

- Small loans, typically for working capital.
- Informal appraisal of borrowers and investments.
- Collateral substitutes, such as group guarantees or compulsory savings.
- Access to repeat and larger loans, based on repayment performance.
- Streamlined loan disbursement and monitoring.
- Secure savings products.

India's microfinance industry is growing at a fast pace. It has become an integral part of the country's social upliftment projects and its modernization efforts.

II. OBJECTIVES OF THE PAPER:

The main objectives of the paper are as follows

1. To analyse the progress of microfinance in the southern region of India.
2. To study the inter-state disparities in the southern region

III. REVIEW OF LITERATURE:

Various studies are conducted in the field of microfinance to provide relief to the poor and needy people. This is because the concept of microcredit has been widely used by researchers. Review bridges the gap between the plan and actual study of the researcher on the basis

of which the researcher turn the way of its research in new directions.

Sagar Patil and Sreenath (2020), The concept of micro-finance can be traced back to the 1800s. It has helped many people improve their financial status and enhance their assets. It has also left a mark in the Indian economy by penetrating various global economies. The study states that the main reason why people join a group is to be independent and financially independent. This is also the reason why many of them have businesses or live in commercial establishments. According to the study, the average income of micro-finance members has increased by over 30% since they started their accounts. This has enabled them to contribute towards the stability of the financial system.

Ananda.D and Prof.B.Shivaraj (2019), Microfinancing is a tool that can help women overcome poverty and improve their socio-economic status. The study focused on the impact of microlending on women's empowerment. It revealed that a large portion of the respondents do not rely on local moneylenders for their loans. **Barik Rajesh, Sharma Pritee(2018)**, The study shows that microfinance can positively impact women's empowerment in rural areas of Yamunanagar. However, it is still not possible to empower women due to various reasons such as high interest rate, lack of business knowledge and education. This micro-loan program provides employment to women and supports their families. It also helps in uplifting the country's economy and reducing poverty.

Despite having equal opportunities, women are still not able to take advantage of the services provided by microfinance institutions. To prevent this, the government should establish an inspection committee to ensure that women are not misusing the program.

Trivedi Prerna, Maqbool Adeel (2017), Self-Help Groups have become valuable tools for rural households as they can provide banking services and savings opportunities to the poor.

Studies show that these groups have been successful in mobilizing savings among the rural poor. Rural women have become more active members of their communities and are recognized for their work. The rise of micro financing through SHGs has also led to the empowerment of women in rural areas. The SHGs have become the fastest growing micro financial industry in the world. They are also the most cost-effective way to finance small businesses. Through the various programs and initiatives of the SHGs, women have been able to gain the confidence and support they need to start and grow their businesses.

Mansurali A, Swamynathan R,(2016), India's financial slavery is being abolished through micro financing. This is a revolutionary step that will allow women to get financial freedom without having to prove their financial independence. Due to the various operational difficulties faced by microfinis, the rate of interest and the number of loans have become too expensive, rendering them uncompetitive and risky. The study aims to study the various facets of micro finance, including the attitudes and beliefs of the banks and the BPL women in the country. It also provided a unique opportunity to study the rural life and financial shock resistance of the country's population.

Saha Ratul(2015), Although micro-microloans have the potential to provide women with financial empowerment, they are still at a moderate level. There are still many challenges that need to be overcome in order to fully reap the benefits of this new paradigm. In most cases, educated groups have been able to achieve higher score than other groups. There are still some challenges that need to be overcome in order to ensure that women are treated equitably in the society. One of these is addressing the issue of male influence in the workplace.

IV. DATA SOURCE AND METHODOLOGY:

The study is based on the secondary data published by NABARD in its annual reports and

various published and unpublished government and non government sources.

V. STATUS OF MICROFINANCE IN THE SOUTHERN REGION OF INDIA:

The southern region comprises of 7 states, they are Andhra Pradesh, Karnataka, Kerala, Lakshadweep, Puducherry, Tamilnadu and Telangana.

The level of financial exclusion in the region is clearly visible in the various data points presented here. The lack of adequate micro finance institutions and the existing weak link between banks and self help groups have limited the reach of these institutions. Direct micro finance is still in its nascent stage. Despite this, existing MFIs are facing severe constraints due to various factors, such as lack of funding, high operating costs, and inadequate human resource quality.

Due to its unique geographical and socio-political characteristics, the region has various constraints in terms of infrastructure and connectivity. The region has also been facing insurgency problem for several decades. Despite these obstacles, the people still require financial services for various purposes. Many indigenous institutions have been established to provide these services.

TABLE -1

Savings of SHGs with Banks - Region-wise/ State-wise/Agency-wise position as on 31 March 2021

Sr. No	Name of Region	Name of the State	No. of SHGs	Savings Amount (Rs. in lakhs)	Average Saving Amount per SHG (Rs.)
1	Southern Region	Andhra Pradesh	1058053	1093304.95	103331.78
2		Karnataka	784815	180493.18	22998.18
3		Kerala	459362	181650.85	39544.16
4		LAKSHADWEEP UT	674	102.61	15224.04
5		Puducherry	26679	12962.51	48586.94
6		Tamil Nadu	903102	228515.47	25303.39
7		Telangana	729018	432455.62	59320.29
		Total	3961703	2129485.19	53751.76

Source: Status of Microfinance in India 2020-21, NABARD

As per the data given in table-1 Andhra Pradesh has 26% of the total MFIs in the Southern region and the savings per SHG is also high,

the performance of MFIs is good in AP, Tamilnadu has more no. Of SHGs compared to Telangana but saving amount per SHG is more in Telangana than Tamilnadu. Lakshadweep has the least savings that means the performance of MFIs in this UT is not up to the mark.

TABLE -2
Bank Loans disbursed to SHGs - Region-wise/ State-wise/ Agency-wise position during 2020-21

Sr. No	Name of Region	Name of the State	No. of SHGs	Loans Disbursed Amount (Rs. in lakhs)	Average Loan Disbursed per SHG (Rs.)
1	Southern Region	Andhra Pradesh	416621	1460984.80	350674.8
2		Karnataka	216748	469245.12	216493.4
3		Kerala	154691	403849.29	261068.4
4		LAKSHADWEEP UT	7	8.90	127142.9
5		Puducherry	6410	19126.10	298379.1
6		Tamil Nadu	199988	651022.52	325530.8
7		Telangana	342801	781825.91	228069.9
		Total	1337266	3786062.64	283119.6

Source: Status of Microfinance in India 2020-21, NABARD

Average loans disbursed per SHG is highest in AP followed by Tamilnadu, The performance of Tamilnadu is remarkable when compared to Telangana as the no. of MFIs are more in Telangana compared to Tamilnadu. The performance of MFIs is poor in Lakshadweep and Karnataka.

TABLE -3
Bank Loans Outstanding against SHGs -Southern Regionwise position as on 31 March 2021

Sr. No	Name of Region	Name of the State	No. of SHGs	Loans O/S Amount (Rs. In lakhs)	Average Loan O/S Amount per SHG (Rs.)
1	Southern Region	Andhra Pradesh	731371	2426968.54	331838.2
2		Karnataka	433297	1087908.22	251076.8
3		Kerala	331183	629981.43	190221.5
4		LAKSHADWEEP UT	12	13.71	114250
5		Puducherry	20209	42585.27	210724.3
6		Tamil Nadu	442648	990374.76	223738.7
7		Telangana	580605	1707929.73	294163.8
		Total	2539325	6885761.66	271165

Source: Status of Microfinance in India 2020-21, NABARD

As per the data in Table-3 the Bank loans outstanding against SHGs is more in AP followed by Telangana and Karnataka, the NPA is low in Karnataka and Telangana that means the MFIs performance in these areas are good.

TABLE -4

Southern Region	No. of SHGs	Savings amount in Lakhs
2018-19	38,36,418	12,89,928
2019-20	36,89,236	14,70,085
2020-21	39,61,703	21,29,485

Source: Status of Microfinance in India 2020-21, NABARD

Table 4 shows the improvement in savings amount in Southern region compared to the past three years this shows a remarkable increase in the savings of the SHGs in the southern region.

VI. CONCLUSION:

Analysing the above tables and data it is observed that there is improvement in the performance of MFIs in all the aspects like savings, loan disbursement etc. The steady growth of the microfinance sector has established the importance and acceptability of the various field interventions made in this field. It is therefore important that policymakers and other stakeholders keep up with the changes in the external environment and its effect on the field operations. It is also important that the various tenets of the microfinance program are regularly updated to address the various problems and challenges that the industry faces at the local level. This ensures that the programs are aligned with the needs of the local communities and are able to deliver the desired impact.

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06

A Study on the Beginning of Sri Lankan street drama as a new dramatic genre and the themes used by The Open Street Theatre

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Abstract

Street drama is widely known as an alternative form of drama which allows the public to bring contemporary socio-economic, political and cultural issues into the light. They emerged during the wars and revolutions of the world and allowed the public to express themselves in a larger platform. Similarly, Sri Lankan street drama was birthed in the 1970s during the post-colonial era which gave rise to the socio-political struggle faced by Sri Lankans. It transcended the culture of the theatre at the time and took dramatic arts towards the common public. These street drama contained deep meanings and themes that related to the ongoing issues of the public at the time. This research aimed to show the background of beginning of street theatre of the world and Sri Lanka. To achieve this, a qualitative research method was employed where participation analysis, personal experiences, primary and secondary books played a major role in. It was concluded that a vast amount of contemporary themes were represented in these dramas and the open street dramatic group of Gamini Haththotuwegama was very successful in creating an art form which expressed the lives of the common public.

Keywords - Street drama, open street theatre, contemporary, theme, public

Introduction

The Oxford Encyclopaedia of Theatre & Performance defines street theatre as a theatrical performance and presentation which is socially, politically or artistically motivated and performed in an outdoor public space to a large number of people. Street drama moves itself beyond the conventional dramatic structures as an alternative form and informs the public on contemporary socio-political matters. These dramas are performed in crowded streets and the research found out that the dramatic spaces of these dramas are where crowds gather the most. This art form had faced many historical artistic changes and has gradually evolved into an organized genre with the socio-cultural changes of the world. When studied of this dramatic form, it was clear that this dramatic form evolved from the roots and seeds of ancient drama. It contains features of pre historic dramatic forms, village drama and ritualistic drama. Yet it evolved into a public art form during the 17th and 18th centuries with the social and political crisis centering Europe.

The Second World War shattered the physical and spiritual well being of the Europeans (Esslin, 1968). The dictatorship of Hitler caused societal connections to fail. The societies and cultures shattered due to the clash of civilized people. The arts and the Artists who lived under such circumstances were influenced by it (Hartnell, 1985). The cultural aspects were diversified with the differentiated class formation due to economical crisis. The inequality of distribution of resources among the government favoured middle class and the working class resulted in divided and fractured social matters. Not only Europe, the lower classes across the globe faced such social, cultural and political upheavals due to the war rather than the privileged upper classes. This motivated the public in forming cults of opposing, aggressive views. By the 19th century, this ultimately affected every aspect of the society including the art forms.

Especially it was showcased in literature and paintings. The painters deviated from artistic concepts such as naturalism and focused on surrealism, expressionism, cubism and Dadaism. New artists emerged through these new art forms (Nicoll, 1976).

This was common to mainstream dramatic arts as well. The importance given to realism and naturalism was diminished as shown by Sinislavsky (1948). Lots of alternative genres of dramatic forms are created under such a communal backdrop. The dramatic artists of alternative dramatic forms believed that the ongoing war, violence, poverty, distress as a result of the dictatorship cannot be represented by simple dramatic art. Therefore they deviated from the accepted norm of drama and formed the anti theatre (Anupama and Uma, 1992 / Senanayake, 2015). Instead of the audience arriving at the theatre, the theatre was brought toward the audience with anti-communal ideologies regarding the prevailing social crisis. Thus street drama was born to define people friendly or people centric art. In order to win the Russian revolution the Bolshevik party in 1917 performed such dramas in crowded streets to communicate the alternative political ideologies of their party. Here street theatre was used as propaganda and many productions came up to reach illiterate people in faraway and remote areas (Murray, 2016). The first anniversary was celebrated by Meyerhold with street dramas performed with songs written to the revolution as a tribute (Senanayaka, 2015). The dramas were performed on public places such as shops, factories and playgrounds to make the public aware of the contemporary social matters, its pressures and expected solutions. This dramatic form was used as a mean of communicating contemporary politics to the public in countries across the world. Especially countries such as China employed street drama to recruit members to their socialist political parties as well as spreading socialist ideology.

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The Impact of Micro Finance on Rural Development of India – An Overview

Guduru Pavani*

ABSTRACT

Microfinance is the supply of loans, savings, and other basic financial services to the poor. It is the provision of financial services to low income or self employed. In India has been viewed as a development tool which would alleviate poverty and enhance growth of the country through financial inclusion. Out of 6 lakhs villages in India, only approximately 50,000 have access to finance. India is a country which has the highest number of households which are excluded from banking. More than subsidies poor need access to credit. Absences of formal employment make them none 'bankable'. This forces them to borrow from local moneylenders at exorbitant interest rates. Many innovative institutional mechanisms have been developed across the world to enhance credit to poor even in the absence of formal mortgage. It discusses the impact of micro finance on rural development of India. The types of microfinance institutions, benefits extended by MFIs, ills of micro finance institutes, and future prospects of MFIs. The success of micro-credit in Bangladesh had made it a popular rural development, and poverty alleviating strategy in underdeveloped and developing countries. The micro - credit summit held at Washington in 1997 launched a nine year global campaign to reach 1000 million poor families throughout the world by 2005. To make it a memorable event the year 2005 was celebrated as year of micro- credit. It's a unique effort itself where the developed and developing countries came forward to a global cause that is appreciable. In the development paradigm, it has evolved as need based policy and programmes to cater to the so far neglected target group (women, poor, rural development, deprived etc). Its evolution is based on the concern of all developing countries for empowerment of the poor and the alleviation of poverty. Development organizations and policy makers have included access to credit for poor people as a major aspect of many poverty alleviation programmes. This have, in the recent past, become one of the more promising ways to use scarce development funds to achieve the objectives of rural development, socio economic development, poverty alleviation in the rural sector, further more certain micro finance programmes have gained prominence in the development field and beyond the basic idea of micro finance is simple if poor people are provided access to financial services for the all needs of the society in India. Key words: micro institutions role, rural development,

INTRODUCTION

Micro finance is a broad term that includes deposits, loans, payment services and insurances to poor. The concept of micro finance and micro credit are used interchangeably. But micro credit does not include savings; hence micro finance is more appropriate term. Microfinance is a term used for the practice of providing financial services such as micro credit, micro savings and micro insurance

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to poor people. The task force on supportive policy and regulatory framework for micro finance has defined it as “the provision of thrift, credit and other financial services to the poor in rural, semi-urban and urban areas to help raise their income levels and improve their living standards. It is a participative model that can address the needs of the poor especially the women. It is not a new development. Micro finance took its root when Dr. Mahammad Yunas \$ 27-42 Bangladeshi women in 1976. In 1983 Yunas found Gramena bank the first micro finance bank. In India the post nationalisation period in the banking sector witnessed a substantial amount of resources being earmarked towards meeting the credit needs of the poor. There were several objectives for the bank nationalization strategy including expanding the outreach of the financial services to neglected sectors as a result of this strategy the banking network underwent an expansion face without comparables in the world credit came to be recognised as a remedy for many of the ills of the poverty. There spawned several row – poor financial services support by both the state and central government which included credit packages and programs customised to the perceived needs of the poor. Despite the expansion of the organized banking system deep into rural areas it was found that a very large number of the poor continued to remain outside the fold of the formal banking system. This led to initiatives that were institutions driven that attempted to converge the existing strengths of rural banking infrastructure and leverage this to better serve the poor. Thus began the search for an alternative mechanism which would meet the requirements of the poor and especially the women members of such households. It was then the idea of organizing self help groups started to take shape.

In India, out of total population of 138 crores, 87.3 crores live in rural areas (Census - 2020). Thus, nearly 69 percent of the India's population lives in rural areas. These rural populations can be characterized by mass poverty, low levels of literacy and income, high level of unemployment, and poor nutrition and health status. In order to tackle these specific problems, a number of rural development programmes are being implemented to create opportunities for improvement of the quality of life of these rural people. It is one of the important tools which plays a significant role in rural development and poverty elimination and economic development of rural poor. The need therefore, is to share experiences and materials, which will help not only in understanding success and failures but also provided knowledge and guidelines to strengthen them and expand microfinance programmes. The people of rural India are mainly depending upon agriculture and small business units like fishing, earning through domestic animals, small business units etc. They are not making the agriculture and business profitable because due to the lack of monetary resources. Only few people of rural India are using capital intensive methods to cultivate their lands, the most of the rural people are not sustaining in their small business for a long period of time due to insufficient funds available with them, rural development is primarily concerned with addressing the financial needs of the rural poor for sustainable economic development. The alleviation of rural poverty can be achieved by provision of finance, identifying income-generating activities and generation of employment in rural areas for socio-economic development. The rural households need financial assistance in the form of loans at subsidized rates, convenient avenues for saving, micro-insurance, etc, and this financial assistance is well catered to with the advent of micro finance. It is an effective tool of financial inclusion that facilitates rural development and poverty alleviation by generating new employment opportunities, promoting agriculture production, establishing small scale industries, encouraging entrepreneurship, wage labour, self-help groups and restricting migration to urban areas. Thus main objective of this paper is to explore the potentiality of Micro finance with a view to study the impact of Micro finance in the development and poverty alleviation of the rural households. Microfinance stands as one of the most promising and cost effective tools which fight against global poverty. The microfinance programme through SHG Self Help Groups- (SHGs) Bank linkage has been launched by the government of India as a strategy of poverty elimination and rural economic

development. The pioneering efforts at this has been made by National Bank for Agriculture and Rural Development (NABARD- 1982 July 12th) which is vested with the task of framing appropriate policy for rural credit, provision of technical assistance banked liquidity support to banks, supervision of rural credit institutions and other economic development initiatives.

The term microfinance could be defined as provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban and urban areas for enabling them to raise their income levels and improve living standards. Muhammad Yunus set up the Grameen Bank, as experiment, on the outskirts of Chittagong University campus in the village of Jobra, Bangladesh. The concept of lending extremely small amounts of capital to poor entrepreneurs has developed by Mohammed Yunus of Bangladesh during the 1970's. He has worked out various schemes for upliftment of weaker section of rural people. Finally, he launched the scheme of SHG and played a key role in getting loan from Gramin Vikash Bank of Bangladesh in the year 1975 for which of his act he is known as the pioneer of SHGs. Since then several microfinance institutions came up and have succeeded in reaching the poorest of the poor, and have devised new ground-breaking strategies with time for the fulfillment of their vision. These included the provision of collateral free loans to poor people, especially in rural areas, at full-cost interest rates that are repayable in frequent installments. Borrowers are organized into groups and peer pressure among them, which reduced the risk of default. The success of micro-credit in Bangladesh had made it a popular poverty alleviating strategy in underdeveloped and developing countries. The micro - credit summit held at Washington in 1997 launched a nine year global campaign to reach 1000 million poor families throughout the world by 2005. To make it a memorable event the year 2005 was celebrated as year of micro- credit. It's a unique effort itself where the developed and developing countries came forward to a global cause that is appreciable. In the development paradigm, it has evolved as need based policy and programmes to cater to the so far neglected target group (women, poor, rural, deprived etc). Its evolution is based on the concern of all developing countries for empowerment of the poor and the alleviation of poverty. Development organizations and policy makers have included access to credit for poor people as a major aspect of many poverty alleviation programmes. Micro finance programmes have, in the recent past, become one of the more promising ways to use scarce development funds to achieve the objectives of poverty alleviation, further more certain micro finance programmes have gained prominence in the development field and beyond the basic idea of micro finance is simple if poor people are provided access to financial services for the rural development. Development organizations and policy makers have included access to credit for poor people as a major aspect of many poverty alleviation programmes.

OBJECTIVES OF THE STUDY

1. To examine and analyze the impact of micro finance on the socio-economic development of rural people of India.
2. To analyse growth of microfinance and framework in Rural India by MFIs.
3. To discuss the high light of a picture of rural India as a profitable segment for microfinance Institutions,
4. To study the importance and role of microfinance in rural development and poverty elimination.

METHODOLOGY

The paper was an attempt to make a study on the impact of the micro finance on rural and the socio-economic development of the people through Microfinance and Self-Help-Groups in India. For the purpose of the present study based on the secondary. Which data were collected from

different journals, books, articles, relevant documents, news papers and magazines, publications, records of Non Governmental Organizations (NGOs), Institute of co-operative management (ICM) and Government website etc.

IMPORTANCE OF THE STUDY

The 68.8 percent of total population is living in rural India, 29.8 percent of total population is under below poverty line, 95 percent have no access to micro finance, 55 percent people still borrow from informal sector, 450 million people don't have any deposit account, 93 percent of the households are without any kind of insurance. Microfinance is emerging as a powerful instrument for poverty alleviation in the new economy. In India, Microfinance scene is dominated by SHGs Bank linkage programme as a cost effective mechanism for providing financial services to the unreached poor which has been successful not only in meeting financial needs of the rural poor women but also strengthen collective self help capacities of the poor leading to their empowerment. Rapid progress in SHGs formation has now turned into an empowerment movement among women and rural development across the country. The SHG-bank linkage programme started as an action research project in 1989. In 1992, the findings led to the setting up of a pilot project. The pilot project was designed as a partnership model between three agencies, viz., the SHGs, Banks and Non Governmental Organizations (NGOs). The SHG Bank linkage Programme which started in 1992 has grown exponentially over two decades and around 74.62 lakhs SHGs are linked to different Banks up to 2011 of these nearly 65 percent have direct credit link with bank, out of these 74.62 lakhs SHGs 60.98 lakhs are women SHGs. The overall progress under microfinance from the period 2006-07 to 2010-11 types of MFIs domestic commercial banks including public sector, private sector and local banks, regional rural banks, co-operative banks, co-operative societies, registered NBFIs, unregistered NBFIs, others include societies and trusts.

India consists over a quarter of its population (21.7 percent) below to poverty line. The World Bank reports that India is a home around some 260 to 290 million poor, numbers that rise to around 390 million if poverty is measured by the international standard of those living on less than 1US\$ dollar a day. Almost half of India's poor, more or less 133 million, are found in three states Uttar Pradesh, Bihar, and Madhya Pradesh. Andhra Pradesh and Telangana rural area in India is the home of three quarters of India's poor which is supported by the increasing urban and rural disparities. The Indian government's poverty reduction strategy focuses on infrastructure, social development (especially education and health), and rural livelihoods. The improvement of rural livelihoods is the aspect of poverty reduction that Microfinance institutions concentrate on most poor people manage resources to develop their enterprises and their home over a time, financial services could enable the poor to force their initiative, accelerating the process of assembling incomes, assets and economic safety. Traditional finance institutions rarely lend money to serve the needs of low-income families and women-headed households. However, the income of many self employed households is not stable, regardless of its size. A large number of small loans are needed to serve the poor, but lenders prefer dealing with large loans in small numbers to minimize administration costs. They also look for guarantee which many low-income households do not have in hand. Over the last ten years, however, successful experiences in providing finance to small entrepreneur and producers demonstrate that poor people, when given access to responsive and timely financial services at market rates, pay back their loans and use the profits to increase their income and assets. This is not shocking since the only realistic alternative for them is to borrow the money from informal market community banks, NGOs and credit groups around the world have shown that these microenterprise loans can be profitable for borrowers and for the lenders, making microfinance one of the most

effective poverty reducing strategies. This is not a point of consideration that micro financial services have capability to offer better services than conventional banking services and carry out the needs of the underprivileged people. The significant factor is that external micro financial services should join hand to the running system of lending and/or borrowing money in rural areas instead of throwing them out. In this way the poor people especially women who require the fund to run their business and family activities in a well-organized manner will get benefitted more. Some critical issues for microfinance organizations. It has been reported in much news that the Micro financial institutions are comparatively costlier in terms of delivery of financial services. This is partially explained by the fact that the cost of supervision of credit is high, while the loan quantity and loan volume is low. Therefore it is necessary for MFIs to develop strategies for increasing the range and volume of their financial services, lack of capital The next part of concern for MFIs, which is on the expansion path, is that they face a scarcity of owned funds. This is a critical constraint in their being able to scale up. Many of the MFIs are socially oriented institutions and do not have adequate access to financial capital. As a result they have high debt equity ratios. Borrowings In comparison with earlier years, MFIs is now finding it relatively easier to raise loan funds from banks. This change came after the year 2000, when RBI allowed banks to lend to MFIs and treat such lending as part of their priority sector funding obligations, private sector banks have designed innovative products such as the bank partnership model to fund MFIs and have started viewing the sector as a good business proposition.

SUGGESTIONS

1. For better services to the need people special training programme should be provided regarding the proper accounts keeping and accounting experts should be invited as a resource person so that the beneficiaries can enhance their accounting knowledge and maintain their cash book and other necessary books of accounts accurately.
2. For better functioning for the development of rural India and agriculture small scale industries people in the rural areas for rapid economic development micro finance in are the primary instrumental financial services for better rural India.
3. In India only with reference to socioeconomic development through microfinance, it is necessary to have studies in other areas also in order to generalize the issues.

CONCLUSION

In this manner the fulfillment in the field of pay/business of people and organization, the potential for growing micro finance institutions in India is very high. Major cross-section can have benefit if this sector will grow in its fastest pace. The loan outstanding will consequently grow from the present level of about 1600 crores to about 4200 Microfinance is not just about giving micro credit to the poor rather it is an economic development tool whose objective is to assist poor to work their way out of poverty. It covers a wide range of services like credit, savings, insurance, remittance and also non-financial services like training, counseling etc. it has the unique ability to provide sustainable development services if they are designed and implemented properly. They want - and deserve - a safe place to save their money and a convenient place to borrow funds indefinitely. Only by fulfilling the commercial mission of it, lenders provide this valuable service over time-and generate its important development benefits. In the last two decades, two new aspects were incorporated into microfinance that made it a more effective and enduring development strategy. If micro lending was done well, it could be part of a sustainable development strategy. Finance is an element which everyone needs. Regular and immediate finance can play an important role for development of socio-economic conditions of the people particularly the rural poor. Microfinance is expected to

play a significant role in rural development and poverty alleviation. The potential for growing micro finance institutions in India is very high. Major cross - section can have been benefited if this sector will grow in its fastest pace of the rural economic development of India.

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**IMPACT OF MICROFINANCE INSTITUTIONS ON
WOMEN EMPOWERMENT – A STUDY**



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IN

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By

G. PAVANI

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JULY – 2023

DECLARATION

I hereby declare that the thesis titled “**IMPACT OF MICROFINANCE INSTITUTIONS ON WOMEN EMPOWERMENT –A STUDY**” submitted for the award of the degree of Doctor of Philosophy in Commerce and Business Management, Kakatiya University is a bonafide work carried out by me under the supervision of Prof. Kuchi Sayulu, Professor of Commerce and Business Management (Retired), Kakatiya University, Warangal. The thesis has not been submitted either in part or full for the award of any Diploma or Degree of any other University.

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This is to certify that the thesis titled “**IMPACT OF MICROFINANCE INSTITUTIONS ON WOMEN EMPOWERMENT – A STUDY**” is a genuine and bonafide research work carried out by Smt. G.Pavani under my supervision and embodies the results of her original contribution. The thesis is submitted for the award of the degree of Doctor of Philosophy as per the requirements of the Kakatiya University, Warangal, Telanagana State. This thesis is not submitted to any other University or Institute for the award of any Degree or Diploma.

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LIST OF ABBREVIATIONS

BASIX	: Bharatiya Samruddhi Finance Ltd
BBBP	: Beti Bachao Beti Padhao
BFIL	: Bharath Financial Inclusion Ltd
CDF	: Cooperative Development Foundation
DCCBs	: District Cooperative Central Banks
DRDA	: District Rural Development Agency
DWACRA	: Development Of Women And Children In Rural Areas
FAO	: Food And Agriculture Organization
GKY	: Grameena Koushalya Yojana
ICTs	: Information And Communication Technology
IGA	: Income Generating Activities
MACS	: Mutually Aided Cooperative Society
MEPMA	: Mission For Elimination Of Poverty In Municipal Areas
MFI	: Micro Finance Institutions
MGNREGA	: Mahatma Gandhi National Rural Employment Guarantee Act,
MIX	: Microfinance Information Exchange
MSMEs	: Micro Small And Medium Entrepreneurs
MWS	: Million Wells Scheme
NABARD	: National Bank For Agriculture And Rural Development
NBFCs	: Non-Banking Financial Companies
NEP	: National Education Policy
NGO	: Non-Government Organizations
NPA	: Non-Performance Assets
NRLM	: National Rural Livelihood Mission
NSAP	: National Social Assistance Programme
PACS	: Primary Agriculture Credit Societies
PLFS	: Periodic Labour Force Survey
PMEGP	: Prime Minister's Employment Generation Programme
PMJDY	: Prime Minister Jan-Dhan Yojana
PMUY	: Pradhan Mantri Ujjwala Yojna

PMVVY	:	Pradhan Mantri Vyay Vandana Yojana
RBI	:	Reserve Bank Of India
SAG	:	Scheme For Adolescent Girls
SBLP	:	Small Business Lending Platform
SEDGs	:	Socially And Economically Disadvantaged Groups
SEWA	:	Self Employed Women's Association
SGSY	:	Swarna-Jayanti Gram Swarojgar Yojana
SHG	:	Self Help Groups
SHG-BLP	:	Self Help Group Bank Linkage Program
SHPI	:	Self-Help Group Promotion Institution
SITRA	:	Supply Of Improved Tool Kits To Rural Artisans
SOFTNET	:	Society For Telangana Network
TRYSEM	:	Training Of Rural Youth For Self Employment
WPR	:	Working Population Ratio

Chapter - I

Introduction

CHAPTER - I

INTRODUCTION

Across the world in almost all the countries women population account for about half of the total population. All the human beings on the face of this world are not only consumers but they are also producers of some resources useful for survival and sustenance of the people. However, the utilitarian aspect of human beings is not judiciously attempted in most of the undeveloped countries on account of age-old traditions, cultural values and levels of perception. In India, the patriarchal system tended to keep the status of women at a low level, and the prevalence of joint family with special property rights for the male members reinforced male dominance. Caste discrimination is one of the causes of deprivation of women from education ⁽¹⁾. Women without property rights and education could not think of self sustenance and decision making capability. Consequently men have assumed the role of earning and women had the role of reproduction of heirs and homemaking. In addition, women were overwhelmed by the practices of polygamy, sati, child marriage, and female infanticide. However, before Independence there were women, who mastered skills and abilities and fought for their rights. During the period of East India Company, many social reformers such as Raja Ram Mohan Roy, Ishwar Chandra Vidyasagar, and Jyotiba Phule strived to change the status of women within in the Indian society. The then Government tried to bring out a change in the social life of women in the country by creating awareness about the importance of education ⁽²⁾. Mahatma Gandhi observed that ‘if man got education he only will be benefited, instead of that if a woman got that education her own family would receive those benefits’ ⁽³⁾. Coupled with the freedom movement the message of the need for the development of women status went across

the country. In the post independence period the status of women has not changed much. Though women produce 50 percent of food they earn just 10 percent of the income and own one percent of the land. While they make up half the population, they are the poorest and less privileged than men. The abilities and skills of half of the population is going untapped and unused for the development of the country. Hence, it is going to affect the national economy. The socio-economic condition of women remained stationary for a long time due to which their income levels thereby their freedom is restricted. Average salary/earnings received by female workers are far behind the average earnings of male workers in both rural and urban areas. Participation of women in decision making process at national level as well as in domestic environment is also minimal on account of poor economic condition and also of low level of education. The number women electors increased from 397 millions in 2014 (Sixteenth Lok Sabha) to 437.80 million in Seventeenth Lok Sabha Election (2019). As against this, the percentage of women representation in Central Council of Ministers decreased from 17.80% in 2015 to 10.50% in 2019. The highest number of female judges is 9 each in Madras, Bombay and Punjab and Haryana High courts. Similarly, only 9% of judges in Supreme Court are women ⁽⁴⁾. About 44% of the elected representatives in Panchayath Raj institutions are women. Further, the percentage of Police Officers in India is hardly 7% in 2018. However, during the freedom movement and after independence a little awareness is created among women that they are no way lesser to the male members in the Society. Savithribai Jyotirao Phule (1831-1897) played a vital role in creating awareness about women's rights and the need for literacy. Later during the post independence period legendary women like Mrs. Sarojini Naidu (first female Governor), Vijayalakshmi Pandit (first female President of UNO), Indira Gandhi (first female Prime Minister), Bachendri Pal (first

lady who climbed the Mount Everest) and Pathima Biwi (first female judge) are examples to the women of India that they can reach any height in the life given the opportunity ⁽⁵⁾. All the above discussion amply disclose that (a) women are not having economic independence, due to joint family and patriarchy system (b) most of the women in the country are not literates and remained uneducated, (c) their earnings are not equal to that of men in spite of similarity of work, and (d) they have the ability to earn on par with men but they have no encouragement to eke out as an entrepreneur on account of lack of funds and experience. In the recent years, the Government realized that if finances and guidance are given, women can scale up themselves to get empowered on par with male members in the society subject to their willingness to be self-reliant. Hence, the RBI and Government prescribed that the commercial banks in India must ensure that they lend at least 40% of their total advances go to priority sector consisting of agriculture and cottage small scale industry without any gender-discrimination. Consequently government encouraged the provision of easy and small credit through accessible means like voluntary groups, cooperatives, and self help groups (SHG) which are called as micro financial institutions (MFI). Hence, the present study attempts at examining the impact of micro finance institutions (MFIs) on women empowerment. Therefore, it is pertinent to throw light on the three relevant concepts like (a) Microfinance, (b) Institutional structure of microfinance, and (c) Women empowerment.

Concept of Microfinance:

Poverty reduction and microfinance are generally referred to as mutually associated concept as the latter is assumed to be the reason and the latter is the result. In the context of poverty reduction strategy, microfinance is one of the

preferred means of achieving the Millennium Development Goals ⁽⁶⁾. It is usually considered as a package of financial services for the people of limited means to engage in productive activities that improve their economic conditions. The origin of microfinance in the present sense is Bangladesh. Of course, there has been the existence of institutions of microcredit across the globe from the beginning of 20th Century. In early 1970's the concept of microfinance took its birth through an experiment conducted by Mohammad Yunus, In early 1970. There was a wide spread famine condition in Bangladesh and it affected more than 80% of the population. Yunus experimented by giving small loans to poor bamboo weavers and the results were surprising that it changed their lives and could also repay the loan including interest. In later years Bangladesh Bank in collaboration with 'Swanirvar Bangladesh' spread the message of microfinance and by 1990 Bangladesh experienced massive expansion and success in this navel practice. In several developing countries like Indonesia, Thailand, Malaysia, Peru, Kenya and in India micro finance system worked well with success.

There are a number of views expressed by experts on the utility and working of micro finance system. Mohammad Yunus, the architect of micro finance is of the opinion that 'banking cannot be done with the poor because they do not have collateral is the same as arguing that men cannot fly because they do not have wings'. Robinson (2001) says that 'microfinance renders small scale financial services for both credit and deposit which are provided to people who are far from fish or herd; operate small or microenterprises where goods are produced, recycled, repaired or traded; provide services; work for wages or commissions, gain income from renting out small amount of land, vehicles, draft animals, or machinery and tools, and to other individuals and local groups in developing

countries in both rural and urban areas'. Schreiner and Colombet (2001) observe that microfinance is 'the attempt to improve access to small deposits and small loans for poor households neglected by banks. Further, Baten (2009) defines microfinance as the 'provision of a broad range of financial services such as deposits, loans, payment services, money transfers, and insurance to poor and low-income households and their microenterprise'. In 2010, Microfinance Information Exchange (MIX 2010) specifies that microfinance is not only meant to low-income persons but also targets women.

From the above expert opinions, it can be concluded that microfinance is the extension of banking service to persons living below poverty line and having no access to financial services and cannot be served by regular commercial banks. Thus, microfinance is the provision of normal banking functions like savings, credit, insurance and fund transfers without the requirement of any collateral security for safeguarding loans. The loans from microfinance institutions are of small size for microenterprises to conduct business by any one – men or women. The loans are secured on the personal and group commitment of repayment since there is no collateral attachment to the loan. In sum, the following can be stated as the key characteristics of microfinance:

1. The borrowers of microfinance are mostly low income group people (men and women) and largely people below the poverty line.
2. The amount of loan disbursed is generally of small amounts repayable in convenient installments but not more than 12 months.
3. Microfinance does not require any collateral for securing loans.
4. The objective of microfinance is to support microenterprises with

banking facilities striving to earn and participate in the economic development efforts of the community.

(b). Institutional Structure of Microfinance:

Achieving the above stated objective is not easy unless, there is an efficient and effective organization to create and deliver the financial services. In this context it is essential to distinguish between microfinance and microcredit. Microfinance is a broad term that include provision of credit, and promotion of savings, transfer of funds, insurance, pension and payment services and other banking services whereas microcredit refers only to loaning of small amounts to the small income people and their recovery. Microfinance works on easy and adaptable strategies to meet the requirements of the poor. There is no single method of delivery of microfinance since the problems of the poor differ from economic environment. Hence, according to the business environment, numerous delivery models of microfinance are in place depending upon the local conditions. After a great deal of practicing microfinance, six delivery models emerged over a period across the world. They are: (i) Grameen Bank Model, (ii) Joint Liability Group Model, (iii) Individual lending model, (iv) The group model, (v) Village Banking model, and (vi) Credit Unions and Cooperatives. A brief discussion about these delivery models is presented below:

- i. **Grameen Bank model** is found in Bangladesh and practiced successfully. A group of people come together to form a bank wherein they can save and deposit their surplus earnings in their respective accounts to meet their future needs. This group may also create insurance fund to meet the future

contingencies. Every member is eligible to take loan from the bank individually. They are responsible individually to repay the loan. The loan is for a short term not stretching beyond one year and is repayable on weekly basis.

- ii. **Joint Liability Group Model** consists of four to ten individuals borrowing jointly from the bank. They are jointly responsible to repay the loan in the stipulated period. No collateral is required to avail the loan. There is no provision of mandatory savings for group members. This model is in vogue in India since it is easy to form and there are a few limitations in respect of utilization of loans.
- iii. **Individual Lending Model** is that in which an individual can avail collateral-free credit directly. Credit products are customized according to the specific needs of the customer. This model is popular among the urban customers. In India, Self-employment Women' Association is one that follows this model.
- iv. **Group Model** will have 10 to 20 people of same ilk indulged in financial activities such as savings, credit dispensation and maintaining of all individual accounts for the group. The group members have to compulsorily save a fixed amount and kept as group fund. The funds thus saved and the interest on such funds is decided by the members of the group. After working successfully for few months the group is linked with a financial institution to avail loan. The loan is not raised in the name of individual member but it is in the name the whole group. As such the entire group is liable to repay the loan. The size of the loan raised from the financial

institution depends upon the quantum of total savings of the members. The group members, in their turn decide the distribution of loans among the members. The intention of the group members to raise the loan is to start income generating ventures or to strengthen their existing economic activities like production of goods and services. The group model is helpful in empowering the members to involve in various socio-economic activities such as group meetings, establishing relations with banks and Government officials.

- v. **Village Banking Model** will have 30 to 100 individuals of low income to form a village bank that help improve the financial strength to start self-employment ventures. Thus this is the extension of the group model but in rural environment. This village bank mobilizes funds from their members on weekly basis and supplements such funds with the deposits from members and non-members. They elect their office bearers from among their members. They frame their rules and regulations relating to financial operations. The size of the loan is determined on the basis of the savings of the members.

- vi. **Credit Unions and Cooperatives** are self-governing non-profit financial cooperative. This model is organized and managed by its own members, who are also the customers of their cooperative society. A person belongs to the same profession or local community or having a common objectives form credit unions and provide a wide range of financial services.

The above discussion indicates that the microfinance delivery system have the following features:

- (a) Voluntary association of individuals of same ilk.
- (b) Financial resources are pooled by compulsory savings or by raising funds from other sources or through both the channels.
- (c) Members obtain small loans in a predetermined ratio of their savings and repayable in agreed installments individually.
- (d) Members obtain loans without any collateral for the purpose of self employment.
- (e) The loans are repayable by individually or sometimes by group responsibility.

Organization pattern of MFIs:

Microfinance is extended through formal arrangements that are called as SHG, Credit Society, and Association of Individuals with common objectives and non-formal association of friends or people engaged in a common vocation. There are four popular formats practiced in India for dispensing microfinance to the members. They are: (a) NGO Microfinance units (they are non-government organizations), (b) NBFC (Non banking financial companies) under Section 25 of the Companies Act. (c) Cooperative societies, and (d) NBFC for profit organization. The features and functions of the above microfinance institutions are briefly discussed below:

- (a) NGO Microfinance institutions are created mainly as Trusts by members of similar avocation. This concept is now extended to women SHGs. They do

not come under the formal regulatory system of the government. However, the SHGs can establish linkages with the banks to provide microfinance services. The Self Help Group Bank Linkage program (SHG-BLP) is a landmark model initiated by the National Bank for Agriculture and Rural Development (NABARD) in 1992 to deliver affordable door-step banking services. This model has also considered as a means of financial inclusion transcended into holistic program for building financial, social, economic, and technological capital in rural India.

- (b) Section: 25 of the Companies Act 1956 allow registration of associations of people as non-profit organizations with well defined objectives but they cannot declare any dividends out of the surpluses.
- (c) Primary Cooperative Credit Society (Mutually Aided Cooperative Society – MACS) can be registered under Mutually Aided Cooperative Society Act for the socio-economic development of the members. Such societies are owned and managed by the members and they can be neither controlled by the State Government nor by the Reserve Bank.
- (d) Non-banking Financial Companies (NBFCs) can be created by registration under the Companies Act and allowed to make profit through the microfinance activities. NBFCs carrying on microfinance operations must obtain certificate from the RBI since they are brought under the control of RBI since 1997. For getting certification from the RBI the NBFC must possess Rs.2.5 millions as owned funds. Hence, this form of organization is hardly preferred by the microfinance organizations, particularly women microfinance institutions. These NBFCs cannot raise public deposits in the

market. However, to enable the microfinance institutions of SHGs nature to extend the financial services to its members, the RBI advised the Commercial banks, and Grameena Banks to support them with required funds.

A close analysis of the functional aspects of the above microfinance organizations it is understood that they could broadly be of two types viz., formal and informal. The institutions which are registered under the relevant legislation are called as formal and those which are formed by voluntary association of people is known as informal (Annexure Chart: 1.A). Most of the MFIs such as associations, and clubs, formed for the economic facilitation of women come under the informal category. It can also be noted that these formal and informal MFIs could be formed exclusively for women or both male and female together. Annexure Chart: 1.B explains the structural relationships between MFIs and members of SHGs. In Model: I it is explained that the MFI may be a single individual or a group of individuals chosen by the group of members. However, under Model: II it is clear that there is MFI of formal type lending to SHGs consisting of prescribed number of borrowers. The present study aims at studying the impact of MFIs on women empowerment falling under Model: II.

(c). Women Empowerment

Empowerment is the degree of autonomy and self-determination of people in the community. It enables them to represent their interests in a responsible and self-determined way, acting on their own authority. It is the process of becoming stronger and more confident, especially in controlling one's life and claiming one's rights.

Robert Adams defines empowerment as 'the capacity of individuals, groups and/or communities to take control of their circumstances, exercise power and achieve their own goals, and the process by which, individually and collectively, they are able to help themselves and others to maximize the quality of their lives.' Rapport gives a brief description of empowerment as 'the mechanism by which people, organizations, and communities gain mastery over their lives.'

Earlier it is observed that, in spite of women being half of the population, they are relegated to secondary position in the society since time immemorial. They are marginalized on account of poor education and economic status. It has resulted in women being unable to take a place of human dignity as free and independent entities on par with men on an intellectual and professional wavelength. Thus they remained to domestic chores and not allowed to show their discriminatory talents. Yet even in the ages of strict dominance by males society has thrown away women of caliber who could match even surpass the skills of men. The visible achievements of women as teachers, doctors, pilots, politicians and explorers have demolished the patriarchal notions of confining women's role to home and hearth. But these achievements have been made mostly at individual levels at times when women faced discrimination and criticism at all levels.

However, people started realizing that it is detrimental to progress if they are restricted to specified roles and subordinate them to men. Even to raise children in today's environment they must be made fit to face the challenges of a competitive future a woman needs to be fully aware of her choices and decision-making.

The need for women's empowerment is felt because of the status they have in society since the beginning. There is a need to redefine the status of women in the

society in view of the changing socio-economic environment. It is believed that a change can be brought by the constitutional prescriptions and supportive legislations. The Constitution of India gives women a status equal to men. There have been attempts to reserve seats for women in political bodies. It is no doubt a step in the right direction but economic strength is the main dimension that help the women to get empowered. Women have the ability to judge for themselves and take right decisions. The impoverished and illiterate status of most women in society is due to their inability to attain sufficient levels of economic power. To acquire any level of empowerment women have to be educated to be aware of their rights and privileges in a modern society. It is only when they become aware of their status in society that they will be able to take full advantage of the concessions offered to them as a corrective measure.

Women empowerment has to begin with women's active participation in decision making and achieving self-reliance. It is also important to note that unless women throw off their fetters that ignore their talent, skill and spirit women through education and economic self-reliance, cannot be empowered. Unless they are empowered to take a decisive part in the social, political and economic life of the country the very development of the country will be lop-sided⁽⁷⁾.

Means of Empowering Women

Women empowerment helps the nations, business, communities and groups of people benefit the implementation of policies and programs of the Government ⁽⁸⁾. Empowerment of women enhances the quality and quantity of human resources available for development ⁽⁹⁾. Hence, the policy makers and development economists suggested a few approaches of empowering women. In what follows a brief discussion of a few methods of empowerment are presented.

Economic Empowerment means economic freedom. It is the freedom to engage in economic activities without the direct involvement of third parties. However, the rule of law, availability of capital and open markets and inclination to face the uncertainties are essential requirements to achieve economic empowerment. By creating opportunities for women empowerment like job training, women can counteract the social implications. The most important pre-requisite for economic freedom is to acquire formal education that enables women to earn and accumulate funds through employment. In India, Periodic Labour Force Survey (PLFS) indicates that the working population ratio(WPR) for females in rural sector is 17.5 and 51.7 for males in 2017-18. In Urban sector, the ratio is 14.2 for females and 53.0 for males. In both rural and urban areas, WPRs for females were considerably lower than WPRs for males. Further, strengthening women's access to property inheritance and land rights is another method used to economically empower women. This would allow them better means of asset accumulation, capital and bargaining power. Another methodology for women's economic empowerment also includes microcredit. Microfinance institutions aim to empower women in their community by giving them access to loans that have low interest rates without collateral⁽¹⁰⁾. More specifically, they (microfinance institutions) aim to give microcredit to women who want to be entrepreneurs ⁽¹¹⁾. Some critiques claim that microcredit alone doesn't guarantee women to have control over the way the loan is used. Microcredit institutions don't address cultural barriers that allow men to still control household finances; as a result, microcredit may simply be transferred to the husband. Hence, the present study intends to examine the impact of microfinance on women empowerment.

Political Empowerment refers to the environment of government policies that would support gender equality and organizations for women development in both the public and private sectors. This empowerment is secured by creating affirmative action policies that have a reservation for women in policy making and legislative positions. Further allowing women to vote, voice their opinions, and the ability to run for office with a fair chance of being elected is one dimension of political empowerment. Earlier it is observed that, the percentage of women representation in Central Council of Ministers decreased from 17.8 % in 2015 to 10.5 % in 2019. However, participation is not limited to the realm of politics. It can include participation in the household, in schools, and judicial system. The highest number of female judges is 9 each in Madras, Bombay and Punjab & Haryana High Court. Only 9% of judges in Supreme Court are females. In March 2018, at all India level 44.37% of the elected representatives in Panchayati Raj institutions are women ⁽¹²⁾.

Digital skills bestow empowerment mean that the knowledge of computer operations and related matters equip women or for that matter anyone to take decisions, to get employment, to earn their livelihood in the present economic environment. Digital skills can facilitate women's engagement with government and increase their decision-making power in their communities. The Women-governed projects in India, for instance, has helped women improve their understanding of and communication with local government via Information and Communication Technology (ICTs) ⁽¹⁴⁾. In India, the project work of women's organizations related to establishment of women-run, internet-connected community information centers facilitate applications for government assistance (including welfare and entitlements). Digital skills in turn improve linkages between the local authorities and public institutions ⁽¹⁵⁾. Women with

digital skills are better able to make their voices heard on local issues and influence the outcome.

According to the Food and Agriculture Organization (FAO), there are seven success factors that empower rural women through ICTs ⁽¹⁶⁾:

1. Adapt content so that it is meaningful for them.
2. Create a safe environment for them to share and learn.
3. Be gender-sensitive.
4. Provide them with access and tools for sharing.
5. Build partnerships
6. Provide the right blend of technologies.
7. Ensure sustainability.

Cultural Empowerment is achieved through the rational acceptance or rejection of cultural factors that arise from age-old traditions. Culture represents the shared expectations and self image of the people and organizations. It is a system of shared values, assumptions, beliefs, and the norms that unite the people. In a progressive society, standing for women's rights and empowerment, one must stop viewing culture as a barrier and an obstacle to women's rights ⁽¹⁷⁾. Culture should be an integral and huge part of diversity and a medium that seeks to ensure women's equal opportunities ⁽¹⁸⁾.

Increasing Consciousness: To create women empowerment, feminists strongly believe that women must be conscious of their rights and responsibilities in the society.

By increasing consciousness, women not only become knowledgeable about their personal struggles but how it is related to political and economic issues. Raising consciousness allows marginalized individuals to see where they are placed in the larger social structure and pinpoint the root of their oppression ⁽¹⁹⁾. Awareness of their problems will initiate self-mobilization which precisely creates empowerment.

Building Relationships: Women movement supporters affirm that relationship with members of the society increase the knowledge about the mutual dependency, duties and responsibilities of the people. Scholars claim that building relationships with different people results in empowerment because the increasing presence of power gaps in society are due to the lack of relationships that are needed to bridge them ⁽²⁰⁾. Fostering a space for collaboration as well as deliberations of conflicting ideas is important because sorting out disagreements allows for the formation of trust between the parties. In addition, conflict individually benefits the women participants because it fosters problem-solving skills and opens them to a new pool of knowledge and perspectives on society. All these behavior patterns help women to get empowered as the third parties closely observe and offer clarity about the problems. Hence, building positive relationships is one of the pre-requisites for getting empowered for women.

Education and Literacy make women and for that matter every one acquires knowledge and broad understanding of the world around. Education and literacy are different dimensions of knowledge acquisition and capacity to understand the people, their behavior, objectives and the society. Broadly education is the process of nourishing, and bringing up the manner(s) of a person in which he is brought up ⁽²¹⁾. As against this, literacy is the knowledge of three Rs (Reading, Writing, and Arithmetic) acquired through formal training. Though both are important to get

empowerment, education is more important than the latter. However, education is not measurable by any metrics. Education empowers women to make choices that improve their children's health, their well-being, and chances of acquiring survival skills ⁽²²⁾. Education increases women's awareness of their rights, boost their self-esteem, and provide them the opportunity to assert their rights. A major concern of the developing countries is not only the limited numbers of girls going to school, but also the number of educational pathways for those that step into the classroom. There are efforts to address the lower participation and learning achievement of girls in science, technology, engineering and mathematics (STEM) education. As per Census 2011, the literacy rate at all India level was 72.98% and the literacy rate for females and males are 64.63% and 80.9% respectively. During the last decade, the highest improvement in literacy rate was observed for rural females (24%). Hence, it can be said that India is trying to offer more avenues to women to improve their literacy.

The above means of empowerment may not result immediately 'women empowerment' since it is a process involving three stages of the approaches. The following statement explains the process of approach to Women Empowerment. It can be seen that there are two stage in achieving the results of women empowerment efforts viz. Orientation and Assumptions. It means that women members must be first oriented to avail the microfinance facilities and later it is assumed that the approaches of women empowerment will yield the women empowerment.

Stages	Neutral	Supportive	Transformative
Orientation	Women as clients for financial transactions.	Support to women clients to build skills to take advantage of new opportunities.	Transforming gender relations which reflect patriarchal values.
Assumptions	Women are easier to organize, will come to meetings and be disciplined about repayment.	Women benefit from specific support (through group interaction/responsibilities and skill development); need to build confidence and abilities as part of an empowering process.	Ensuring women's access to and control resources (finance) is part of a transformative process to give women an equal pay within the household, in their communities and within financial institutions

Source: P. Varalaxmi and B. Anand; Impact of Microfinance; Paper presented in the National Seminar on 'Microfinance in India – Challenges, Department of Commerce and Management, CKM Arts and Science College, Warangal (2009), p. 75.

Status of Women in India

Earlier it is observed that the women population across the world is approximately 50% explaining their importance in socio-economic environment. If they are ignored in the field of management of resources of the country it is hardly possible to achieve a balanced economic growth. As per Census 2011, India's population is 121.06 Cr of which females account for 48.5%. In 2011, the sex ratio (number of females per 1000 males) at all India level is 943 and the same for rural and urban areas are 949 and 929 respectively. The sex ratio for 0 - 19 age group was 908 while that of 60+ age group was 1033. All these data indicate that much of human resources (women) are going unproductive unless they are trained, educated and aware about their utility in the society. Further, women with motherhood are considered

as incapable to work on par with the male members in the society. However, there are many example that women can also perform as better as the male members in the society. The Crude Birth Rate (CBR) in 2017 is 20.2 (Rural - 21.8 and Urban - 16.8) and General Fertility Rate (GFR) of 72.4 at all India level. In 2017, the Total Fertility Rate (TFR) is 2.2. In rural areas it is 2.4 and in urban areas is 1.7. As a matter of fact, TFR is high for illiterate women both in rural and urban areas, and it is higher among rural illiterate women and statistics reveal that improvement in educational level is believed to lower the TFR. Hence, there is a need to examine the literacy level of the people in the country. The Census 2011, reveal that the literacy rate at all India level is 72.98% and the literacy rate for females and males are 64.63% and 80.9% respectively. During the last decade, the highest improvement in literacy rate is observed for rural females at 24%. As per NSS 75th Round (July, 2017- June, 18) the literacy rate for persons of 7 years age and above is observed as 73.5 and 87.7 in rural and urban areas respectively. The gender gap in rural is 16.5 while this gender gap is 9.4 in urban areas. As per NSS 75th Round (July, 2017- June, 18), 41.2 % of females in the age group 3 to 35 years are currently attending schools and this percentage for males is 46.2 %. In the age group 3 to 35 years, 16.6 % females are never enrolled while 11.0 % males are not enrolled. As per NSS 75th Round (July, 2017- June, 18), only 8.3% of the females of age 15 years & above by highest level of education have successfully completed graduation and above level of courses. While 12.8 % of males of age 15 years and above by highest level of education, have successfully completed graduation and above level of courses. All the data disclose that educated women in the country are far lesser than the men. It means that the women are not as empowered as men since their education levels are low. As such their participation in economic activities is poor. In 2017-18 it is observed that the working population ratio (WPR) for females in rural

sector is 17.5 and 51.7 for males. In Urban sector, the ratio is 14.2 for females and 53.0 for males. In view of the poor WPR of female their average wage/salary earnings are far behind the average earnings of male workers. On account of the introduction of Prime Minister Jan-Dhan Yojana (PMJDY) access to banking facilities such as one basic banking account for every household ⁽²⁴⁾. As per the data of Basic Statistical Returns of Scheduled Commercial Banks in India, published by the RBI, 37.03 percent of the bank accounts are held by female population in rural areas. It is relevant to note that his development is on account of PMJDY and it is a facility for the women to receive the funds from any official agencies.

With regard to women participation in decision making process, it is already mentioned that the percentage of women representation in Central Council of Ministers decreased from 17.8 % in 2015 to 10.5 % in 2019. In the 17th Lok Sabha, there are 78 (14%) are women legislators who participate in the decision making process at national level. In the State Assemblies at all India level, women are 11% of the total elected representatives. Further, the percentage of Female Police Officers in India is meager at 7.02% for obvious reasons. All these data amply explain that the women in India are not well empowered. There it is clear that the main impediments for the women empowerment is lack of economic base, lack of education, absence of knowledge of digital economy. Hence, it is relevant to delve deeply about the government policy with regard to women empowerment.

State Policy on Women Empowerment

The principle of gender equality is enshrined in the Constitution of India it guarantees gender equality and directs the State to formulate affirmative action in favor of women ⁽²⁴⁾. The Government of India has taken various steps to ensure

empowerment of women through their social, educational, economic and political uplifting through various schematic interventions. While the schemes implemented by the Government like Beti Bachao Beti Padhao (BBBP), Pradhan Mantri Awas Yojana (Urban & Rural), the National Social Assistance Programme (NSAP), Pradhan Mantri Vyay Vandana Yojana (PMVVY) and Scheme for Adolescent Girls (SAG) support women and girls to be socially secure, the initiatives like Samagra Shiksha, Scheme of National Overseas Scholarship, Babu Jagjivan Ram Chhatrawas Yojna, and Swacch Vidyalaya Mission, ensure that schools are girl-friendly especially for vulnerable sections of society and have adequate facilities in place to fulfill their special requirements. Further, the National Education Policy (NEP), 2020 prioritises gender equity and envisions ensuring equitable access to quality education to all students, with a special emphasis on Socially and Economically Disadvantaged Groups (SEDGs). In order to enhance the employability of female workers, the Government is providing training to them through a network of Women Industrial Training Institutes, National Vocational Training Institutes and Regional Vocational Training Institutes. To ensure economic independence of women through skill development and vocational training, the Government has also introduced Skill India Mission. The National Skill Development Policy focuses on inclusive skill development, with the objective of increased women participation for better economic productivity. Pradhan Mantri Kaushal Vikas Kendras lay emphasis on creating additional infrastructure both for training and apprenticeship for women; flexible training delivery mechanisms, flexible afternoon batches on local need-based training to accommodate women; and ensuring safe and gender sensitive training environment, employment of women trainers, equity in remuneration, and complaint redressal mechanism. There are schemes like Pradhan Mantri Mudra Yojana and Stand Up India, Prime Minister's Employment Generation

Programme (PMEGP), for helping the women to set up their own enterprises. Under the Swachh Vidyalaya Mission, it was ensured that all schools have at least one functional toilet for girls. Pradhan Mantri Ujjwala Yojna (PMUY) aims to safeguard the health of women by providing them with clean cooking fuel and also from drudgery of collecting firewood. Further, in order to encourage employment of women, a number of enabling provisions have been incorporated in the recently enacted Labour Codes viz. the Code on Wages, 2019, the Industrial Relations Code, 2020, the Occupational Safety, Health and Working Conditions Code, 2020 and the Code on Social Security, 2020 for creating congenial work environment for women workers. Stand Up India scheme promotes entrepreneurship amongst women. The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA) mandates that at least one third of the jobs generated under the scheme (MGNREGS) should be given to women. Government has also made enabling provisions for allowing women's participation in non-conventional sectors such as fighter pilots in Indian Air Force, Commandos, Central Police Forces, and admissions in Sainik Schools. The Government also implements the scheme of Working Women Hostels for providing safe accommodation to working women. In addition to the above arrangements, the Government of India decided to implement the Umbrella Scheme for Safety, Security and Empowerment of Women as an integrated women empowerment program under the name 'Mission Shakti', for addressing the issues of women on a life-cycle continuum basis and for making them equal partners in nation-building through convergence at different levels of governance and a participative approach ⁽²⁵⁾. Hence, it is very much clear that the Government is committed to the empowerment of women through many Socio-Economic schemes.

Microfinance and Women Empowerment

Thus women empowerment requires a multipronged approach. One among several measures is the provision of economic support through appropriate channels. Microfinance is one such well accepted and time tested method. Micro-finance programs not only give women and men access to savings and credit, but also other financial services. It is believed that the poor with inclination to carry on some business activities are brought together regularly in an organized manner. Although it is not a 'magic wand', it is a very significant method of achieving gender equality and women's empowerment, as well as development program in favor of the poor. Through their contribution to women's ability to earn an income these programs have potentials to initiate a series of 'virtuous spirals' of economic empowerment, increased well-being of women and their families. Majority of microfinance programs focus women with a view to empower them. There are varying underlying motivations for pursuing women empowerment. Some argue that women are amongst the poorest and the most vulnerable of the underprivileged and thus helping them should be a priority. A more feminist point of view stresses that an increased access to financial services represent an opening/opportunity for greater empowerment ⁽²⁶⁾. Such organizations explicitly perceive microfinance as a tool to fight for the women's rights and independence. Finally, keeping up with the objective of financial viability, an increasing number of microfinance institutions prefer women members as they believe that they are better and more reliable borrowers. They played valuable role in reducing the vulnerability of the poor, through asset creation, and income generation. Provision of emergency assistance through microfinance emboldens women by giving them control over assets and increased self-esteem.

Need for the Study:

Microfinance is recognized as one of the significant measure in the context of the economic development of the poorest of the poor including women. The success story of Bangla Desh Rural Development Committee (1970) in supporting the self employed women with micro-credit and other financial services made the underdeveloped countries to follow the model to solve the economic problems of women entrepreneurs. The Committee coordinated the women groups and developed awareness, self confidence, and assertiveness among women in solving their financial problems. The UNO declared 2005 as the microfinance year and aimed to reduce 50% of poverty all over the world by 2015. It is included in the Millennium Development Goals by realizing the importance of microfinance as the means of empowering women. It is earlier noted that the Government of India formulated an appropriate policy of development of women and children through plans and projects. In the Sixth Five Year Plan, District Rural Development Agency (DRDA) is created to eradicate poverty, and encourage self employment through microfinance with the provision of matching grants from the Government. The DRDA conceived a plan of assisting the rural women through the viable number (10-15) poor and selecting a leader from among the group) of women with skills of producing consumer and producers goods. These groups are encouraged by the Ministry of Rural Development under the scheme of Development of Women and Children in Rural Areas (DWACRA). The commercial banks are advised to assist the members with required finances in proportion to their savings in the Group. On account of such assured support from the Government, private organizations came into existence like Non-banking Financial Companies (NBFC), Mutual Assistance Cooperative Societies, and Associations/clubs (SHGs). Their objective is to provide microfinance to women of

entrepreneurship talents. Over the years this system resulted a plethora of agencies to extend microfinance facilities to large number of women. No doubt this system of microfinance lead to the increase of family income but a few studies reveal that the members of the DWACRA groups are, at times threatened by politicians and middlemen of withdrawing the assistance and stopping of margin money. Further, the women members, at times are transported by the middlemen to the places where political meetings are held ⁽²⁷⁾. As stated earlier, objective of microfinance is not only to help the members with finance but also to improve their participation in the community welfare, acquiring economic stability and in increasing national wealth. Recently on July 19, 2022, it is reported that the interest on the loans given by the banks is ranging between 10% and 12.5% and the promise of interest wavers is conveniently forgotten by the Government. Similarly, the margin money from the Government is in arrears for a few years consequent to which the number of defaulting members in the groups is increasing. On account of heavy default, the group members are not able to receive further loans from the microfinance institutions ⁽²⁸⁾. Sometime ago, Shaik Haseena Wazaid, the Prime Minister of Bangladesh seems to have commented that the Grameena Banks are squeezing the blood of the poor in the name of eradication of poverty. Again it is also observed that social workers and politicians in Pakistan, Nicaragua, are Bolivia are encouraging the borrowers of microfinance institutions not to repay the loans because they are deeply sunk in poverty and penury. A few researchers opine that the MFIs in general do not reflect a drive towards empowerment of women in the fullest sense of ‘empowerment’ enhancing women’s capabilities and altering fundamental gender relations ⁽²⁹⁾. As observed above, there are different opinions about the functioning of the microfinance institutions and the utility of the services to the members. Hence there is a need to examine the impact of

the microfinance system, on women empowerment in the broader sense of their welfare and quality of life of the members. Hence, an attempt is made to study of 'Impact of Microfinance Institutions on Women Empowerment'.

Review of Literature:

Various studies are carried out in the field of microfinance. As they are meant to provide relief to the poor and needy people many authors are interested to know whether the set objectives are realized or not. Researchers and administrators have shown interest on the subject of microfinance as it is a popular concept meant to reduce poverty. Many views have been expressed all over the world since the 1980. It is noted earlier that the UNO has also declared it as a strategy to reduce poverty by 50% world over. Review of the relevant literature is attempted below to identify the gaps in research between the theory and practice of microfinance in the context of women empowerment. The present review of literature tries to highlight the findings of the published research studies in chronological order commencing from 2010. The published literature from the year of 2010 is attempted since it is the time frame chosen to carry out the present study.

Sabadra Mangala. A (2010) ⁽³⁰⁾ says that Muhammad Yunus, the Nobel Prize-winning economist, has successfully lifted millions of people out of poverty through his Grameen bank system. As a result of the rapid emergence and expansion of the Internet, the concept of poverty alleviation has become much simpler. Mangala believes that there is a need for a more viable economic model to help the poor. Unfortunately, there's a tendency for mission drift too. The author means that a social audit of the working of Microfinance Institutions (MFIs) should be carried out as soon as soon possible to highlight weaknesses.

Sinha Gautam Kumar(2011)⁽³¹⁾, recommends urbanization as the key to the success of microfinance. system. However, it is not the sole solution to the social inclusion of rural communities. To ensure that all sections are provided equal opportunity, the government should provide all facilities on equal basis. However, despite the government's efforts, it is still not possible to provide all the facilities to the deprived sections unless an appropriate organizations are established.

Meganathan M., Kuzhandaivel R., Arumugam M.(2012) ⁽³²⁾, suggests to introduce a paradigm shift in the way rural banks do business by encouraging people to participate in the development process through a self help group. Rural women's participation in the group increases the social status of women. The SHG is a project that aims to revitalize participatory development through the provision of credit to rural poor. It provides support to the vulnerable individuals and groups through various non-credit activities. Women who became independent will gain social standing in the household. This study shows that micro-finance helps the rural poor lead a better life.

Nageswar Rao.R and Veenapani(2012) ⁽³³⁾ attempt to study the pattern of loan utilization of micro entrepreneurs. It was revealed that although loans are commonly used for productive purposes, the majority of them are used for non-productive purposes. Although the study found that the loans were being utilized for productive purposes, the actual utilization rate was higher than the sum of the loans. This suggests that the micro entrepreneurs are not being supervised to use the loans for productive purposes.

Faye Xavier Colaco and K.T Rangamani,(2013) ⁽³⁴⁾, assert that microcredit and microfinance have been adopted to combat poverty. It has the potential to provide financial services to the poor and to enable women to become politically and socially

influential. The sustainability of such programs depends on the various factors that surround them such as banks, moneylenders, educational institutions, and political factors. Aside from providing financial services, these programs should also include training programs for women in severe poverty. They should also provide equal opportunities for women and men, as well as policies and laws that protect the interests of women. An empowerment program can help women overcome their vulnerability and take control of their lives. This effect should be experienced by all parties involved and not just by women. The women should be able to achieve freedom at the household, community, and individual levels. They should also rely on their own initiative.

Sadyojathappa S (2013) ⁽³⁵⁾ observes that Rural banks have played a vital role in the financial services industry for the poor. They need to scale up their game in order to meet the expectations of the customers and the government. The SHG – Bank Linkage Program has made a significant contribution to the financial inclusion of low-income households. However, it is facing many challenges and needs to be addressed through proper policies and strategies. As financial institutions, they should strive to improve their efficiency and profitability. They should also contribute towards the development of the economy.

Mishra,(2014)⁽³⁶⁾ focused on the impact of micro enterprises on the socio-economic aspects of rural women in Odisha. The results of the study revealed that the enterprises have helped women gain economic independence. Despite a few weaknesses, women's participation in microenterprise training has shown a number of positive attributes. It can help in addressing the various problems faced by India, such as unemployment and poverty.

Nandini Borah, Himanshu Barman(2014)⁽³⁷⁾, conducted a study under the auspices of Institute for Social Impact Studies revealed that the existence of microcredit has led to an increase in the household's income and savings. The program also helped them generate income. The study focused on the livelihood activities of over 2,000 households. It revealed that the majority of the respondents were landless and most of them were engaged in non-land-based activities. It was also noted that many of the respondents have developed a habit of saving. They also mentioned that they prefer life insurance as a saving option. The study also noted that the microcredit program has significantly boosted the household's savings and asset base.

Mittal Parul (2014)⁽³⁸⁾, feels that India's microfinance industry has grown at a fast pace in the last couple of years. It is mainly managed by various agencies and organizations like the National Bank for Agriculture and Rural Development (NABARD), Microfinance Institution (MFI), and Small Business Lending Platform (SBLP). Despite the significant role that microfinance plays in uplifting the lives of the rural poor, the overall progress of the program is not similar through out of the country. Due to the various problems that the MFIs face, it is difficult to gauge the extent of their success. In addition, the lack of proper regulation and the overall sluggishness in the sector have also affected the progress of the program. Despite the various problems that they face, MFIs played a vital role in uplifting the living standards of the poor in India.

Saha Ratul(2015)⁽³⁹⁾, says that although microloans have the potential to provide women with financial empowerment, they are still at a moderate level. There are still many challenges that need to be overcome in order to fully reap the benefits of this new paradigm. In most cases, educated groups have been able to achieve higher

score than other groups. There are still some challenges that need to be overcome in order to ensure that women are treated equitably in the society. One of the programs is addressing the issue of male influence in the workplace.

Mansurali A, Swamynathan R,(2016) ⁽⁴⁰⁾ states that financial slavery is being abolished through micro financing. This is a revolutionary step that will allow women to get financial freedom without having to prove their financial independence. Due to the various operational difficulties faced by microfinance institutions, the rate of interest and the number of loans have become too expensive, rendering them uncompetitive and risky. The study aims to examine various facets of micro finance, including the attitudes and beliefs of the banks and the BPL women in the country. It also provided a unique opportunity to study the rural life and financial shock resistance of the country's population.

Poonam(2016) ⁽⁴¹⁾ opines that microfinance is a multi-level process that involves many partners. It works in two phases, the center and the small scale. Both phases are focused on supporting the individual customer. In Meso-level, organizations like NABARD and SIDBI provide specialized backing and framework for scale players. Around every level, there are regulations and regulators. Due to the current situation of microfinance in India, there have been various suicides cases of people taking out loans for overcharging. In response, the legislature of India has introduced a bill that aims to regulate and safeguard the poor from the predatory interest charges of micro lenders.

Trivedi Prerna, Maqbool Adeel (2017) ⁽⁴²⁾ believe that Self-Help Groups (SHGs) have become valuable tools for rural households as they can provide banking services and savings opportunities to the poor. Studies show that these groups have

been successful in mobilizing savings among the rural poor. Rural women have become more active members of their communities and are recognized for their work. The rise of micro financing through SHGs has also led to the empowerment of women in rural areas. The SHGs have become the fastest growing micro financial industry in the world. They are also the most cost-effective way to finance small businesses. Through the various programs and initiatives of the SHGs, women have been able to gain the confidence and support they need to start and grow their businesses.

Singh Sultan, Kaur Amandeep(2017) ⁽⁴³⁾ reveals that many SHGs in selected districts experienced various problems such as lack of funds, lack of training, and difficulties in running their organizations. The study also suggested the establishment of workshops and seminars to improve the financial literacy of individuals.

Bhajan Chandra Barman(2018) ⁽⁴⁴⁾, focuses on the impact of the microfinance program on the livelihood of the rural poor in West Bengal's Kharibari block. The participants noted that the program helped them in increasing their level of employment. It has been observed that the participants who got project loan were more benefited than those who did not get the loan. This program has been beneficial for the rural poor in West Bengal. This program has been able to increase the income opportunities of rural poor women. It has also helped them develop entrepreneurship and become financially independent.

Barik Rajesh, Sharma Pritee(2018) ⁽⁴⁵⁾ show in their research paper that microfinance can positively impact women's empowerment in rural areas of Yamunanagar. However, it is still not possible to empower women due to various reasons such as high interest rate, lack of business knowledge and education. This micro-loan program provides employment to women and supports their families. It also

helps in uplifting the country's economy and reducing poverty. Despite having equal opportunities, women are still not able to take advantage of the services provided by microfinance institutions. To prevent this, the government should establish an inspection committee to ensure that women are not misusing the program.

Srivastava Sunita, Deo Arvind (2019) ⁽⁴⁶⁾ observe that Microfinance is a tool for rural development that enables people to get loans and finance at reasonable terms. Although it has helped millions of people, its distribution is still low. MFIs' involvement in the rural community is beneficial as they believe that it is better than traditional banking. Their study also revealed that rural people have improved savings habits. The level of satisfaction that rural people have with the services provided by formal sources has been significant. This shows that their dependence on informal sources has been reduced.

Chinmaya Ranjan Kumar and Chittaranjan Nayak (2021) ⁽⁴⁷⁾ found that the concept of SHG has allowed women to participate in all productive activities, and it has strengthened their decision-making power. It helped them save more and increase their monthly income. The study focused on the empowerment of women. It revealed that after joining a SHG, their confidence grew and they were able to control their money and public affairs. The group's monthly meetings encouraged members to share their opinions and ideas with one another. After becoming a member of a SHG, many members showed positive results in making important decisions. However, they still made these decisions collectively. The study revealed that the level of empowerment of women in the SHG increased in Mayurbhanj district. However, it still remained a long way from achieving its goals. It was suggested that the government should establish a skill development program for women in rural areas. It would help them develop their

knowledge and skills so they can sustain themselves and earn. The government should also support women's marketing activities by giving them marketing facilities through ORMAS. This would help them sell their products.

Lalzuiliana (2021) ⁽⁴⁸⁾ conducted an empirical study by which they revealed that various Government sponsored schemes were implemented through scheduled commercial banks. These banks also provided micro finance services. Although the overall achievement of the programs was not as high as target, it was still considered a success. The banks should, however, consider the benefit of the programs to be extended to the poor and women-headed households. The formal financial institutions, which are mainly banks, are contributing to the disbursing of loans to various sectors such as housing and agriculture. Most of the vulnerable poor are also dependent on agriculture for their survival. In order to provide them with the necessary resources, such as seeds and fertilizer, micro-finance is often utilized. This is a tool that can help the poor in overcoming their financial difficulties.

At this stage it is pertinent to state that the above reviewed papers are not the only research findings that are available. As a matter of fact, there is an abundant literature available on the subject of microfinance. However, the literature that is published between 2000 and 2021 is reviewed and that too the research closely related to the working and the impact of the functioning of the microfinance is reviewed.

Research Gap:

The aforesaid review of literature is no doubt enlightening but it is much limited to the study about the benefits of microfinance institutions. They hardly reveal the impact of the operations of the institutions on the empowerment of women. Out of the total reviews of 20 research works, only three are found to have referred to the impact

and that too relating much to the economic status. Though analysis of economic impact is the core aspect of women empowerment, there are many other dimensions like education, decision making power, general consciousness of the problems. Therefore, it is relevant to state the following as the gaps in the research so far churned out by various authors.

1. The strength of the members of any organization depends the strength of the agency which is coming forward to support the participants. In other words, the SHG or MACS, or Associations or NBFC should be strong to help the participants. Hence, it is necessary to examine the financial and administrative tenacity of the financing agency which is not attempted by any researcher.
2. Empowerment of women means a comprehensive and all-round development of the member concerned but almost all researchers studied the economic aspect leaving aside the other dimensions like education, decision power and relations between the women members.
3. The cost of credit dispensed is an important component of the empowerment of women but the 'interest on the loans' charged by the microfinance agencies is not studied by any researcher. In view of the reported exorbitant interest charged by the financing agencies, there is a need to know the regulatory system existing but this aspect is hardly addressed.
4. Achieving Women empowerment depends upon the financing strength and the working of the agency concerned. Hence, there is a possibility of existence of differentials in the achievement of the objectives of the microfinance but no research is so far carried out to examine impact agency-wise.

The present research proposes to attempt to bridge the gaps as much as possible. For this it is necessary to plan a field study at grass root level. The present study tries to carry out an appropriate empirical study.

Objectives of the study:

In the above backdrop, an attempt is made in the present study to assess the impact of microfinance institutions on women empowerment in Telangana State in order to strengthen the MFIs and SHGs. The sub objectives include:

1. To examine the role and importance of MFIs in empowering women in India in an overall manner.
2. To assess the performance of MFIs in Telangana State in terms of loan disbursements, promotion and savings.
3. To analyze the working of SHGs in Telangana State in terms of volume of business, growth trends of savings.
4. To evaluate the impact of MFIs on women empowerment from the beneficiaries perspective.
5. To summarize the findings of the study and offer suggestions for better role of MFIs in empowering the women beneficiaries.

Research Questions:

After having gauged the conceptual aspects of microfinance and women empowerment, a few research questions are raised to develop the thesis that is expected to solve the existing and emerging problems. The following research questions are expected to navigate the designing of the dissertation.

1. What are the most favored institutional structures to deliver microfinance facilities to the members? Why?
2. What are the frequently followed rules and regulations in dispensing microfinance to the needy members?
3. Is there any regulatory system that supervises the working of the microfinance institutions? If yes, how it is effective?
4. What is the documentation system that is followed by the financing agencies?
5. What is the recovery system of loans from the borrowers existing by dispensing micro finance agencies? How far they are effective and humane?
6. Is there any differentiation among the financing agencies in terms of size of loans given, rate of interest charged, and supervision exercised over the utilization of loans?
7. What is the amount of irrecoverable loans with the microfinance agencies? What is the effect of these loans on the financial strength of the lender?

The above research questions may provide a basis for designing the present research program and plan its implementation.

Hypotheses:

In view of the gaps identified in the earlier studies and on the basis of the research questions it is appropriate to formulate null hypothesis regarding the findings that emanate from the proposed investigation. The following are the hypothesis on which the investigation about the impact of microfinance on women empowerment is launched.

1. Savings potentials of the members of SHGs do not depend upon the good times of the primary sector contribution to the GDP of the nation/state. In Chapter: III, a

correlation between the savings of the members of the SHGs of Telanagan State and the contribution of primary sector to SGDP for six years is examined. Coefficient of correlation (r) between these two variables works out to – 0.33 and the PE is 0.24 which is far higher than the ‘r’. Hence, the null hypothesis is rejected.

2. The interest charged by the microfinance institutions on the advanced amount to women members is not uniform disregarding the status of the borrowers.
3. Almost all the microfinance agencies are lending to the women members without aiming at empowering women in a comprehensive manner.
4. The recovery of the loans from the borrowers is not regular resulting into the mounting overdue amounts.
5. The microfinance institutions are not financially weak to carry on their lending operations in favor of women members.

Research Methodology

The study is based on the primary as well as secondary data. The sources of primary data are the select respondents of the microfinance institutions of various types and also from the members of SHGs. For the purpose of collection of primary data two different questionnaires are designed and canvassed among (i) the select office bearers of the microfinance institutions and also (ii) the women participants of such agencies. Copies of these two questionnaires are placed as Appendix: I and Appendix: II at the end of the dissertation. A field survey on pilot basis is carried out with the help of the investigators for the purpose of testing the suitability of questionnaires. On the basis of the experience gained from the pilot survey, the questionnaires are redesigned and finally served among the select respondents.

The secondary data useful for the study are collected from the published documents of National Bank for Agriculture and Rural Development (NABARD), SA-Dhan (The Association of Community Development Finance Institutions), Reports of the District Integrated Rural Development Authority (DIRDA) relating to the DWACRA Group, Cooperative Development Foundation (CDF), the periodical reports published by the Ministry of Women and Child Development, and the reports published by relevant bodies. The collected secondary data are tested before using them as to the uniformity, utility and reliability.

Sampling Design: For the collection of primary data, stratified random sample method is employed by using lottery system. For the purpose of sampling design, a three level procedure of selection of the respondents is adopted. First, the geographical area is decided and defined to select the microfinance agencies. As a matter of fact, the microfinance institutions are existing all over the country including Telangana State. Therefore, taking a sample of MFIs operating all over the country or the State may become impractical and hardly possible in terms of resources and time. It may also result in loss of focus. Hence, the study is confined to Warangal (Rural) district consisting of two Revenue Divisions of the integrated Warangal District. As such taking two divisions (Warangal and Narsampet) of Warangal (Rural) for the study means that 100% of the district is going to be covered. Second, a sample frame of all the MFIs (MACS and NBFCs) working in the select geographical area is drawn in consultation with relevant Departments. In third stage, a sample of SHGs are chosen on random basis. Lastly, the office bearers and the women members of such select units are drawn by the lottery method for the purpose of in depth study of the problems of MFIs and their impact on women members. Table: 1.1 give the particulars of the sample design.

The data in the Table: 1.1 explain that the women SHGs in the select MFIs is 12,053 in all and a sample of 3,271(27%) is chosen for in depth study of the impact on them. In this select SHGs there are 8,593 women borrowers of out of which 860 are chosen on random basis for the study. In brief, it is evident that four MFIs are taken (Strata: II) to study their problems and 860 women borrowers are chosen (Strata: IV) to study the impact of MFIs. As stated earlier, separate Questionnaires are served on select MFI and women borrowers to evaluate their performance.

Time Frame of the Study

A time frame of 11 years (2010 to 2020) is taken for the analysis of the secondary data relating to working of MFIs for two reasons. First, contribution of agriculture to GDP in 2009 is 15.6% indicating poor condition of rural economy and in 2010 the share of agriculture to GDP is improved its position. Second, the Sixth Five Year Plan ended in 2017. In the context of empowerment of women this time frame (2010 -2020) is significant for obvious reasons. Hence, the secondary data relating to the growth trends of MFIs in aggregate literature are collected for a period of 11 years for the purpose of analysis and interpretation.

TABLE: 1.1**SAMPLE DESIGN OF THE STUDY**

Strata	Particulars	Universe (No)	Sample Size (No)	% of Sample to Universe
I	Number of Revenue Divisions in the Select District of Warangal (R)	2	2	100
II	Formal MFIs working in the district:			
	NBFCs	11	3	27
	MACS	07	1	14
III	Number of Women SHGs in the select MFIs:			
	NBFCs	11,868	3,186	27
	MACS	185	85	46
IV	Number of Women Borrowers in the select SHGs:			
	NBFCs	7,740	775	10
	MACS	853	85	10

Regarding the collection of primary data, the field survey is carried out during January – March 2022 which is normal in terms of business environment. It is not fraught with any extraordinary political, social and economic conditions.

Tools of Analysis

The secondary and primary data are analyzed by applying statistical tools like ratios, averages depending upon the context. Statistical tests are applied to determine the reliability of basic statistics, where ever necessary.

Scope and Limitations of the Study

As stated earlier that the study is geographically confined to 2 (100%) revenue divisions of Warangal (Rural) district. In terms of content of the study of the impact of MFIs on Women Empowerment, the scope is to cover the changes in economic

status, educational levels, and decision making capabilities of women. The researcher is no doubt aware that the study of two revenue divisions may not reflect the true position of the impact of MFIs on women empowerment in the State/Country. The other limitation of the study is that there are different types of MFIs like associations, clubs but they are not considered for the study.

Chapterization scheme:

Consistent with the objectives of the study the dissertation is developed and presented in the following six Chapters including the present one. Each Chapter deals with an independent theme but all of them together highlight the single subject of the impact of MFIs on Women Empowerment.

Chapter: I - Introduction is devoted to the need for the study, concepts relating to the main theme of MFIs and Women Empowerment. The objectives of the study, methodology, tools of analysis and scope and limitations of the study are presented in this Chapter.

Chapter: II – Micro Finance Institution and Women Empowerment –An Overview examines the working of MFIs in India in the context of Women Empowerment. The role of Government in the promotion of women empowerment over the years is also examined.

Chapter: III – Performance of MFIs in Telangana State examines the working of MFIs in terms of their number, client base and loan portfolio, progress of MFIs, it also analyses the socio-economic environment of Telangana as a backdrop to the working of MFIs.

Chapter: IV – Working of SHGs in Telangana State is devoted to analyze self help groups in Telangana State in terms of number of SHGs in Telangana State, volume of business, bank wise analysis of business of SHGs, growth trends of savings, disbursal of loans by banks etc.

Chapter: V – Impact of MFIs on Women Empowerment – Beneficiaries’ Perspective a field study containing the experiences of women borrowers from the MFIs are analyzed, the opinions of the select MFIs executive officers about the problems and prospects of micro finance are also analyzed.

Chapter: VI – Summary, Conclusions and Suggestions presents a brief summary of the findings followed by recommendations and the areas of research that could be explored in this field of MFIs and Women Empowerment.

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CHAPTER: II

Microfinance Institutions and Women Empowerment in India –An Overview

CHAPTER: II

MICROFINANCE INSTITUTIONS AND WOMEN EMPOWERMENT IN INDIA –AN OVERVIEW

Microcredit, the previous form of microfinance is not a new phenomenon in India since the financial transactions between the lender and borrowers is informal and dependent on mutual confidence. Availability of finances to the poor is scant and for that matter absent in the past. The size of economic activity is also small due to limited demand for the goods and services. Most of the poor people used to depend upon local money lenders and that too at exorbitant rates of interest. Till 1803 there was no Institutional system of financing the economic activity. After about a century in 1904 Cooperative Credit Societies Act was passed with an aim to help the rural people with credit enabling agricultural operations. It is a borrowed concept from the European countries; Commercial banking system did not emerge till the western businessmen felt the necessity of funds management in the economy. Besides, there have been number of indigenous money lenders helping the needy without any collateral which is a core aspect of microfinance. Confidence and faithfulness of the borrowers is the basis on which financial transactions are carried out. As a matter of fact, the prevalence of informal and private lending resulted exploitation and harassment of the borrowers which is also being reporting even in the present microfinance system. Over a period, the system of mutual help groups, associations emerging out of need and common avocation, friends clubs, and women groups gradually came into existence. It is much common now-a-days to find such voluntary associations being formed in the government and non-government organizations. However, these associations may not be of women exclusively but all such groups are popular among men as ‘corporation’. On observing the success of such associations among the employees and

entrepreneurs, women groups also came into existence. These groups are formed with the voluntary participation of different women from various family backgrounds but with common need. The objective of such women associations is to save some agreed amount every month and the amount so pooled is advanced to one or two members in need of funds. The accumulated amount is advanced to the member either by mutual consent or by bidding. These groups are popularly described as ‘**kitty**’⁽¹⁾ **groups**. The group members meet on any convenient day of the month at any select house of a member to decide the amount to be advanced and they also deliberate on contemporary subjects and close the deliberations by eating together. In recent years this pattern of working of these voluntary associations is found to be followed by associations of men and small entrepreneurs. As a matter of fact these associations are purely voluntary, informal, and by self-help. There are a few formal enterprises that organize groups of people carrying on the above model of self-help system. These enterprises conduct such self-help groups in large number making profit as commission for the services of financial intermediation. Since these enterprises are formal they are governed by relevant legislation and subject to rules and regulations of the industry. These enterprises conduct the self-help groups in large number to make profit. Over the years, this model developed into the concept of self-help groups (SHGs). In Sixth Five Year plan, under the aegis of District Rural Development Agency (DRDA) , rural women entrepreneurs are organized into self-help groups. For the purpose of helping the poor rural women entrepreneurs, the Ministry of Rural Development launched a program of Development of Women and Child in Rural Area (DWACRA). During the Seventh Five Year Plan, the DWACRA scheme is implemented to help the rural women to increase their self confidence resulting in self-reliance, and empowerment. Under this scheme groups of 10-15 members each are created with a leader chosen from among

the group members. The typical features of these SHGs created by DWACRA change viable interest rate and the provision of margin money by the Government. The rising demand for and success of these microfinance institutions, prompted many private people to enter into microfinance field as Non-banking Financial companies (NBFC) and Companies under section 25 of the Companies Act 2013. Similar to these institutions a few rural cooperatives for the purpose of helping farmers came into existence and started operating under the Cooperative Societies Act of the State concerned. They are called as Primary Agriculture Credit Societies (PACS). Further, an Act to provide for the voluntary formation of Cooperative Societies reliant business enterprises, based on thrift, self-help and mutual aid and owned, managed and controlled by members for their economic and social betterment have come into existence as Mutually Aided Cooperative Societies (MACS). The above discussion is meant to state that there are : (a) a multitude of microfinance institutional formats, (b) a number of delivery systems of microfinance to rural people, (c) a few except SHGs under DWACRA are serving men and women on equal footing and (d) primarily two objectives of helping the members viz., provision of credit at low interest rates without collateral. All these institutions have come into the fold of microfinance as the maximum amount that they can advance is limited to Rs.25,000 per member⁽²⁾. As the present dissertation is concerned with the study of ‘Impact of Microfinance Institutions on Women Empowerment’, it is proposed to focus upon the working of SHGs (on women empowerment) created under DWACRA scheme sponsored by the DRDA. It is already mentioned that the investigation is going to be confined to the MFIs operating in Warangal (Rural) District.

The above being the backdrop of the emergence of microfinance institutions in India, this Chapter is presented in three Sections. The evolution and growth of microfinance institutions in India with a particular emphasis on SHGs is studied in Section: I. and the Government policy with regard to MFIs and Women Empowerment is attempted in Section: II. The growth trends of SHGs in India in quantitative terms are examined in Section: III. The narrative and quantitative information for the purpose of this Chapter is drawn from various published reports of NABARD, Sa-Dhan, and CRISIL.

SECTION: I

Microfinance Institutions and SHGs in India

A conceptual frame work of microfinance and the available institutional structure for delivering microfinance in India is briefly dealt in the preceding Chapter. India believed in 1950 that the mixed economic policy with socialistic pattern approach will deliver the benefits of development to all the people equally. Accordingly the Five Year economic plans were developed but in 1971 the research work of Dandekar and Rath on 'Poverty in India' revealed that majority of people fell outside development in the country due to which the poor people remained poor⁽³⁾. The Parliament Committee on the Status of Women in India in 1977 disclosed that women remained pauperized and lived in abject poverty for obvious reasons. Consequently, the Sixth Five Plan conceived many poverty eradication programs like Small Farmers Development Agency (SFDA), Marginal Farmers and Agricultural Laborers Development Agency (MFAL) and Development of Women and Child in Rural Areas (DWACRA). Many financial supporting programs like Lead Bank Scheme came into existence under which credit is granted at lower rate of interest and a scheme of margin money from the government were introduced. Viable groups of women are formed for delivering microfinance to the women entrepreneurs to achieve self-reliance. At this stage it is not impertinent to examine the features of SHGs.

Significance of SHGs

SHGs are novel and innovative organizational setup developed for the women upliftment and welfare. Women are given opportunity to organize SHGs for credit support, training and development, so as to be prospective entrepreneur and skilled worker. The SHGs are promoted by the Government as a part of DRDA to form

viable groups of women to make them resourceful enough to become entrepreneurs. SHGs arrange training facilities to women relating to relevant work suitable for women. Subsequently, banks arrange financial assistance to carry out manufacturing and trading activities, arranging marketing facilities. Government will purchase the products of SHGs, and arrange for enhancing the capacity of women in terms of leadership and management of SHGs by themselves. As a social movement with government support SHGs become more or less a part and parcel of the society. Though there are different models for pursuing micro-finance, the Self-Help Group (SHG)-Bank Linkage Program has emerged as the major micro-finance program in the country. It is implemented by commercial banks, regional rural banks (RRBs), and cooperative banks.

The concept of Self-help groups had its origin in the co-operative philosophy. The co-operators by and large, including the National Federations in the credit sector, could not think of any better SHG than a primary co-operative credit society itself. As SHG are small and economically homogenous affinity groups of rural poor, they are voluntarily coming together for achieving the following objectives:

1. To save small amount of money regularly.
2. To mutually agree to contribute to a common fund.
3. To meet their emergency needs.
4. To promote collective decision making.
5. To solve conflicts through collective leadership and mutual discussion.
6. To provide credit facilities without collateral as decided by the group at the market driven rates.

A Self-help group is defined as a group consisting of people who have personal experience of a similar issue or life situation, either directly or through their family and friends. Further a self-help group is a "self governed, peer controlled information group of people with similar socio-economic background and having a desire to collectively perform common purpose." Sharing experiences enables them to give each other a unique quality of mutual support and to pool useful information and ways of coping with the socio-economic changes. Thus Self-help groups are small informal association of the poor created at the grass root level for the purpose of enabling members to reap economic benefits out of mutual help solitarily and with joint responsibility. As stated earlier Self-help groups are formed voluntarily by the rural and urban poor to save and contribute to a common fund to be lent to its members as per group decision and for working together for social and economic uplift of their families and community. They will mobilize small savings either on weekly or monthly basis from the members. They have been able to effectively recycle the resources generated among the members for meeting the productive and emergent credit needs of members of the group. The distinguishing features of Self-help groups can be stated as under:

- i. An SHG normally consists of not less than five persons (with a maximum of twenty) of similar economic outlook and social status.
- ii. It promotes objectives like economic improvement and raising resources for development and freedom from exploitation.
- iii. It has its own rules for the proper functioning of the group as well as for the observance of certain systems by the group members and regulations concerning membership.

- iv. The form of such a group could be mostly on an informal basis (unregistered).
- v. Periodical meetings of members are held for solving their problems (economic and social) and they collect fixed savings from the members.
- vi. Groups consider loan requests in periodical meetings, with competing claims on limited resources being settled by consensus regarding urgent needs.
- vii. At periodical meetings, besides collecting money, social and economic issues are discussed.
- viii. Loaning is mainly on the basis of mutual need and trust with minimum documentation and without any tangible security. The amounts of loans are small, frequent and for short duration.
- ix. The savings of members are kept with a bank in the name of group and authorized representative of the group operates the bank account. The deposit kept in the bank is used for giving loans to members for purposes including consumption at the rate of interest decided by the group.
- x. Sources of funds are the contribution of member's savings, entrance fee, interest or loans, proceeds of joint business operations and income from investment. Funds may be used for giving loans, undertaking social service and to make common investment.

The SHG, being a group of like-minded persons, gets empowered to solve most of its problems of a non-financial nature, such as raw material and input supply marketing, better adoption of technology, education and training for realization of its objectives of development.

The above objectives are achieved by performing the 5 Ps. They are: (i) Propagator of voluntarism, (ii) Practitioner of mutual help, (iii) Provider of timely and emergency loan, (iv) Promoter of thrift and savings, and (v) Purveyor of credit. However, these five Ps can be explained as under:

- i. Enabling the members to become self-reliant and self-dependent.
- ii. Providing a forum for members for discussing their social and economic problems.
- iii. Enhancing the social status of members by virtue of their being members of the group.
- iv. Providing a platform for members to exchange of ideas.
- v. Developing and encouraging the decision making capacity of members.
- vi. Fostering a spirit of mutual help and co-operation among members.
- vii. Instilling in members a sense of strength and confidence which they need for solving their problems.
- viii. Providing organizational strength to members.
- ix. Providing literacy and increasing general awareness among members, and
- x. Promoting the numerical knowledge with basic skills required for understanding monetary transactions.

In view of the importance of SHGs the government and the central financial agencies like RBI and NABARD, initiated many programs to strengthen them.

The present institutional arrangement of microfinance has become popular with the establishment of Self Employed Women's Association (SEWA). However, MFIs are in some cases reported to have exploited women and harassed for the recovery of loans. To avoid such atrocities, Navodayam- a journal runs by

enlightened women of Chittoor District organized 'Srinidhi' a SHG to extend credit facilities to their women members⁽⁴⁾. All these examples are given with a view to impress that SHGs have become very popular among the rural and urban poor. . In 1992, the NABARD started SHG Bank Linkage model under which the credit is provided to women groups which is continuing till today.

SHG Bank Linkage Program

The variety of SHG models that developed over the years reflect the significance of MF in dispensing credit facilities to the rural poor. Further to strengthen the MFIs and their operations, the NABARD introduced Bank Linkage Program (BLP) in 1992 with a modest beginning of 225 credit linked groups with a loan amount of Rs. 29 lakhs⁽⁵⁾. Within the short period of 3 years, 4,750 SGHs were linked with different banks with bank loan of Rs. 6.06 Crs. All this amount is disbursed by 28 commercial banks, 60 RRBs and 7 Cooperative Banks. The overwhelming success of the SHG-BLP made the RBI to treat the credit as priority sector lending activity in April 1996. This scheme has become more popular in India than elsewhere in the world due to spontaneous adoption of by Scheduled Commercial Banks, Regional Rural Banks and Cooperative Banks. The NABARD continued to support more than 5,000 partner agencies such as NGOs, RRBs, District Central Cooperative Banks and other Self-help Group Promotion Institution (SHPI) partners for promoting and nurturing SHGs. The success SHG-BLP attracted the attention of State Government. Many of the State Governments, through the Departmental initiatives promoted the formation SHGs. Notable among the State Governments is Andhra Pradesh with Podupulakshmi program, Indira Kranthi Patham programs. In Bihar,

Jeevika Project and , TRIPTI and Mission Shakti projects in Odisha are some of the other projects supported by the State Governments ⁽⁶⁾.

Swarna-Jayanti Gram Swarojgar Yojana (SGSY)

The SGSY is the scheme of the Ministry of Rural Development, Government of India was launched in April 1999 after restructuring erstwhile (Integrated Rural Development Program (IRDP), Training of Rural Youth for Self Employment (TRYSEM), Supply of Improved Tool Kits to Rural Artisans (SITRA), Grameena Koushalya Yojana (GKY) and Million Wells Scheme (MWS). The main objective is to bring assisted poor families above the poverty line by providing income generating assets through the mix of bank credit and subsidy. Again in 2011 it is re-christened as National Rural Livelihood Mission (NRLM) with an objective to make group centric, group driven poverty alleviation program. The NRLM's components are: formation, federation and financing of women SHGs, livelihood programs for rural women farmers and agricultural laborers. They result in value addition activities in non-timber forest produce in tribal districts, gender rights issues and various programs. One of the core objectives of the mission is to make rural people particularly women a new category of clients and take them beyond financial inclusion to achieve economic development. They enable them to participate in income generation activities and benefit from mainstream economic benefits. It aims to cover all the rural districts in the country in phases ⁽⁷⁾.

E Shakti:

Consistent with the policy of the Government relating to Digital India, the NABARD, in 2015 launched digitalization of SHGs titled as 'EShakti'. This scheme is implemented in two districts viz. Ramgarh (Jharkhand) and Dhule (Maharashtra) on

experimental basis. The purpose of this program is to empower the SHGs through technology. Eshakthi is designed to capture the demographic and financial profiles of the SHGs as well as their members. Further, it is meant to bring them into the fold of financial inclusion and thereby enable them access to wider range of financial services. This scheme is expected to increase the bankers' confidence in credit appraisal and linkage. The success of this scheme is reflected by the extension to 75 more districts towards the end of 2017. As on 31 March, 2020, EShakthi is implemented in 6.54 lakhs SHGs involving 72 lakh members in more than 98,000 villages ⁽⁸⁾.

Initiatives of NABARD

Earlier it is noted that the NABARD as national level agency of financing the rural development programs played a pivotal role in strengthening the women SHGs groups. In addition to the said programs, NABARD implemented a few auxiliary programs as propagator and facilitator by providing conducive policy environment, training and capacity building . Besides extending financial support for the healthy growth of the SHG linkage program over the years, various steps taken in this regard may be enumerated as under ⁽⁹⁾:

1. Developing a conducive policy framework through provision of opening savings bank accounts in the names of SHGs (though they are informal groups), relaxation of collateral norms, simple documentation and delegation of all credit decisions and terms to SHGs.
2. Training and awareness building among the stakeholders.
3. Provision of capacity building support to NGOs/SHGs.
4. Mainstreaming the SHG linkage program as part of corporate planning and

normal business activity of banks in 1996 and internalizing, training, monitoring and review mechanism.

5. Encouraging banks (RRBs and DCCBs) for promotion of SHGs.
6. Financial support to NGOs for promotion of SHGs.
7. Encouraging rural individual volunteers in promotion and nurturing of SHGs.
8. Close monitoring of SHGs.
9. Dissemination through seminars, workshops, and publication of occasional papers.
10. Constitution of High Powered Task Force to look into the aspects of policy and regulation of microfinance and suggest policy, legal regulatory measures for smooth and unhindered growth of microfinance sector.
11. Setting up a Microfinance Development Fund in NABARD for meeting the promotional costs of up-scaling the microfinance interventions. The funds have since been re-named as Microfinance Development and Equity Fund.
12. Initiating the credit rating of the microfinance institutions through accredited credit rating agencies of India by meeting 75 percent of the cost of the rating as grant. This is done to enable the microfinance institution to approach banks for commercial borrowing and extending micro-credit to the poor.
13. Center for Microfinance Research is established in 2008 with a view to strengthening the MFIs by supplying research inputs that relate to delivery system. Later in 2016, this research body is re-named as Center for Research on Financial Inclusion and Microfinance.

As MFI is successful through SHGs an elaborate institutional arrangement evolved over the years, The Government, RBI and NABARD initiated many measures of strengthening SHGs through financial strategies. SHG Bank Linkage program (SHGBLP), supporting the SHG Promotion Institutions (SHGPI), Swarna Jayanthi Gram Swarajgar Yojana (SJSY) and Eshakthi are various programs launched and implemented by the national level financial institutions. Depending upon the microfinance environment the SJSY program is redesigned and implemented as National Rural Livelihood Mission (NRLM). Further, NABARD has developed and implemented many programs like training of the members of the SHGs, credit rating system and monitoring programs.

SECTION: II

Government Policy on MFIs and Regulatory System in India

The number of Microfinance institutions is increasing in India since 1970. They are originally unregulated self help groups (SHGs) meant to provide access to financial services like mobilization of savings and extension of credit to the needy, particularly in rural areas. This institutional services of microfinance witnessed strong growth following the liberalization of Indian economy in 1991. Consequently, private sector organizations came forward to provide credit to the SHGs through MFIs. As at the end of March 2020, there are about 461 lakh SHGs with deposits over Rs. 26,000 crores and annual loan off take of more than Rs. 77,000 Crs ⁽¹⁰⁾. All these developments are on account of a turnaround brought about by the NABARD initiatives in 2001. The developments of MFI sector in terms of number of clients and loans outstanding can be understood from Annexure Table: 2.A. A look at the Table indicates a meteoric progress of MFIs till 2009 but in 2010 some problem arose in the process of advancing of loans and recovery of such advances in certain parts of the country like Andhra Pradesh. Further, it can also be observed that the business strategies like restructuring and NABARD interventions brought about a positive change in the progress of MFIs in India. In this Section an attempt is made to examine the strengths and weaknesses of MFIs consequent to which regulatory system slowly set in.

Main Strengths of MFIs

The following can be stated as strengths of MFIs on account which MFIs in India expanded through the length and breadth of the country ⁽¹¹⁾.

1. **Strong business growth and improving geographic delivery:** Majority of MFIs including the larger ones served the poor in South India till 2005-06. In later

years, the wide spread growth of MFIs into the states like Maharashtra, Chhattisgarh, Orissa, Jharkhand and West Bengal from 2006-07 is indicating the strength of MFIs.

2. **The healthy asset quality:** Due to the widespread belief that MFIs are meant to bring out a healthy economic environment, there is a positive impression on the poor that their survival is their sustenance. Thus the collection process has improved the rate of recovery of loans resulting in healthy asset quality.
3. **Improved earning profile:** Growth of advances by the MFIs followed by high productivity of employees led to high recovery rate of loans. Consequently turnover ratios of loans increased resulting in high rate of return.

Challenges of MFIs in India

In spite of the above positive factors, the MFIs in India have the following challenges⁽¹²⁾

1. **Heavy dependency on banks and financial institutions:** Most of the MFIs are dependent on banks and financial institutions for their working capital. It means that the MFIs do not raise capital through capital market leverage. The large NBFC-MFIs incur higher borrowing costs than most of the retail finance NBFCs. Banks classify their lending to MFIs as priority loans which allow them to mobilize capital from the higher financial agencies.
2. **Absence of regulatory control:** MFIs are licensed under different statutory framework in India for conducting microfinance activities. As stated earlier that there are different laws like Societies Registration Act, Trustee laws, Companies Act and Cooperative laws under which MFIs seek registration and recognition.

However, NBFCs are subject to the regulatory and supervisory provisions prescribed by the RBI. The non-NBFCs lack financial regulatory measures but they are governed by the State laws as mentioned above which are different from one another.

3. **Rates of Interest are politically sensitive:** To control the supply of money in the economy, the RBI suggest rates of interest periodically. But the MFIs of non-NBFC nature charge different rates of interest on the loans depending upon the policy of the State Government concerned. Thus the rates of interest charged by different SHGs become highly contentious and hence it remains a challenging issue.
4. **Aggressive Growth plans of MFIs:** As mentioned earlier, the number of SHGs and their advances to the members are increasing year after year because of their socio-economic objectives. CRISIL found that MFI risk management practices are diluted in recent years, on account of focus on business growth. Consequently, credit provision and monitoring operations are weakened at the MFI's level.

National Policy of Microfinance

The challenges of MFI, as discussed above may sometimes affect the growth of the MFIs but for the government policy microfinance is growing fast year after year. Hence, it is necessary to examine the government policy towards microfinance in India. In view of stark poverty in rural areas and the underutilization of women force, the Government is positively disposed to the promotion of microfinance followed by regulatory system of the RBI.

Despite having a wide network of rural bank branches in the country and implementation of poverty alleviation programs, a large number of the very poor

continued to remain outside the fold of formal banking system. The existing system of banking is not able to focus upon the asset less poor to engage them in productive operations. The experience of various countries all over the world show that the key to success lies in the evolution and participation of community based organizations at the grassroots level. Hence, Microfinance is found as a useful tool in building the capacities of the poor in management of sustainable self-employment activities besides providing them other financial services like savings and advancing of loans to the poor. The National Policy on MF emphasizes on the initiatives and participation of different institutions in MF activities and within regulatory and supervisory system by competent authority. It is intended to establish close linkage between formal banking channels and the MFIs for the purpose of advancing equity, start-up capital and capacity building ⁽¹³⁾. In brief the national policy for MFIs is to (a) encourage the poor to involve in economic activities, (b) strengthen the participation of women and start-ups, (c) design the ways and means of participation of the self help groups, and (d) establish financial relationships between the self-help groups and the formal banking sector.

Regulation of MFIs in India

Considering the importance of microfinance institutions in fulfilling the goals of financial inclusion, it is essential to understand the body of laws, rules and regulations which govern this financial tool. Following the aftermath of the Andhra Pradesh Microfinance issue and the subsequent rise of the microfinance industry nevertheless, various prudential and non-prudential norms are evolved by the regulatory bodies in the country in order to effectively regulate microfinance institutions. However, an overlap between the areas dealt with by various authorities governing microfinance

entities on critical issues like interest rate determination create uncertainty on the basic conditions of thriving in this sector for participant institutions. A MFI in India acquires permission to lend through registration. MFIs are registered under any one of the following five types of entities:

1. Non-Government Organizations engaged in microfinance (NGO MFIs), comprising of Societies and Trusts;
2. Cooperatives registered under the conventional state-level cooperative Acts, the national level Multi-State Cooperative Societies Act (MSCA 2002), or under the new State-level Mutually Aided Cooperative Societies Act (MACS Act);
3. Section 25 of the Indian Companies Act 1956.
4. For-profit NBFCs; and
5. NBFC-MFIs.

TABLE 2.1
MFIs by the type of registration

Category	Type of MFI	Registration
Not for Profit	NGO MFIs, societies and Trusts	Registered under societies registration act 1860 and/or Indian Trust Act 1882
	Section 25 Companies Act	Section 25 of Companies Act 1956 or section 08 of Companies Act 2013
Mutual Benefit	Cooperatives	Registered under State Cooperative Societies Act or Mutually Aided Cooperative Societies Act (MACS) or Multi State Cooperative Societies Act 2001
For Profit	NBFC	Companies Act 1956 and registered with RBI
	NBFC-MFI	RBI Circular May 2011

Source: M-CRIL Microfinance review 2010, <http://www.m-cril.com> (reported by briefing pages, 2013)

Table: 2.1 explain the process of registration under different laws concerned. In addition to the legislative control the MFIs are also governed by the RBI directions released periodically. The RBI announces that the loans given by the financing banks to MFIs may be considered as priority advances. At present advances given by the banks to the registered NBFC -MFIs are considered as a priority sector. The number of priority sectors has recently been reduced by appropriate agencies because those banks will be relying more heavily on lending to MFIs to meet the priority sector requirements. In order to register as a NBFC-MFI, an institution must meet requirements specified by RBI. The RBI requires that a minimum of 75 percent of a NBFC-MFI's loan portfolio must have originated for income-generating activities. Additionally, an NBFC-MFI must have 85 percent of its total assets as qualifying assets (excluding cash, balances with banks and financial institutions, government securities and money market instruments). A qualifying asset is a loan which meets the following criteria:

1. Borrower's household annual income does not exceed Rs.60,000 or Rs.1,20,000 for rural and urban areas respectively.
2. Maximum loan size of Rs. 35,000 (first cycle) and Rs.50,000 (subsequent cycles).
3. Maximum borrower total indebtedness of Rs.50,000.
4. Minimum tenure of 24 months when loan exceeds Rs.15,000.
5. No prepayment penalties.
6. No collateral.
7. Repayable by weekly, fortnightly or monthly installments at the choice of the borrower.

A few more restrictions are placed by the RBI on the lending banks to consider the loans to NBFC-MFI as priority advances. They are relating to deposit, raising of capital, and the rates of interest charged on the advances. Compliance of the State level Money Lenders' Legislation is also one more condition to consider the loans as priority advances. The Microfinance Institutions (Development and Regulation) Act, 2012, suggests that the lending institution should conduct a study about the ability to pay the loan within the prescribed period. In addition to the above regulations with regarding to the advances, a few more rules are to be followed by the NBFC-MFIs as per the directions of the RBI:

1. A standard form of a loan agreement is required to be used.
2. NBFC-MFIs are required to ensure that the modes of recovery are non-coercive. They are required to ensure that a Code of Conduct is implemented which incorporates the principles of fair practices.
3. Multiple Lending, Over-Borrowing and Ghost Borrowers should be avoided.
4. NBFC-MFIs can lend to borrowers who are not members of more than one Self Help Group or Joint Liability Group.
5. Not more than two NBFC-MFIs should lend to the same borrower.
6. A minimum period of moratorium which is not less than the frequency of repayment should operate between the grant of the loan and the due date of the repayment,

Policy to Promote Women Empowerment

As the present study is concerned with MFIs and women empowerment, an attempt is made to examine and analyze the government policy towards women empowerment. The principle of gender equality is enshrined in the Constitution of

India which guarantees gender equality and empowers the State to formulate affirmative action in favor of women. The Government of India deeply committed to ensure empowerment of women through their social, educational, economic and political uplifting through various schematic interventions. While the schemes implemented by the Government like Beti Bachao Beti Padhao (BBBP), Pradhan Mantri Awas Yojana (Urban & Rural), the National Social Assistance Programme (NSAP), Pradhan Mantri Vyay Vandana Yojana (PMVVY) and Scheme for Adolescent Girls (SAG) support women and girls to be socially secure, the initiatives like Samagra Shiksha, Scheme of National Overseas Scholarship, Babu Jagjivan Ram Chhatrawas Yojna, and Swacch Vidyalaya Mission, ensure that schools are girl-friendly especially for vulnerable sections of society and have adequate facilities in place to fulfill their special requirements. Further, the National Education Policy (NEP), 2020 prioritizes gender equity and envisions ensuring equitable access to quality education to all students, with a special emphasis on socially and Economically Disadvantaged Groups (SEDGs). In order to enhance the employability of female workers, the Government is providing training to them through a network of Women Industrial Training Institutes, National Vocational Training Institutes and Regional Vocational Training Institutes. To ensure economic independence of women through skill development and vocational training, the Government has also introduced Skill India Mission. The National Skill Development Policy focuses on inclusive skill development, with the objective of increased women participation for better economic productivity. Pradhan Mantri Kaushal Vikas Kendras lay emphasis on creating additional infrastructure both for training and apprenticeship for women; flexible training delivery mechanisms, flexible afternoon batches on local need-based training to accommodate women; and ensuring safe and gender sensitive training environment, employment of women trainers, equity

in remuneration, and complaint redressal mechanism. There are schemes like Pradhan Mantri Mudra Yojana and Stand Up India, Prime Minister's Employment Generation Program (PMEGP), for helping the women to set up their own enterprise. Under the Swacch Vidyalaya Mission, it is ensured that all schools have at least one functional toilet for girls. Pradhan Mantri Ujjwala Yojna (PMUY) aims to safeguard the health of women by providing them with clean cooking fuel and also from drudgery of collecting firewood. Further, in order to encourage employment of women, a number of enabling provisions have been incorporated in the recently enacted Labor Codes viz. the Code on Wages, 2019, the Industrial Relations Code, 2020, the Occupational Safety, Health and Working Conditions Code, 2020 and the Code on Social Security, 2020 for creating congenial work environment for women workers. Stand -Up India scheme promotes entrepreneurship amongst women. The Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA) mandates that at least one third of the jobs generated under the scheme (MGNREGS) should be given to women. Government has also made enabling provisions for allowing women's participation in non-conventional sectors such as fighter pilots in Indian Air Force, Commandos, Central Police Forces, and admissions in Sainik Schools. The Government also implements the scheme of Working Women Hostels for providing safe accommodation to working women ⁽¹⁴⁾. The above discussion amply explains that the Government and the other enabling agencies are deeply committed to the empowerment of women through various projects.

Women Welfare and Empowerment: In the aforesaid discussion it is observed that the government is deeply committed to promote women empowerment. As a foundation for women empowerment a comprehensive welfare program is designed and implemented from 1972-73. The foremost project of women's welfare commenced as

early as in 1972-73 and is fortified by Pradhan Mantri Yojana in 2017. Table: 2.2 give a list of other schemes with their corresponding objectives and the year of commencement of the programs. These programs (Table: 2.2) aim to ensure welfare as well as to achieve women empowerment. They are meant to provide the basic needs of food, shelter, clothing, skill based training, education, marketing facilities to small entrepreneurs for women welfare and empowerment.

In sum, it is understood that there is a strong commitment on the part of the Government to promote gender-equality consistent with the directive principles of State Policy. Schemes for the promotion of women education, training, skill development, welfare, financial support to small entrepreneurs are designed and implemented right from the days of adoption of Constitution. Further, safety and security needs of the women are also taken care by passing appropriate laws and codes and in recent times a few more programs are undertaken by the Government through MFI programs.

TABLE: 2.2**Govt. Schemes for Women Development and Empowerment**

1. SWADHAR Greh Scheme	2001	<ul style="list-style-type: none"> ➤ To cater to the primary need of shelter, food, clothing, medical treatment and care of the women in distress and who are without any social and economic support. ➤ To enable them to regain their emotional strength that is affected due to their encounter with unfortunate circumstances. ➤ To provide them with legal aid and guidance to take steps for their readjustment in family or society. To rehabilitate them economically and emotionally. ➤ To enable them to start their life as fresh with dignity and conviction. 	
2. Rajiv Gandhi National Crèche Scheme	Launched in 2012. It was revamped in 2016.	<ul style="list-style-type: none"> ➤ To providing a nursery where babies and young children are cared for during the working day. Employment of women has resulted in increased opportunities for their employment and more women are now working within or outside their homes. ➤ Thus the children of these women, who were earlier getting support from relatives and friends while their mothers were working now in need of day care services which provide quality care and protection for the children. 	The present scheme will provide assistance to NGOs for running crèches
3. Mahila e-Haat	March, 2016	<ul style="list-style-type: none"> ➤ Mahila E-Haat is an initiative for meeting needs of women entrepreneurs. ➤ This startup Rashtriya Mahila Kosh website leverages technology for showcasing products 	-It is an online marketing platform for women entrepreneurs. It is managed by the National

		<p>made/manufactured/sold by women entrepreneurs.</p> <ul style="list-style-type: none"> ➤ They can even show their services of their creative potential. This unique e-platform will strengthen the socioeconomic empowerment of women. ➤ To act as a catalyst by providing a web-based marketing platform to the women entrepreneurs to directly sell their products. ➤ To support 'Make in India' through online marketing platform. 	Small Industries Corporation to support the entrepreneurs. (Ministry of Women and Child Development, Govt. of India)
4. Mahila police volunteers (MPV)	December 2016	<ul style="list-style-type: none"> ➤ An MPV will serve as a public-police interface in order to fight crime against women. ➤ The broad mandate of MPVs is to report incidences of violence against women such as domestic violence, child marriage, dowry and violence faced by women in public spaces. ➤ She will act as a role model for the community. 	
5. National Mission for Empowerment of Women (NMEW)	15 August, 2010	<ul style="list-style-type: none"> ➤ To strengthen the conceptual and programmatic basis of women-centric schemes implemented. ➤ Training & Capacity Building to enhance and strengthen understanding of gender issues, build a Resource Pool (trainers) at the National and State level to bridge gaps between knowledge 	
6. Beti Padhao, Beti Bachao Scheme	January 2015	<ul style="list-style-type: none"> ➤ To prevent sex-selective abortion ➤ To ensure survival and protection of a girl child ➤ To ensure education of the girl child 	Initially a fund is created with Rs.100 crores.
7. Women helpline scheme	April 2015	<ul style="list-style-type: none"> ➤ To provide toll-free 24-hours telecom service to women affected by violence seeking support and information. ➤ To help crisis and non-crisis 	Helpline call facilities are arranged.

		<p>intervention through referral to the appropriate agencies such as police/Hospitals/Ambulance services/District Legal Service Authority (DLSA)/Protection Officer (PO).</p> <ul style="list-style-type: none"> ➤ To provide information about the appropriate support services, government schemes available to the woman affected by violence 	
8. Working Women's Hostel (WWH)	1972-73. Pradhan Mantri Yojana was started in April 2017.	<ul style="list-style-type: none"> ➤ The main objective of the scheme is to promote availability of safe and conveniently located accommodation for working women with day care facility for their children wherever possible in urban, semi urban or even rural areas where employment opportunity for women exist 	<p>This facility is available to single, divorced, widowed, and separated women. Accommodation is provided on reservation basis.</p>
9. Support to Training and Employment Programme (STEP) for Women	1986-87	<ul style="list-style-type: none"> ➤ To mobilise women in small viable groups and make facilities available through training and access to credits ➤ To provide training for skill upgrading ➤ To enable groups of women to take up employment-cum-income generation programs. ➤ To provide support for further improving training and employment conditions of women 	<p>An autonomous is created under the Ministry of Skill Development and Entrepreneurship. It is registered under the Societies Act, 1960.</p>

SECTION; III

Growth of MFIs in India – A Trend Analysis.

It is said that India is a poor country amidst prosperity. There are many reasons for such dichotomous situation. One of the most important reasons for this contrast is that women being 49% of total population do not have any command over the wealth and 79% of them are working in informal sector and the rest are engaged in household chores. Unexpected contingencies like famine, floods, and natural calamities keep women unemployed and if not disengaged. Though a large number of women (about 79%) are engaged in agricultural operations, hardly 9% of landed property is in their control. Consequently, the role of women workers in farming activities fell down to 25% in 2018 from 37% in 2005. As everybody agrees that the women empowerment is dependent on their economic self-reliance, due to which their ability to manage the domestic budgets declined. It can be restored only by creating consciousness among women about their needs for economic stability and skill development ⁽¹⁵⁾. The Government has noted this distressed condition of women in India. To ameliorate their disruptive condition, as observed earlier, many comprehensive projects launched and promoted MFIs in the country. In what follows, the growth trends of the MFIs and the SHGs and their working in terms of membership, advances and other related matters are analyzed. For this purpose the relevant data are collected from the Status of MFIs in India published annually by the NABARD and Directory of Microfinance Institutions (MFIs) in India published by Sa-Dhan (An Association of Community Development Finance Institutions).

Number of MFIs in India:

Earlier in the preceding Chapter, it is noted that there are broadly two types of flows of microfinance in India to the ultimate users. First, the MFIs stream to the SHGs which are sometimes supported by Commercial Banks registered under appropriate legislations such as Societies Registration Act, Cooperative Societies Act, Company Act, Trustee Act and Mutually Aided Cooperative Societies Act (MACS), Second, Self financing institutions engaged in mobilization of the deposits from the members and advancing loans to the needy members. For the purpose of examining the trends in the number of MFIs, microfinance refers to provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi urban or urban areas, for enabling them to raise their economic levels and improving living standards. The institutions engaged in the provision of microfinance services are known as MFIs. Table: 2.3 present the data relating to the number of MFIs by states for four years viz., 2011, 2012, 2020 and 2021. The data relating to these years are relevant as many of the states have underwent re-organization for various administrative and political reasons. The number of States in India, in the context of the analysis of trends in number of MFIs increased from 20 in 2010-11 to 22 in 2020-21. However, the number of MFIs decreased from 240 in 2010-11 to 216 in 2020-21 as a few of them were dissolved on account of financial problems borne by mismanagement and poor recovery of loans. A close scrutiny of the data reveals that certain states like Tamil Nadu, West Bengal, and Maharashtra have maximum number of MFIs. They account nearly 42% of the total number of MFIs in almost all the years under study.

At this stage, it is interesting to note that the number of MFIs recorded differ from one agency to the other for varied reasons of different definitions of the operating terms. Further, the same agency, in different context at different times report differently about the number of MFIs. All these comments are made in the context of the data compiled by Sa-Dhan (The Association of Community Development Finance Institutions) about the number of MFIs. **Annexure Table: 2. B** give the number of MFIs by states for the year unmentioned. The total number of MFIs is 268 out of which West Bengal (45), Tamil Nadu (33) and Odisha (29) account for about 40% of the total. Annexure Table: 2.C explain the legal form of the 268 MFIs indicating the regulatory system applicable to them. Out of 268 MFIs, 111 (41%) are registered as Societies under Societies Registration Act of the state concerned. Next to the Society regulatory system, NBFC stands with 91 number of MFIs accounting for 34% of the total MFIs in India. In spite of data inconsistencies mentioned above, an attempt is made to analyze the trends only and not to draw any inferences. In the same breadth, the trends in the number of MFIs in India is examined on the basis of the data given graphically in the Annual Reports of Sa-Dhan. Table: 2. 4 show the number of existing MFIs in India at the end of March for a period of 10 years.

TABLE: 2.3**Number of Accounts linked with SHGs Saving Banks****A trend Analysis***(No. in lakhs)*

Year (1)	Total Number of SHGs Savings linked with Banks (No. in lakh) (2)	Exclusive Women SHGs Savings accounts linked with Banks (3)	% of Women SHGs to total Number of SHGs Savings linked with Banks. (4)
2010-11	74.62	60.98	81.72
2011-12	79.60	62.99	79.13
2012-13	73.18	59.38	81.14
2013-14	74.30	62.52	84.14
2014-15	79.60	62.99	79.13
2015-16	79.03	67.63	85.57
2016-17	85.77	73.22	85.36
2017-18	87.44	73.90	84.51
2018-19	100.14	85.31	85.19
2019-20	102.43	88.32	86.22
2020-21	112.23 (9.57)	97.25 (10.11)	86.65

Source: NABARD, Status of Microfinance in India; 2010-11 to 2020-21).

The above data broadly indicate that the number of MFIs increased gradually except in the year 2012-13 on account of the fact that the Government was conceiving a policy of regulating the MFIs. In the subsequent years there is a gradual increase in the number of MFIs in India as their benefits are felt by the community of small entrepreneurs across the country. Of course, at this stage it is to be noted that the number of MFIs may not tally with the total number as shown in Table: 2. 3. The reason for the discrepancy may be attributed to the fact that the time and date of compilation differs.

Business Trends of MFIs

By definition, the business of MFIs comprises the encouragement of thrift, provision of credit to the members and educating them about investment, marketing of the produce of the members. As such the aggregate business trends of MFIs are analyzed in terms of savings made by the members (SHGs), advances made through the year, loan outstanding, and total NPAs of the MFIs for a period of ten years commencing from 2010-11 to 2019-20. The relevant data are collected from the annual reports of 'Status of MFIs in India' published by the NABARD.

Mobilization of Savings

It is one of the most important functions of MFIs for two reasons. First, the habit of thrift is encouraged among the members to build capital base and second is to link deposit base so as to decide the credit worthiness of the borrowing members. The role of MFIs is to help the members to deposit their surplus either in Commercial Banks, or in Cooperative Banks or in Regional Rural Banks. Again, Commercial Banks for the purpose of deposits may be either private sector or public sector banks.

TABLE: 2.4

Number of Microfinance Institutions in India

Year	No. of MFIs in India	Increase / Decrease of No.	% of growth of MFIs
2010-11	172	-	-
2011-12	184	12	6.98
2012-13	155	-29	-15.76
2013-14	155	-0-	0
2014-15	156	01	0.65
2015-16	166	10	6.41
2016-17	172	06	3.61
2017-18	200	28	16.28
2018-19	202	02	1.00
2019-20	252	50	24.75

Source: Sa-Dhan, Annual reports 2020-21 (Graphical presentation) p.24

TABLE: 2.5
Progress of MFIs- Banks Savings of SHGs with Banks

(Rs. In lakhs)

Years (1)	No. of SHGs (2)	Total Amount of Savings made by SHGs (Rs) (3)	Average savings per SHG (Rs) (4)	Percentage of growth of Total Savings (5)
2010-11	7461946 -	701630.28 -	9402 -	-
2011-12	7960349 (6.68)	655141.45	8230 (-12.43)	-6.63
2012-13	7317551 (-8.07)	821725.47	11229 (36.44)	25.43
2013-14	7429500 (1.53)	989741.54	13321 (18.63)	20.45
2014-15	7697469 (3.61)	1105984.07	14368 (7.86)	11.74
2015-16	7903002 (2.67)	1369139.01	17324 (20.57)	23.79
2016-17	8576875 (8.53)	1611422.64	18787 (8.45)	17.70
2017-18	8744437 (1.95)	1959211.52	22405 (19.26)	21.58
2018-19	10014243 (14.52)	2332448.15	23291 (3.95)	19.05
2019-20	1,02,43,323 (2.29)	26,15,204.89	25,331 (8.76)	12.12
2020-21	1,12,23,400 (9.57) (3.93)	37,47,761.37	33,392 (31.82) (13.09)	43.31 (15.12)

*Source: NABARD, Status of Microfinance in India, 2010-11 to 2019-20, Statement- II-A.
Progress of MF – Savings of SHGs with Banks.*

Note: Figures in brackets indicate percentage growth y on y.

However, an attempt is made to consider the aggregate deposits for the purpose of examining trends in savings as facilitated by the MFIs. Table: 2.5 show the progress of MFIs in mobilizing the savings from the SHGs over a period of 11 years. It can be seen that the number of affiliated SHGs increased from 75 lakhs in 2010-11 to 112 lakhs in 2020-21 registering a growth by 49% over a period of eleven years. Further, it can be noted that the number of affiliated SHGs increased gradually which works out to

an average annual growth of 3.93%. It is interesting note that the aggregate savings of all the affiliated SHGs increased significantly except in 2011-12 and the average annual growth of the savings works out to 15.12% over 11 years. Of course the average savings of the affiliated SHOs increased at an average rate of 13.09%. All these analysis clearly indicates that the MFIs are successful in motivating the affiliated SHGs in improving their ability to save and deposit in the Banks.

Disbursement of Loans: is the most important facilitating function of MFIs in favor of the affiliated SHGs as it is the core objective of the microfinance. The purpose of MFIs is to help the SHGs in seeking small sized credit to support the small entrepreneurs, self-employed men and women, and the start-ups. Hence, it is relevant to examine the trends in facilitating disbursement of loans to the members. The number of SHGs seeking microfinance increased from 11,96,134 in 2010-11 to 28,87,394 in 2020-21 registering a growth by 141% over a period of 11 years (Table: 2.6). However, the annual average rate of growth of the number of affiliated SHGs works out as 8.75%. Table: 2.6 also reveals that the total amount of loans disbursed increased from Rs.14,54,773.19 lakhs in 2010-11 to Rs.58,07,067.81 lakhs in 2020-21 registering a growth by about 299%.

TABLE: 2.6**Progress of MFIs- Bank Loans Disbursed during the year**

(Rs. In lakhs)

Years (1)	No. of SHGs (2)	Total Amount of Loans Disbursed during the year (Rs) (3)	Average amount of loan disbursed per SHG (Rs) (4)	Percentage of growth of Total loans disbursed (5)
2010-11	1196134 -	1454773.19	121622 -	-
2011-12	1147878 (-4.03)	1653476.87	144046 (18.44)	13.66
2012-13	1219821 (6.27)	2058536.44	168757 (17.15)	24.50
2013-14	1366421 (12.02)	2401735.85	175768 (4.15)	16.67
2014-15	1626238 (19.01)	2758231.06	169608 (-3.51)	14.84
2015-16	1832323 (12.67)	3728690.09	203495 (19.98)	35.18
2016-17	1898120 (3.59)	3878115.64	204313 (0.40)	4.01
2017-18	2261132 (19.12)	4718587.61	208682 (2.14)	21.67
2018-19	2698400 (19.34)	5831762.88	216119 (3.56)	23.59
2019-20	31,46,002 (16.59)	77,65,934.84	2,46,850 (14.22)	33.17
2020-21	28,87,394 (-8.32) (8.75)	58,07,067.81	2,01,117 (-18.53) (5.27)	-25.32 14.72

Source: NABARD, Status of Microfinance in India, 2010-11 to 2019-20,

Statement- II-B. Progress of MF – Bank Loans disbursed during the year.

Note: Figures in brackets indicate percentage growth y on y

The annual average growth of loans disbursed registers (Col.5) 14.72% over a period of eleven years which is significant when compared with the average loans per SHGs (Col.4). All these data indicate that the disbursement of loans to affiliates is significant and is expected to affect positively the economic strength of the primary members of the SHGs. Further, it is to be noted that disbursement of loans becomes

possible only when the recovery of loans is stable and efficient. As such, it can be said that the affiliated SHGs are efficient and effective in the financial administration over the period.

Loans Outstanding: is one more indicator about the performance of SHGs operating under MFIs. Outstanding loans can be defined as the balance of loans standing at the end of the financial year. In other words outstanding loans is the balance derived by adding the disbursed amounts to the opening balance after adjusting the loans recovered through the year. It is an indicator that explained the level of efficiency of the leaders of SHGs and the guidance of MFIs. Outstanding loans in the account of any individual member reveal two financial management aspects. They are: (a) the discipline of the borrower in using loan and earning income for the repayment of the loan; and (b) the effectiveness of the leaders of SHGs and also of MFI concerned.

Hence, an attempt is made to analyze the trends in outstanding loans of SHGs affiliated to MFIs. Table: 2.7 explain that the total outstanding loans increased from Rs.3122116.55 lakhs in 2010-11 to Rs. 10328970.83 registering a growth by 2.31 times (231%). This meteoric growth is attributed to the fact that the loans disbursed during the period increased by 299% (Table: 2.6). Both these quantitative indicators together explain that the MFIs and the SHGs are doing well in credit management. The outstanding loan balances per SHGs increased in almost all years except in 2020-21. The annual average growth of the loans outstanding works out to 11.83% over a period of 11 years (column:5). All these analysis explain that the financial management at MFI level and at SHGs level is reasonably good.

TABLE: 2.7**Progress of MFIs- Bank Loans Outstanding as on March 31***(Rs. In lakhs)*

Years (1)	No. of SHGs (2)	Total Amount of Loan Outstanding at the end of the year (Rs) (3)	Average amount of loan outstanding per SHG (Rs) (4)	Percentage of growth of Total loans outstanding (5)
2010-11	4786763 -	3122116.55	0.652240 -	-
2011-12	4354442 (-9.03)	3634000.18	0.834550 (27.95)	16.40
2012-13	4451434 (2.22)	3937529.72	0.884553 (5.99)	8.35
2013-14	4197338 (-5.71)	4292752.40	1.022732 (15.62)	9.02
2014-15	4468180 (6.45)	5154546.14	1.153612 (12.80)	20.08
2015-16	4672621 (4.58)	5711923.47	1.222423 (5.96)	10.81
2016-17	4848287 (3.76)	6158130.36	1.270166 (3.91)	7.81
2017-18	5020358 (3.55)	7559845.12	1.505838 (18.55)	22.76
2018-19	5077332 (1.13)	8709815.43	1.715431 (13.92)	15.21
2019-20	56,77,071 (11.81)	1,08,07,507.24	1.903712 (10.98)	24.08
2020-21	57,80,244 (1.82)	1,03,28,970.83	1,786944 (-6.13)	-4.43

Source: NABARD, Status of Microfinance in India, 2010-11 to 2019-20, Statement- II-C Progress of MF – Bank Loans outstanding at the end of the year.

Note: Figures in brackets indicate percentage growth y on y

Non-performance Assets (NPA): mean the assets that remain inactive on account of several reasons like unavailability of funds for further use. To evaluate, the advances given to the members, if uncollected for more than a reasonable period say three months, they fail to perform (earn interest) due to which they are called non-performing assets. In the context of commercial banks the RBI classified the accounts

of advances as: Special Mention Accounts under which the debtors not overdue for more than thirty days (SMA – 0); those remain unrecovered for a period of 31 and below 60 days (SMA -1) and those fall under uncollected category for a period of more than 61 and less than 90 days (SMA-2). In other words, the borrowers who fail to repay back their loans even after 60 days are classified as delinquent accounts. The total of such delinquent accounts is called as NPA. The sum of such accounts is calculated as a percentage to the total outstanding loans. The efficiency of the SHGs affiliated to MFI is evaluated by the percentage of NPA to corresponding outstanding loans. Table: 2.8 present the data relating to outstanding loans (Col.2), gross NPA amount (Col.3) and the percentage of gross NPA to the outstanding (Col.4). A close look at the data reveal that the outstanding loans increased at the rate of 11.83 per year and the annual average rate of growth of NPA loans is 12.68 among the SHGs affiliated to MFIs. The NPA as percentage to outstanding loans ranged between 4.72 (2010-11) and 7.08 (2012-13). The annual average percentage of NPA to outstanding loans works out to 5.97 which is far lesser than the NPA of the Scheduled Commercial Banks in India ⁽¹⁶⁾. All the above analysis amply indicates that the NPAs in MFIs is within the reasonable limits when compared with the other financial organizations viz. commercial banks.

TABLE: 2.8**Progress of MFIs –Non Performing Assets (NPA) Against Bank Loans to SHGs.**

(Rs. In lakhs)

Year (1)	Loan Outstanding against SHGs. Rs. (2)	Amount of Gross NPAs Against SHGs Rs. (3)	% of NPA to Loan Outstanding (4)
2010-11	3122116.55 -	147410.80 -	4.72
2011-12	3634000.18 (16.40)	221273.18 (50.11)	6.09
2012-13	3937529.72 (8.35)	278692.95 (25.95)	7.08
2013-14	4292752.40 (9.02)	293266.51 (5.23)	6.83
2014-15	5154546.14 (20.08)	381470.65 (30.08)	7.04
2015-16	5711923.47 (10.81)	368622.90 (-3.37)	6.45
2016-17	6158130.36 (7.81)	400218.81 (8.57)	6.50
2017-18	7559845.12 (22.36)	462805.51 (15.64)	6.12
2018-19	8709815.43 (15.21)	452401.05 (-2.25)	5.19
2019-20	1,08,07,507.24 (24.08)	5,32,170.42 (17.65)	4.92
2020-21	1,03,25,831.80 (-4.46)	4,88,921.34 (-8.13)	4.73
Average	(11.83)	(12.68)	(5.97)

Source: NABARD, Status of Microfinance in India (2010-11 to 2020-21),
Statement – II – D, Progress of MFI, Non Performing Assets.

Note : Figures in brackets indicate percentage growth y on y.

Growth of Women SHGs Linked with Banks

In the aforesaid discussion, it is stated that the microfinance may flow from MFIs to the members either through SHGs or by the SHGs directly to the members when they are self financed. In other words, the borrowers save some specified amount with the SHGs and the group members receive loans out of the saved amount. This model is explained diagrammatically in Chapter: I (Annexure Chart: 1. A). One of the initiatives of the NABARD is to allow the SHGs to get linked with banks known as ‘SHG Bank Linkage Program (SHG-BLP). This program is launched in 1992. According to the SHG - Bank Linkage Program the SHGs mobilize savings of the members and deposit with banks. Further, the banks may also come forward to extend credit facility to the members through the SHGs. This initiative is meant to see that members’ savings are supplemented to extend microfinance facility to the members. As such the progress of BLP is analyzed in terms of (a) Savings linked with banks and (b) credit linked with banks. Further, the program provides social, economic, and financial empowerment to the rural poor especially the rural women to reduce the **gender gap** ⁽¹⁷⁾. This linkage may be either with private banks or public sector commercial banks, with Cooperative Bank, or Grameena Bank, or Small Finance Banks or NBFCs.

TABLE: 2.9**Number of Accounts linked with SHGs Saving Banks A trend Analysis**

(No. in lakhs)

Year (1)	Total Number of SHGs Savings linked with Banks (No. in lakh) (2)	Exclusive Women SHGs Savings accounts linked with Banks (3)	% of Women SHGs to total Number of SHGs Savings linked with Banks. (4)
2010-11	74.62 -	60.98 -	81.72
2011-12	79.60 (6.67)	62.99 (3.30)	79.13
2012-13	73.18 (-8.27)	59.38 (-5.73)	81.14
2013-14	74.30 (1.53)	62.52 (5.29)	84.14
2014-15	79.60 (7.13)	62.99 (0.75)	79.13
2015-16	79.03 (-0.72)	67.63 (7.37)	85.57
2016-17	85.77 (8.53)	73.22 (8.27)	85.36
2017-18	87.44 (1.95)	73.90 (0.93)	84.51
2018-19	100.14 (14.52)	85.31 (15.44)	85.19
2019-20	102.43 (2.29)	88.32 (3.53)	86.22
2020-21	112.23 (9.57)	97.25 (10.11)	86.65
Average Growth	(3.92)	(4.48)	

Source: NABARD, Status of Microfinance in India; 2010-11 to 2020-21).

(a) **Number of Women SHGs Savings Accounts Linked with Banks:** One of the objectives of SHGs is to promote thrift among the members which is normally reflected with the number of Savings Accounts opened with the banks. Table: 2.9 explain that the number of SHGs of Savings Account linked with banks increased from 74.62 lakhs in 2010-11 to 112.23 lakhs in 2020-21 registering 50% over a period of 11 years but with bumps in 2012-13 and in 2015-16. However, the annual average rate of growth of

the number of SHGs with saving accounts works out to 3.92 (Col.2). As against this growth of number of SHGs linkages of savings, it can be observed that the rate of growth of exclusive women SHGs is a little higher at an annual average growth of 4.48. (Col.3). Further the Women SHGs account for more than 79% of all the SHGs. Of course, the percentage of number of exclusive women SHGs out of the total number ranges between 79 (2011-12) and 87 (2020-21). As such it can be said that the women SHGs are in forefront in the microfinance sector in India.

(b) Number of Women SHGs Credit Linked with Banks: Microfinance system is closely associated with the extension of credit facilities to the members either through MFIs or through SHGs directly to the members. By definition, microfinance is concerned with the extension of credit to the small entrepreneurs, cottage industries owners and to Micro Small and Medium Entrepreneurs (MSMEs). The SHGs will pool the small savings from the members and extend credit to the members either in the multiples of savings or provide adequate credit to the small entrepreneurs. In case of extension of adequate credit to the members, the SHGs get linked with the approved bankers which are called as SHGs credit linked with a bank. Credit is extended to the rural as well as urban SHGs under National Rural Livelihood Mission and National Urban Livelihood Mission. The RBI allowed the lending banks to include the amount in the priority loans. Hence, the lending banks feel comfortable to extend loans to SHGs under MFI system.

TABLE: 2.10**Number of Accounts of SHGs Credit Linked with Banks - A trend Analysis**

(No. in lakhs)

Year (1)	Total Number of SHGs Credit Accounts linked with Banks (2)	Exclusive Women SHGs Credit accounts linked with Banks (3)	% of Women SHGs to total Number of SHGs Credit linked with Banks. (4)
2010-11	11.96	10.17	85.03
2011-12	11.48 (-4.01)	9.23 (-9.24)	80.40
2012-13	12.20 (6.27)	10.37 (12.35)	85
2013-14	13.66 (11.96)	11.52 (11.09)	84.33
2014-15	16.26 (19.03)	14.48 (25.69)	89.05
2015-16	18.32 (12.67)	16.29 (12.5)	88.92
2016-17	18.98 (3.60)	17.16 (5.34)	90.41
2017-18	22.61 (19.13)	20.75 (20.92)	91.77
2018-19	26.98 (19.33)	23.65 (13.98)	87.66
2019-20	31.46 (16.60)	28.84 (21.95)	91.67
2020-21	28.27 (-10.41)	25.90 (-10.19)	89.71
Annual Average Growth	(8.56)	(9.49)	

Source: NABARD, Status of Microfinance in India; 2010-11 to 2020-21).

Notes: Figures in brackets indicate growth percentage y on y

Table: 2.10 give the details of (i) total number of SHGs credit accounts linked with Banks (Col. 2), (ii) number of exclusive women SHGs availing credit facility under bank linkage scheme and (Col.3) and (iii) percentage of women SHGs to total number of SHGs availing the credit under linkage scheme(col.4). The number of SHGs availing credit under bank linkage scheme increased from 11.96 lakh in 2010-11 to 28.27 lakhs in 2020-21 recording a growth by 136% and the annual average growth works out to 8.56%. The number of women SHGs availing credit under bank linkage program increased 10.17 lakhs in 2010-11 to 25.90 lakhs in 2020-21 registering a growth by 155% over a period of 11 years. The annual average growth of number of women SHGs availing credit under bank linkage program works out to 9.51% for the period in question. Out of the total number of SHGs availing credit the percentage of women SHGs range between 80.40 (2011-12) and 91.77% (2019-20). All these observations indicate that the women SHGs are significantly availing credit under bank linkage program.

(c) Content of Working of Women SHGs. The two important functions of women SHGs as observed earlier is promotion of thrift and extension of micro- credit to small entrepreneurs and self employed women. Thus, functionally there are two contents of women SHGs viz., savings and credit. Normal practice of SHGs is to provide credit to the members of SHGs in certain multiples of their savings.

TABLE: 2.11**CREDIT AVAILED AS AGAINST SAVINGS OF WOMEN SHGs IN INDIA****A Trend Analysis**

Year (1)	Credit availed by women SHGs Under BLP			Savings of Women SHGs Under BLP			Ratio of Bank Credit availed and savings of Women SHGs	
	No. Of Women SHGs (2)	Total No. of Credit availed by SHGs (3)	Average amount of credit availed per lakh SHGs (4)	No. of Women SHGs (5)	Total amount of Savings deposited by Women SHGs (6)	Average amount of savings Deposit per SHGs (7)	Savings Deposits (8)	Credit availed (9)
2010-11	10.17	12622.33	1241.13	60.98	5298.64	86.89	6.54	93.45
2011-12	9.23	14132.02	1531.10	62.99	5104.33	81.03	5.03	94.27
2012-13	10.37	17854.31	1549.85	59.38	6514.87	109.71	6.61	93.39
2013-14	11.52	21037.97	1826.21	62.52	8012.89	128.17	6.56	93.44
2014-15	14.48	24419.75	1686.21	66.52	9264.33	139.27	7.63	92.37
2015-16	16.29	34411.42	2112.43	67.63	12035.78	177.97	7.77	92.23
2016-17	17.16	36103.13	2103.91	73.22	14283.42	195.08	8.48	91.52
2017-18	20.75	44558.74	2147.41	73.90	17497.86	236.78	9.93	90.07
2018-19	23.65	53254.04	2251.76	85.31	20473.55	239.99	9.63	90.37
2019-20	28.84	73297.56	2541.52	88.32	23320.55	264.04	9.41	90.59
2020-21	25.90	54423.13	2101.28	97.25	32686.08	336.10	13.80	86.20

Source: NABARD SHG-BLP Highlights, [Status of Microfinance in India , 2010-11 to 2020-21]

Of course there is no such rule prescribed with regard to the women SGHs as to the ratio of savings and provision of credit to the members. For the purpose of content analysis of ratio of savings and credit the (i) average of availed credit per SHG is

calculated, (ii) average of savings per SHG is calculated and (iii) the ratio of savings and availed credit is calculated as percentage.

Table: 2.11 show the average of availed credit per SHG (Col.4), the average of savings per SHG (Col.7) and the ratio of savings deposits (Col.8) and credit availed (Col.9). All these analysis indicate that the percentage of savings ranged between 6 and 14 of the total content of working of SHGs. Hence, it can be observed that the percentage of credit availed to the total content varied between 86 and 94. It means that the savings pooled by the SHGs is nominal when compared with the availed credit. It has become possible for the SHGs as the microfinance is linked with the commercial banks. Hence, the NABARD initiative of linking of SHGs with scheduled commercial banks is proved to be a successful strategy.

In this Section, it is stated that the number of MFIs in India increased significantly over a period of 11 years under study. About 85% of MFIs are in Tamilnadu, West Bengal and Maharastra. It is revealing that the SHGs linkage with commercial banks is successful in terms of savings and extension of credit to the members. However, the growth of savings is not as fast as the extension of credit. Further, the NPA in the context of SHGs linkage with commercial banks is 6% which is a good trend when compared with other loan accounts to large business concerns. The trend analysis of the mobilized savings and credit deployed by SHGs is remarkable and at the same time percentage of NPA to outstanding loans is insignificant.

Summary

It is evident that the policy of the government is highly positive since the Government is supportive of the expansion of MFIs system to ameliorate the economic problems of rural folk including of women. In this direction all the national financial agencies like NABARD, and RBI are geared to promote microfinance system throughout length and breadth of the country under the auspices of the Ministry of Women and Child Development, Government of India. For strengthening MFI system, many programs like SHG Bank Linkage Program (SHGBLP), SHG Promotion Institutions, E-Shakthi, and National Rural Livelihood Mission (NRLM) are created over years. Another strategy of the Government of India of the Women Empowerment is to conceive the integration of women welfare schemes as a route to empowerment. Growth of MFIs through SHGs is measured in quantitative terms over a period of 11 years. About 85% of the total MFIs are in Tamilnadu, West Bengal and Maharastra. It is revealing that the SHGs linkage with commercial banks is successful in terms of mobilization of savings and extension of credit to the members. However, the growth of savings is not as high as the extension of credit. Further, the NPA in the context of SHGs linkage with commercial banks is 6% which is a good trend when compared with other loan accounts to large business concerns.

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CHAPTER: III

Performance of MFIs in Telangana State

CHAPTER: III

PERFORMANCE OF MFIs IN TELANGANA STATE

After having analyzed about the growth of MFIs and the working of SHGs in India, in an overall manner it is relevant to examine now their status in Telangana State. The survey of trends in working of SHGs as a part of MFIs in the State of Telangana is appropriate as the present study intends to examine the impact of Microfinance Institutions on women empowerment. For the purpose of the intended study of 'Impact of Micro Finance Institutions on Women Empowerment', a sample of beneficiaries in the select locality would be reliable. As stated earlier in Chapter: I, that select location is Warangal (Rural) district of Telangana State. A study of socio-economic environment of the select location is pertinent for examining the impact of MFIs on women empowerment. As such examining the socio-economic setting of Warangal in Telangana State is a fitting attempt. Hence, the present Chapter is devoted to examine the working of MFIs and the affiliated SHGs in Telangana State (TS) followed by their status in Warangal (Rural) District. To enable the present study achieving the set objectives, the relevant information- qualitative and quantitative are drawn from annual reports of Planning Department of Telangana State, Statistical Abstracts of Telangana State, Cooperative Department, NABARD, Micro Finance Institutions and Cooperative Development Foundation (Sahavikas). However the information from these sources are not regular, comparable, and uniform. Hence, the analysis suffers from these limitations. This Chapter has three Sections, first being an overview of the socio-economic environment of State of Telangana and select districts of Warangal. Section two analyses the working of MFIs in the State while section three examines the working of MFIs in select districts of Warangal⁽¹⁾.

SECTION: I

Socio-Economic environment of Telangana and Warangal District

Telangana is a newly formed State in 2014 consequent to the reorganization of the State of Andhra Pradesh into Telangana and residual Andhra Pradesh State. Therefore, an analysis of the socio-economic environment is highly relevant in the context of the present study. It is a hinterland with a hoary history of royal rule of the Nizam dynasty for about 100 years and obtained democratic set up for over seventy five years. As such the socio-economic environment is quite different when compared with other states of India, particularly with regard to socio-economic life of women. In terms of education, professional skills, decision making power, and participation in social activities is very much different in this part of integrated state. However the percentage of women population is a little lesser than the male population in the state but their role in the economic activity is very much low. Consequently the economy of the Telangana State (TS) grew at lower pace when compared with other parts of the country. As such, a study of women welfare and empowerment measures that are existing in the state is highly relevant to be examined.

Brief History of TS

As stated earlier the state of Telangana came into existence as 29th state in the Indian Union as per the Andhra Pradesh Reorganization Act, 2014 (No. 6 of 2014) of Parliament, which received the assent of the President of India on the 1st March, 2014. Officially it came into existence with effect from 2nd June, 2014. The said Andhra Pradesh Reorganization Act, 2014 is amended called the Andhra Pradesh Reorganization (Amendment) Act, 2014 (No. 19 of 2014) on the 17th July, 2014, transferring certain mandals and villages (327) of Khammam district to residual Andhra

Pradesh, enforcing this amendment with effect from 29th May, 2014. Telangana is a state in the Southern region of India. It has an area of 1,12,077 sq. kms., after the Andhra Pradesh Reorganization (amendment) Act, 2014 (as per Act No. 6 of 2014 it was 1,14,840 kms.), and is the twelfth largest state in terms of both area and the size of the population in the country. Most of it was part of the princely state of Hyderabad, ruled by Nizam of Hyderabad during the British period and joined in Union of India in 1948. In 1956, the Hyderabad state was dissolved as per the linguistic reorganization of states, and the Telugu speaking part of Hyderabad state, known as Telangana, was merged with former Andhra State to form Andhra Pradesh. On 2nd June 2014, Telangana was separated from Andhra Pradesh as a new 29th state of India, with the city of Hyderabad as its capital. The TS state is bordered by the states of Maharashtra, Chattisgarh to the North, Karnataka to the west, and Andhra Pradesh to the south, east and north east. The major cities of Telangana state are Hyderabad, Warangal, Mahabubnagar, Karimnagar, Nizamabad, and Khammam ⁽²⁾.

The Government of Telangana made a few changes in the administrative structure to place the government services closer to the people. The purpose is said to achieve effective delivery of the government services and schemes at the doorsteps of the people. **Table: 3.1** explain the changes that took place in the administrative structure between the year 2015 (being the following year of the formation of Telangana) and the year 2021 (being the end of the study period). It can be seen that there is a significant increase in the number of administrative units except in the number of towns. The reason for the drop in the number of towns is that a few are upgraded as City Municipalities. The number of Municipalities increased from 37 in 2015 to 129 in 2021 recording a growth by 249 percent. Similarly the number of Zilla Parishads increased by 256 percent on account of the increased number of Districts by 230

percent. The number of many other administrative units like Revenue Divisions and Gram Panchayaths increased by 76 percent and 47 percent respectively.. The purpose of all these analysis is to focus upon the intention of the government to go closer to the people in terms of welfare and empowerment of the people.

TABLE: 3.1

Changes in Administrative Arrangements of Telangana State

SL NO	PARTICULARS	UNIT	2015	2021	PERCENTAGE OF CHANGE
1	Districts		10	33	230
2	Revenue Divisions		42	74	76
3	Towns		158	116	-27
4	Municipal Corporations		6	13	117
5	Municipalities		37	129	249
6	Zilla Parishads		9	32	256
7	Mandal Parishads		438	594	37
8	Gram Panchayats		8687	12769	47
9	Revenue Mandals		459	594	29
10	Revenue Village		10434	10909	05

Source: Government of Telangana, Planning Department, Telangana State Statistical abstracts, 2015 to 2022.

Population:

The Government of India, in exercise of powers conferred under the provisions of the Census Act, 1948, conducting the population census across the country once in a decade and releasing the results in different phases. Accordingly, the Government of India has conducted the population census in the year 2011 and released the final results, up to the village level, in different classifications. An attempt is made to present the details of the population census, 2011 conducted in Telangana State, excluding (327) revenue villages that were transferred to the state of Andhra Pradesh as per the

Andhra Pradesh Reorganization (Amendment) Act, 2014 (No. 19 of 2014) along with certain comparisons with that of the earlier censuses. According to 2011 population census, the geographical area of the Telangana State is 1,12,077 Sq. Kms. and population is 350.04 lakhs consisting of 176.12 Lakh male (50.31 percent)s and 173.92 Lakh (49.69 percent) females. It is the twelfth largest state in terms of both area and size of population in union of India. The sex ratio is being 988 in the state. Over the past 12 decades the sex ratio ranged between 947 (1901) and 988 (2011) which is significant.

Annexure Table: 3.A explain that the percentage of women population to total population over the past 12 decades ranged between 48.63 (1901) and 49.69 (2011) which means that the number of women in the TS is gradually increasing. Further, It can be observed that the density of population increased in TS year after year without any drop in any decade. The rate of growth of population, though erratic through the decades it is definitely on an increasing trend (Col. 7). The total SC and ST populations of Telangana are 54.09 lakhs and 31.78 lakhs respectively. The two social groups account for 15.45 percent and 9.08 percent of the state's total population respectively. The total literacy rate of the state is 66.54 percent. The literacy rate among females and males respectively is 57.99 percent and 75.04 percent ⁽⁴⁾.

TABLE: 3.2**District-wise Population of Telangana by Gender Classification (2011)***(No in lakhs)*

Sl.No	District	Male Population (No)	Female population (No)	Total Population (No)	Sex Ratio
01	Rangareddy	12.44	11.82	24.26	950
02	Hyderabad	20.18	19.25	39.43	954
03	Medchal-Malkajgiri	12.57	12.03	24.60	957
04	Wanaparthy	2.95	2.83	5.78	960
05	Sangareddy	7.77	7.50	15.27	965
06	Nagarkurnool	4.38	4.24	8.62	968
07	Ogulamba Gadwal	3.09	3.01	6.10	972
08	Yadadri Bhuvanagiri	3.90	3.80	7.70	974
09	Mancherial	4.08	3.99	8.07	977
10	Nalgonda	8.18	8.00	16.18	978
11	Mahabubnagar	4.55	4.50	9.05	988
12	Adilabad	3.56	3.53	7.09	989
13	Peddapalli	3.99	3.96	7.95	992
14	Karimnagar	5.05	5.01	10.06	993
15	Warangal	3.69	3.68	7.37	995
16	Suryapet	5.51	5.48	10.99	996
17	Mahabubabad	3.88	3.86	7.74	996
18	Hanumakonda	5.32	5.30	10.62	996
19	Jangaon	2.68	2.67	5.35	997
20	Kumuram Bheem	2.58	2.58	5.16	998
21	Vikarabad	4.71	4.71	9.42	1,000
22	Jayashankar	2.08	2.09	4.17	1,004
23	Khammam	6.99	7.02	14.01	1,005
24	Siddipet	5.04	5.08	10.12	1,008
25	Bhadradri Kothagudem	5.32	5.37	10.69	1,008
26	Narayanpet	2.82	2.85	5.67	1,009
27	Rajanna Sircilla	2.74	2.78	5.52	1,014
28	Mulugu	1.46	1.48	2.94	1,015
29	Medak	3.79	3.89	7.68	1,027
30	Kamareddy	4.78	4.94	9.72	1,033
31	Jagtial	4.84	5.01	9.85	1,036
32	Nizamabad	7.68	8.02	15.70	1,044
33	Nirmal	3.47	3.63	7.10	1,046

Source: Govt. of Telangana, Planning Dept, Telangana State Statistical Abstract, 2021, p.35.

Note : Population Figures are rounded off to the nearest digits.

The district-wise populations of TS by gender as per 2011 Census are given in **Table: 3.2.** As stated earlier, after reorganization of the erstwhile Andhra Pradesh into Telangana State and residual state of Andhra Pradesh in June 2014, the number of districts in Telangana State increased from 09 to 33 during 2014-2021 for administrative reasons. An analysis of gender-wise classification of population reveals that women in 20 districts are heading towards equal number to the male population. However, out of the 33 districts 13 have more number of women than men as per the Census of 2011. From 22nd serial number (Jayashankar) in Table: 3.2 to the last district (33rd) Nirmal women are more than 50 percent of the total population. The sex ratio in Telangana State works out to 988 as per the National Commissioner on Population, Ministry of Health and Family Welfare, Government of India. District wise sex ratio varies between 950 (Rangareddy) and 1046 (Nirmal) in the year 2011. All these analysis reveal that the women population in many districts is significant. It means that the policy makers are to pay attention on the women welfare and empowerment to make the economy robust and powerful.

Economy of Telangana:

A discussion about the economy of Telangana is not impertinent since women empowerment is expected to help the state to become vibrant over the years. The economy of Telanana is mainly supported by agriculture. Two important rivers of South India, the Godavari and Krishna flow through the State providing irrigation facilities. Apart from major rivers, there are small rivers like Tunga Bhadra, Bima, Dindi, Kinnerasani, Manjeera, Manair, Penganga, Pranaitha, peddavagu and Taliperu. Farmers in Telangana mainly depend on rain fed water sources for irrigation. In this context, Kalesharam project is becoming driver for economic development. Rice is the

major food crop in the state. Other important cash crops are cotton, sugar cane, mango and tobacco. Recently crops are developed for vegetable oil production, such as sunflower and peanuts have gained importance. The Government is encouraging the application of information technology and biotechnology to become leader in the field. There are 68 Special Economic Zones in the state ⁽⁵⁾ With regard to industries, several major manufacturing and services industries are functioning mainly around Hyderabad. Automobiles and automobile components industry, spices, mines and minerals, textiles and apparels, pharmaceutical, horticulture and poultry farming are the main industries in Telangana.

TABLE: 3.3

Telangana State Domestic Product at constant prices (2011-12)

(Rupees in crores)

YEAR	Gross State Domestic Product (GSDP)	Percentage growth o one previous year
2011-12	359434	-
2012-13	370113	2.97
2013-14	389957	5.36
2014-15	416332	6.76
2015-16	464542	11.58
2016-17	507946	9.34
2017-18	557410	9.74
2018-19	612148	9.82
2019-20	648595	5.95
2020-21	644599	-0.62
Average annual growth rate (AAGR) from 2015-16 to 2019-20	-	9.29

Source: Government of Telangana TSDBS, Planning Department-2021, pg.75

The strength of the economy of Telangana can be gauged from the growth of Gross State Domestic Product (GSDP) at constant prices, given in **Table: 3.3**. It increased from Rs.3,59,434 Crs. in 2011-12 to Rs.6,44,599 Crs in 2020-21 registering a growth by 79.34 percent over a period of 10 years. As a matter of fact no State in the

country has shown 9.29 percent AAGR (from 2015-16 to 2019-20) except Mizoram (9.88 percent) ⁽⁶⁾. The percentage growth of GSDP of TS increased gradually year after year except in 2020-21 on account Covid. All these analysis indicate that the State is set to grow on strong footing. Hence, it is obligatory to examine whether the women in the State partnered in the all-round development or not, if so what is the impact of such growth on the economic status of women.

A significant number of women live in rural areas as compared with men in TS. The urban and rural population of Telangana is 1.36 Crs and 2.14 Crs. respectively as per 2011 census. The share of females and males in the total population of the State is 49.69 percent and 50.31 percent respectively ⁽⁷⁾. In other words, female population in rural areas is significant due to which programs of women empowerment should also be high. In rural areas much of the economic activity is centered around agriculture. Thus it is presumable that a major section of women are also associated with agricultural operations. Hence, it can be, further understood that their economic independence is associated with primary sector of the economy. In this context it is relevant to analyze the importance of primary sector in terms of percentage of contribution to GSDP in TS.

Annexure Table: 3.B explain that there is an erratic trend of contribution of primary sector to the GSDP. It can also be seen that the contribution of secondary sector is continuously dwindling whereas the percentage contribution of tertiary sector is proportionately increasing. The aim of all these analysis is to say that any scheme of women empowerment should be oriented towards tertiary sector. Appropriate educational and skill development programs may be offered to women for empowering them as soon as possible.

Women Empowerment in TS

In chapter: I, an attempt is made to examine the women empowerment programs extended by the Government of India and it is also noted that the welfare programs are precursors to the women empowerment. As a matter of fact, welfare and empowerment programs are implemented simultaneously by the Central Government and State Government hand in hand to achieve the economic independence for women in the State. **Annexure Table: 3. C** give a list of 10 welfare schemes floated by TS. Out of the ten welfare schemes only one scheme viz., Pradhan Mantri Kausal Vikas Yojana(PMKVY) is directly intend to promote skill development to become an entrepreneur. However, it can be observed that this is for male as well as for female. In view of a statement of responsible Minister that all these schemes are expected to drive women in education, health and politics ⁽⁸⁾.

Consistent with the policy of welfare of women in the State, the Government has set up The Telangana State Commission for Women as a quasi-judicial body. The objective of the Commission is to improve the status of women and to protect women against any ill treatment. The major activities of of the Commission are: (a) monitoring the implementation of the laws in force for equality and fair treatment of women, (b) monitoring the recruitment and promotions made in State and Public Secor firms and to ensure the equal opportunities are guaranteed to women, (c) inspecting women's jails, hostels, homes, shelter homes, (d) initiate educational research or undertaking any promotional method and recommend ways for ensuring women representation in all areas and identifying reasons depriving them of their rights and (e) studying and recommending the Government about welfare measures to be adopted for women ⁽⁹⁾

As a matter of fact women empowerment program is undertaken by the State Government through the Telangana Women's Cooperative Development Corporation. It is a registered under Societies Act 1964. The following are the activities carried by the Corporation:

- 1) Structured training program is imparted to unemployed women in vocational courses and trades which are organized by District Durgabai Mahila Sisu Vikasa Kendrams (DMSVKs)
- 2) Training is imparted to field functionaries of Nutrition and Health sectors, i.e., Anganwadi workers, Asha Workers, and Auxiliary Nurse Midwife (ANM).
- 3) Marketing facilities are provided to Women entrepreneurs through exhibitions, trade fairs, and buyer seller meets design and display centers.
- 4) Working Women's Hostels are managed by this Corporation.
- 5) Bridge schools for school drop outs are organized.
- 6) It serves as a Nodal Agency for processing the proposals of NGOs for setting up of Women Empowerment Programs with the financial assistance of GOI.
- 7) It provides shelter and short stay homes for destitute and deserted women.

TABLE: 3.4**Women Empowerment Schemes in Telangana State**

SL NO.	SCHEMES	OBJECTIVES	REMARKS
01	WE Hub- Women Entrepreneurs Hub	It is a startup incubator exclusively for women entrepreneurs. Its aim is to support women entrepreneurs with innovative ideas, solutions to the emerging technology problems. It tries to eliminate financial, and societal barriers for women.	
02	Kishore Shakti Yojana (KSY)	Started in 2000. It is 100 percent funded scheme of central Govt. Its aim is to empower adolescent girls to break the nutritional and gender disadvantages and providing a supportive environment for self development, Awareness programs and training are planned in 149 ICDS projects. It is implemented in 7 Districts. The main focus is on Nutrition, Health and Education, skill development training. The beneficiaries of the scheme are adolescent girls in the age group of 11-18 years. Further, it enables to train on home based skills, life skills and vocational skills.	A tie up with Durgabai Mahila Sishu Vikas Kendrams
03	Balamrutham	It is the weaning food introduced under ICDS to provide improved supplementary nutrition to children between 7 months to 3 years. The weaning food is a preparation of wheat, chana, dal, milk powder, oil and sugar.	GO Ms. No. 14, WCD&SC Dept., dt. 28-02-2014 of TS
04	Supplementary Nutrition Program (SNP)	SN is provided to the target groups of pregnant and lactating women and children between 7 months to 6 years.	-do-
05	Women Entrepreneurship-Startup Telangana	This scheme empowers women by providing credit to projects, conducting specific training and counselling and eliciting	The details of the scheme are explained in GO Ms. No. 7 dated 27-

		information on related needs.	07-2021 of TS.
06	Streenidhi	Eligible beneficiaries pay a one time fee of Rs.690 to become a member of the scheme. The member becomes eligible to avail loans, which can be repaid in easy instalments over a period of 3 years. The loan can be utilized to buy cattle, electric vehicles. In case of death of member, the family would get Rs. 1.00 lakh.	Source: Deccan Chronicle, 31 st January, 2021.
07	SOFTNET	Society for Telangana Network provides quality education and training to identified groups who aim at achieving the last mile connectivity by utilizing the potential of satellite. Communications and information technology. It uses GSAT 8 satellite and telecast 4 channels.	It has MOU with ISRO that came into effect on 28 Sep 2016.
08	Mana ooru-Mana badi	It aims at all round development and creation of effective infrastructure in schools across the State by setting up digital class rooms.	It benefitted 19.84 lakh children of 26065 schools in the state.
09	SHE Teams	Commenced on 24 th October, 2014. It is meant to create safe and secure environment for women. The aim of these teams is to curb eve-teasing and harassment of women in public places.	Initially set up in Hyderabad and is expanded to all the districts.

Source: Telangana portal on Women Empowerment Schemes in Telangana State.

The State Government is providing financial assistance to the Corporation in meeting the establishment and contingent charges of the Head Office and Durgabai Mahila Sisu Vikas Kendradms ⁽¹⁰⁾. **Table: 3.4** give a list of 9 Women Empowerment Programs of TS out of which 4 programs are directly concerned with women empowerment. They are: (i) Kishore Shakti Yojana (KSY), (ii) Women Entrepreneurship – Startup Telangana (iii) Stree Nidhi and (iv) SHE Teams. The rest of the five programs are supporting the women empowerment promotion right from the

beginning of the life of the girls. All the above brief discussion reflects the intention of the government to promote Women Empowerment blended with women welfare programs.

In sum, the state government took a few positive measures towards women welfare and empowerment which is evident from the restructuring of the administrative machinery. Out of the 33 districts 12 (36 percent) outstrip the number of females over males as is evident by the sex ratio of more than 1000. Hence, there is a strong case to focus much on women welfare and empowerment; thereby their role in socio-economic development may be significant. Primarily the state has an agriculture economy wherein there is a possibility of getting women engaged in food processing and product innovative startups. The State has created Telangana State Commission for Women to protect their basic rights and arrange training programs. Further, Telangana Women's Cooperative Development Corporation is established as an independent body with an objective of providing vocational training in collaboration with Durgabai Mahila Sisu Vikas Kendradms.

Socio-Economic Environment of Warangal District

Socio-economic environment is the combination of external social and economic condition that influence the operation and performance of an organization or a community. Socio-economic factors include occupation, education, income, wealth and demography of a region about which the study is concerned. They are influenced, further by the government policies and contextual programs. Again these factors shape the economic structure which may in turn influence production, employment, and income and distribution system ⁽¹⁵⁾. Whenever, there is a discussion about empowerment of disadvantaged groups, socio-economic structure of the community in

which the people live and strive to develop socially and economically is important⁽¹⁶⁾. In the present context, it is necessary to analyze and examine the socio-economic factors obtained in Warangal District (Rural). Prior to 2016, it is a part of Warangal district. Warangal District (Rural), under the study shares the boundaries with Mohabubabad, Jangaon, Hanamkonda, Mulugu, and Bhupalapally. However, Hanamkonda as at now remains to serve as the district headquarters for both Warangal (R) and Hanamkonda⁽¹⁷⁾. Many prehistoric habitation sites, which were explored by the Indian archaeological authorities consider them as Paleolithic Rock art paintings found at *Pandavula gutta*⁽¹⁸⁾, (in Narsampet Division). A few important socio-economic features are studied in the following pages briefly. However, it is necessary to note that it is hardly possible to exclusively discuss about Warangal Rural district- the subject matter of this Chapter because the official classification of administrative machinery is still incomplete in many respects.

Demographics of Warangal Rural District:

As in many states of India majority of the population in the State reside in rural areas and mainly depend on agriculture for their livelihood. It is settled in the eastern part of Deccan Plateau made up of granite rocks and hill formations, which left the district barren making agriculture dependent upon seasonal rainfall. Warangal District population in 2022 is 3,803,460 (estimates as per aadhar uidai.gov.in Dec 2020 data). As per 2011 census of India, Warangal District has a population of 3,512,576 in 2011 out of which 1,759,281 (50.09 percent) are male and 1,753,295 (49.91 percent) are female.

TABLE: 3.5**Decadal Growth of Population of Warangal (R)**

Census Year	Total Population Nos.	Percentage of Growth percent	Males Nos.	Females Nos.
(1)	(2)	(3)	(4)	(5)
1901	653,721 (100.00)	-	342,845 (52.44)	310,876 (47.56)
1911	822,290 (100.00)	25.79	424,277 (51.60)	398,013 (48.40)
1921	813,104 (100.00)	-1.12	417,620 (51.36)	395,484 (48.64)
1931	971,672 (100.00)	19.50	499,418 (51.40)	472,254 (48.60)
1941	1,125,659 (100.00)	15.85	579,330 (51.47)	546,329 (48.53)
1951	1,329,836 (100.00)	18.14	680,796 (51.19)	649,040 (48.81)
1961	1,545,435 (100.00)	16.21	790,739 (51.17)	754,696 (48.83)
1971	1,870,933 (100.00)	21.06	956,734 (51.14)	914,199 (48.86)
1981	2,300,295 (100.00)	22.95	1,171,482 (50.93)	1,128,813 (49.07)
1991	2,818,832 (100.00)	22.54	1,436,666 (50.96)	1,382,166 (49.04)
2001	3,246,004 (100.00)	15.15	1,644,895 (50.67)	1,601,109 (49.33)
2011	3,512,576 (100.00)	8.21	1,759,281 (50.09)	1,753,295 (49.91)

Source: Govt. of Telangana, Directorate of Economics and Statistics, Statistical Year Book, 2017, p. 22.

Note : Figures in brackets indicate the percentage share of each variable to the Total.

Table: 3.5 explain that the decadal growth of population of Warangal (R) has a gradual increase during the past seventy years except in the recent twenty years (2001 to 2011) (col.3). Further, it can also be noted that the number of female are showing a trend to be equal to male population. In 2011 female population is 49.91 percent of the

total population which mean that the women strength is nothing short of male number. Hence, no one can afford to ignore the role of women in the socio-economic development of the community. Area wise analysis of population explains that 93.01 percent is rural and 6.99 percent is urban based (Table: 3.9). Caste-wise composition of population in Warangal (R) district is that 17.89 percent are SCs, 14.65 percent are ST population and 67.46 percent are of general category population. Table: 3.9, further explains that the literacy rate of the district is 61.26 percent and it is 78.16 percent in urban area. The Census of Houses by physical occupation reveal that schools and colleges are 5,916 and 5,050 are occupied by factories, workshops and sheds. It means that there is a good educational environment that helps the people to acquire knowledge thereby chances of improving empowerment in the community. In addition to this favorable environment, the administrative arrangements in the State is also in a disposition to improve the awareness about the personal rights and duties.

TABLE: 3.6
Demographics of Warangal (Rural) by Various Features
 - **As per 2011 Census**

Demographics by Features	Particulars	Measurement
1. Population by Area and Gender (Nos)	<u>RURAL:</u>	
	Females	93.01 percent
	Males	3,33,626

	<u>URBAN:</u>	06.99 percent
	Females	24,596
Males	25,617	
2. Caste-wise composition of population	SC	17.89 percent
	ST	14.65 percent
	Others	67.46 percent
3. Literacy Rate	Total	61.26 percent
	Rural	59.99 percent
	Urban	78.16 percent
4. Census of Houses (Type of Occupancy) (No. of houses)	Schools, Colleges.	5,916
	Hostels, lodges, Guest houses.	1,751
	Hospitals & dispensaries.	1,922
	Factories, Workshops,	5,050
	Sheds.	4,116
	Places of Working.	54,294
	Other non-residential uses.	2,741
	Occupied –locked houses.	
5. Administrative Divisions and Local Bodies (Nos)	Revenue Divisions:	02
	Mandals:	15
	Census Villages	226
	Towns (Statuary):	02
	Nagar Panchayaths:	02
	Gram Panchayaths:	270
	Mandal Praja Parishaths:	14

Source: Government of Telangana, Directorate of Economics and Statistics, Statistical Year Book, 2017, Tables: 1.1 to 1.10, pp. 14-22

Table: 3.6 reveal that there are 270 gram panchayaths as against 226 number of villages which means that there are small communities (e.g. Thandas) of ST population in remote places. However, all these favorable factors help in creating a better socio-economic environment for empowerment of the people subject to the policy framework of the Government.

One of the social and cultural traits is religion. The major religion of Warangal (R) is Hinduism, with 83 percent of the total population, the next largest community, Muslim with 14 percent of the population and the rest are of small communities like Christians, Jews, and Buddhists ⁽¹⁹⁾. The Government believes that all the women irrespective of to their religion do need support of MFIs to empower members of SHGs.

Economy of Warangal (R)

Warangal is one of the fast growing districts of India registering an average economic growth of 19 percent as at the end of 2022. Agriculture is the main economic activity producing paddy, cotton, mango and wheat. Agriculture though a primary economic activity, it is largely depending upon monsoon and seasonal rainfall. Warangal benefits from the Godavari lift irrigation scheme which is designed to lift water from the Godavari River and supplied through wide Canal system ⁽²⁰⁾. During 2019-21, the percentage increase of gross sown area works out to 5.1 in Warangal (R) and 12.8 in Warangal (U) ⁽²¹⁾. The Agricultural Market of Warangal is the second-biggest grain market of Asia. Information Technology is another sector that is coming up in the District. The District is connected with major towns, and important business centers of South and North by means road and railways ⁽²²⁾. The Gross District Domestic Product (GDDP) of Warangal (R) at current prices is Rs. 14,676 Crs. and it is Rs.17,455 Crs in Warangal (Urban). In 2020-21 the per capita income at current prices in Warangal (R) is Rs. 1, 75,951 and it is Rs.1,38,387 in Warangal (Urban) ⁽²³⁾. Regarding industry it is can be stated that Warangal (R) district is slowly developing over a period of past five years i.e., 2016-17 and 2021-22. The Government approved 360 industrial units in Warangal (R) and 650 establishments in Warangal (U) Districts.

The approved investment in these units is Rs.586 Crs. in Warangal (R) and Rs.670 Crs in Warangal (U) districts. During the above period, employment generated in Warangal (R) is 1,90,884 and 7,685 in Warangal (U). As on January 13, 2022 there are 3,099 MSMEs in Warangal (R) and 7,972 in Warangal (U). All these discussions reveal that the development in the district is of rural economic activity and it is gradually moving forward.

Food Processing Industry – Promotional Environment

Agriculture produce like Chillies, turmeric, Dal of different types, millets, and Sesame are very much grown which can be processed into marketable and ready to eat products. Many number of women are very much diligent in processing the food produce into ready to use products but are facing packing and marketing problems. The District Rural Development Agency (DRDA) is assigned with the responsibility of identifying such women groups and help them with finance and marketing activities. For this purpose they seek the support of Federated units of Women SHGs at Mandal level. The Ministry of Food Processing, Government of India, floated a scheme of Prime Minister Formalization of Microprocessing Enterprises (PMFME) under which financial help of Rs.40,000 and up to the maximum of Rs.1.00 Cr. is extended to the women groups with a subsidy of 35 percent. This assistance is provided at 6 percent interest per annum. The procedure to get the support under this scheme is a little protracted since the (i) the village level SHG has to recommend the member to the Women Federation for obtaining the financial support, (ii) the National Rural Livelihood Mission has to enroll the applicants and (iii) the names of women applicants with their micro-enterprise details are to be registered with the SERP in the website concerned. In the initial stages of proposed food processing unit gets loan of Rs.40,000 at 6 percent interest per annum and repayable in easy installments. Subsequently, the

successful enterprises may also apply for expansion of the unit for which a detailed project report (DPR) is to be submitted for a loan extending to Rs.10.00 lakhs. A number of women members of SHGs' proposals for starting Food Processing units are under active consideration in the integrated Warangal district ⁽²⁴⁾. The members are given to understand that the Govt. of India is ready to deploy funds in the promotion of food processing units approved by the SERP.

Administrative Environment of Warangal (R):

A look at the administrative environment is rationale since the district in question is a branch off the integrated Warangal District. On account of this bifurcation the administrative structure is suffering from unclear-delineation of the functions of the Government Offices. However, the present administrative facilities as notified by the Government are shown in **Table: 3.7**.

In the context of women empowerment, the government is trying to go closer to the people through decentralized administration. There are 14 Mandals and 270 village panchayaths that facilitate the delivery of the financial and welfare programs to the people. In recent years the Government is engaged in redefining the borders of the villages and towns with an intention to meet the political demands and administrative demands. In spite of all these administrative arrangements, there is no attempt on the part of the government agencies to control the activities of the MFIs. As a matter of fact the Telangana Government, as mentioned in Chapter: III adopted the earlier Telangana, Government of Telangana, GO. Ms No. 97 dated 12.08.2021.

TABLE: 3.7
Administrative Machinery of
Governance in Warangal (R) District (2022)

Particulars of Administrative Units	No. of Units	Names of the Administrative Units
Revenue Divisions.	02	Warangal Narsampet
*Mandals.	14	Warangal. Khila Warangal. Sangem. Geesugonda. Wardhannapet. Parvathagiri. Raiyaparathi. Narsampet. Chennaraopet. Nallabelli. Dhuggondi. Khanapur. Nekkonda. Parkal.
Towns Statutory (Census).	02	Warangal. Narsampet.
Census Villages.	226	-
Nagar Panchayaths.	02	-
Gram Panchayaths	270	-
Mandal Praja Parishadhs.	14	-

Source: Department of Planning, Telangana State, Telangana Socio-Economic Outlook, 2022, p. 25

Microfinance Institutions (Regulation of Money lending) by GO MS. 45 on 01-06-2016 but there is no systematic procedure to oversee the number, their activities and the procedures followed by the MFIs. For that matter, there is hardly any system of documentation of the existing MFIs. It is also observed that private corporate lending institutions are claiming themselves as MFI. They do not tend to promote group lending system which is the core aspect of MFIs and SHGs. Consequently, the entire field of MFI is not amenable to scientific inquiry. However, for the purpose of this study, the MFIs in Warangal (Rural) are classified as (a) Organized and (b) Un organized MFIs. A list of MFIs functioning in Telangana State as given by Sa-Dhan is

presented in Annexure Table:3.D. The details given in the Annexure Table explain that out of 13 MFIs 8 are of Non-banking Financial Companies (NBFC) and the rest are Cooperative Societies. Out of the 17 MFIs 12 are engaged in dispensing micro credit as a basic function. A few are also offering micro insurance and thrift services in addition to micro-credit. They have business in various states through their branch net work. In addition to branch business a few entertain direct lending to the customers in special circumstances. All this discussion enables the researcher to investigate their presence and financial involvement of microfinance activities in Warangal (R) district. As stated earlier, there are a few Un-organized MFIs such as private Chit Fund institutions and self managed groups of institution based employees, and cohesive groups of women whose data are not in reach to the researcher.

In sum, the population of Warangal (R) District registers a significant growth year after year except in the previous two decades. Another interesting demographic feature is that the percentage of female in the total population is almost equal to male. The administrative machinery in the state is geared to meet the growing needs of the people with a particular focus on decentralized decision making system in terms of Gram – panchayaths.

SECTION: II

Microfinance Institutions in Telangana

Members of the SHGs either obtain credit from their own group or from the MFIs through the Group concerned. The model of distribution of credit is earlier explained in Chapter: I diagrammatically. Hence, MFIs may be either direct financiers or a refiner for the purpose of helping the members of the group. The business details of MFIs are compiled by NABARD and Sa-Dhan, (The Association of Community Development Finance Institutions) and published in their respective publications. A close study of the reports of Sa-Dhan reveals that the list of MFIs is limited and therefore they access the business data as available from various agencies like industry associations, Small networks operating in different states, and lending agencies to share the data with UNDP Microfinance Solution Exchange members⁽¹¹⁾. This explanation is meant to say that the data available may not be comparable and at times may be incomplete. However, the data relating to the working of MFIs in TS are analyzed in terms of (a) number of MFIs, (ii) savings made by the SHGs with scheduled banks and (iii) the micro credit (bank linked program) dispensed during the year, outstanding balances and the NPA amounts.

(a) Number of MFIs in TS: Almost all the MFIs working in TS are private companies registered as NBFC with the consent of RBI. However, a few are registered under AP Mutually Aided Cooperative Societies Act 1995. Since most of them are private financial service companies, practice business strategies depending upon the market conditions. Sa-Dhan, the Association of Community Development Finance Institutions, collect the data relating to MFIs all through India. The Sa-Dhan request the MFIs to report about their progress voluntarily and publish such data State wise in

their Quarterly Financial Reports. Since reporting is not compulsory, the data may not reflect the ground realities of the MFIs. This being the back-drop, an attempt is made to analyze the working of the MFIs established in TS.

TABLE: 3.8

MICROFINANCE INSTITUTIONS IN TELANGANA

Year	Name of MFI	Year of Establishment	Legal Status	Remarks- Volume of Loans portfolio
March 2014	1) Ashmitha Microfinance Ltd.	2002	NBFC	Tier: 1
	2) Aware MACS Ltd.	2008	Coop.	Tier: 3
	3) Bharatiya samrudhi Finance Ltd.	1996	NBFC	Tier: 1
	4) Development Organisation for Village Environment (DOVE)	1993	Coop.	Tier: 3
	5) Indur Intideepam MACS Federation Ltd.	2002	Coop.	Tier: 3
	6) Pragathi Seva Samithi MACS Federation	2006	Coop.	Tier: 3
	7) Share Microfinance Ltd.	1999	NBFC	Tier: 1
	8) SKS Microfinance Ltd.	2003	NBFC	Tier: 1
	9) Spandana Spoorthy Finance Ltd.	2003	NBFC	Tier: 1
	10) Swas credit corporation India Pvt. Ltd.	1999	NBFC	Tier: 2
	11) Trident Microfinance Pvt. Ltd.	2007	NBFC	Tier: 3

March 2016	13) Spandana Sphoorty Financial Ltd.	2003	NBFC	➤ Rs.500 Crs
	14) Bharatiya Samrudhi Financial Ltd.	1996	NBFC	Rs. 100-500 Crs
	15) Bharat Financial Inclusion Ltd.	1997	Coop.	➤ Rs.500 Crs
March 2017	16) Spandana Sphoorty Financial Ltd.	2003	NBFC	➤ Rs.500 Crs
	17) Bharatiya Samrudhi Financial Ltd.	1996	NBFC	Rs. 100-500 Crs
	18) Bharat Financial Inclusion Ltd. (earlier it is SKS)	1997	NBFC	➤ Rs.500 Crs
March 2020	19) Pragathi Seva Samithi MACS Ltd.	2006	Coop.	➤ Rs.500 Crs
	20) Arohan Financial Services Ltd.	2006	NBFC	Tier: 1
	21) Gaddala Financial Services Pvt. Ltd	1998	NBFC	<Rs.100 Crs
	22) Vaya Finservice Pvt. Ltd.	2014	NBFC	<Rs.1000 Crs
March 2021	23) Asirvad Micro finance Ltd.	2007	NBFC	>Rs. 2000 crs
	24) Spandana Sphoorty	2003	NBFC	>Rs. 2000 Crs
	25) Gaddala Financial Services Pvt. Ltd	1998	NBFC	<Rs. 100 Crs
	26) Vaya Finservice Pvt. Ltd.	2014	NBFC	Rs. 100 Crs and Rs. 500 Crs
	27) Pragathi Seva Samithi	2006	Coop.	<Rs. 100 Crs
	28) NABFIN Ltd. (Subsidiary of NABARD)	2000	NBFC	>500 and <2000 Crs

Source: Sa-Dhan, Quarterly Financial Reports

Note: Tier. 1: Client Base > 2.5 lakh

Tier. 2: Client Base 0.5 – 2.5 lakh

Tier. 3: Client Base <0.5

Table: 3.8 present the data relating to MFIs for five years ending March of 2014, 2016, 2017, 2020, and 2021. Of course, the data are not comparable as the availability of data varied from year to year in terms of different variables. Over these five years, it is to be noted that 27 reports are presented with scant business details. Depending upon available data it can be said that the business is described in terms of (a) number of clients, and (b) volume of loans portfolio. In 2013-14 there are 11 reporting units but in later years it is only 3 each in 2015-16 and 2016-17; 4 units in 2019-20 and 6 in 2020-21. It means that there is no continuity of a few MFIs reporting but in 2015-16 one unit, in 2019-20, 3 units in 2020-21 one new MFIs appeared afresh in TS. Further, it can also be observed that Development Organization for Village Environment (DOVE) is the oldest MFI as it is established in 1993 reporting in 2013-14 and Vaya Finservice Pvt. Ltd., is the latest unit reported in 2020-21. A close analysis of MFIs of TS in terms of client base and volume of business it is discernible that the average clientele is 1.60 lakhs of the 12 units and the average loan portfolio is Rs. 643.33 crs. of the 15 institutions.

Table: 3.9

Client Base and Loan portfolio of reporting MFIs An Analysis

Client Base in Number of SHGs in lakhs		Loan Portfolio in Rs (Crs.)	
No. of SHGs	Frequency	Loan Portfolio in Rs. (Crs)	Frequency
Less than 0.5	05 (41.67)	Less than 100	03(20.00)
0.5 – 2.5	01(08.33)	100- 500	03(20.00)
More than 2.5	06 (50.00)	500 - 1000	07(46.67)
-	-	1000 - 2000	02(13.33)
TOTAL	12(100.00)	TOTAL	15(100.00)
Average	1.60	Average	643.33

Source: Table: 3.8

Note : Figures in bracket indicate percentage to respective total.

The details can be observed in **Table: 3.9** explained by considering the tier system.

Out of the 12 MFIs reporting about their client base, 6 (50 percent) have more than 2.5 lakh as members. In terms of loan portfolio 7 (47 percent) MFIs have loan portfolio ranging between Rs.500 – 1000 Crs. The above analyses suffer from two limitations. First, the MFIs under study are clubbed ignoring the operating year and second the nature of measurement are different from one year to another. The above analyses are intending to explain the volume of the activities of MFIs in TS.

(b) Working of MFIs in TS is examined in terms of savings, loans disbursed during the year and loans outstanding at the end of the year with a view to gauge the pattern of working. The working of MFIs in Telangana State are analyzed by taking the data for seven years (2014-15 to 2020-21) since the TS came into existence in 2014-15. Hence, the working of MFIs in TS is examined from the year 2014-15. The relevant data relating to savings, credit deployment and outstanding loans of MFIs are collected from annual publications of the Status of Microfinance in India published by NABARD.

Table: 3.10**Working of MFIS in Telangana State**

(Rs. In lakhs)

Year (1)	Progress under MFIs – Savings of SHGs with Banks			Progress under MFIs- Bank Loans disbursed during the year			Progress under MFIs – Outstanding Loans with Banks		
	No of SHGs (2)	Savings Account (Rs) (3)	Average Amount of Savings per SHG (Rs) (4)	No. of SHGs (5)	Amount of Loans disbursed during the year (Rs) (6)	Average amount of Loans disbursed during the year (Rs) (7)	No. of SHGs (8)	Outstanding loan amount at the end of the year (Rs) (9)	Average loan amount outstanding at the end of the year. (Rs) (10)
2014-15	5,11,184	98,761	0.19	2,61,051	5,49,462	2.10	4,72,521	8,28,591	1.75
2015-16	5,42,275	1,49,130	0.28	2,22,302	5,98,049	2.69	4,92,947	9,86,323	2.00
2016-17	6,32,781	1,59,282	0.25	2,65,366	8,02,058	3.02	6,07,443	12,05,261	1.98
2017-18	5,17,817	2,64,669	0.51	2,84,578	8,07,113	2.84	5,62,707	13,76,206	2.45
2018-19	5,68,756	3,04,377	0.54	3,36,640	9,55,584	2.84	5,70,911	15,40,719	2.70
2019-20	5,69,100	3,32,486	0.58	3,63,042	11,59,159	3.19	6,00,911	18,85,101	3.14
2020-21	7,29,018	4,32,456	0.59	3,42,801	7,81,826	2.28	5,80,605	17,07,930	2.94

Source: NABARD, Status of Microfinance in India, 2014-15 to 2021-22, Statement II-A, B and C.

(c) **Table: 3.10** explain that the number of SHGs availing the financial services of MFIs increased in terms of savings, credit extended and the outstanding loans. The number of SHGs under MFIs in TS with regard to savings increased from 5.11 lakhs in 2014-15 to 7.29 lakhs in 2020-21 registering a growth by 43 percent over a period of seven years (Col.2). Similarly, the number of SHGs availing credit facilities increased by 31 percent (Col.5) and outstanding loans by 23 percent (Col. 8). The average amount of savings by SHG increased by more than two times (Col. 4), credit disbursed increased hardly by one time (Col. 9) and loan outstanding balances increased a little more than one time (Col.10). All these observations clearly indicate that the working of MFIs is significant in terms of savings deposits, credit provision and the outstanding loans which means that the system is progressing well.

(C) **Non-performing assets (NPA)** is an important criterion concerning the management of credit by the MFIs. Therefore an attempt is made to examine the trends in NPAs of the MFIs for a period of 7 years (2014-15 to 2020-21). Earlier NPA is defined as the loans or advances that remain unpaid beyond a prescribed period. Such loans are not going to be relevant due to which profits are adversely affected. Banks are required to classify NPA into one of three categories according to how long the assets have been performing: sub-standard assets, doubtful assets, and loss assets⁽¹²⁾. A substandard asset is an asset classified as an NPA remaining uncollected for less than 12 months. A doubtful asset is an asset that has been nonperforming for more than 12 months. Loss assets are loans with losses identified by the bank, auditor, or inspector that need to be fully written off. As a matter of fact, NPA is expected to be much lesser in case of MFIs as they are backed up by the group guarantee.

TABLE: 3.11

Progress under MFI Non-Performing Assets of Banks against SHGs

Year	Loan Outstanding (Rs. In Lakhs)	Amount of Gross NPA (Rs. in Lakhs)	NPA as percent to Loan Outstanding
2014-15	8,28,591	25081.10	3.03
2015-16	9,86,323	25606.42	2.60
2016-17	12,05, 261	36695.53	3.04
2017-18	13,76,206	51084.56	3.71
2018-19	15,40,719	43185.64	2.80
2019-20	18,85,101	59864.83	3.18
2020-21	17, 07, 930	43265.33	2.53

Source: NABARD, Status of MFIs in India, Statement II-D

Table: 3.11 present the trends in NPAs of the SHGs affiliated to the MFIs for a period of seven years (2014-15 to 2020-21). The relevant data are collected from Status Reports of MFIs, published by NABARD for the seven years. In absolute terms NPA of MFIs of Banks against SHGs increased from Rs.25081.10 lakhs in 2014-15 to Rs.43265.33 lakhs in 2020-21 registering an increase of 75 percent over 7 years. However, percentage of NPA to the outstanding loan balances never went beyond 4 percent it is an excellent performance of MFIs when compared with the NPAs of business credit dispensed by Commercial Banks. This is the most appreciable feature of the SHGs as affiliates of the MFIs. There are two reasons for this excellent performance of MFIs. First, every loan given to the members of SHGs is against the group guarantee and second the credit offered is small and utilized by the members for the purpose for which it is granted.

MFI Crisis in Andhra Pradesh

Prior to the reorganization of the integrated Andhra Pradesh, Telangana is one of the important regions of the State. During 2009 and 2010 the MFIs in the state got clutched up in the unjustified recovery process of loans on account of which a few suicides took place in Krishna District. All such incidents created ripples in the very existence of MFIs in the State. As Telangana is very important region of the State, the working of MFIs in the region is affected adversely. To curb such incidents, the then Andhra Pradesh (AP) Government promulgated an ordinance in October, 2010 to save the borrowers. In December, 2010 Ordinance was enacted as Andhra Pradesh Microfinance Institutions (regulation of money lending) Act. Following the Act, operations of MFIs just came to halt in the State. In 2009 growth of loan portfolio and clients were 95 per cent and 57 per cent respectively; it came down to mere 17 percent

for both in the fiscal year 2010. Hence, in the present context, it is relevant to refer to this crisis as they affected Telangana also. The AP Act has stifled the access of basic financial services to the poorest citizen of India and estimated to have effect on 450 million people. The crisis in the microfinance sector has left microfinance companies like *SHARE Microfin*, *Asmitha Microfin*, *Spandana Sphoorty Financial*, *Trident Microfin* and *Future Financial Services* with negative net worth⁽¹³⁾. As a matter of fact, Microfinance institutions are considered as a tool for sustainable Development of the poor. It encouraged the poor people to save, seek insurance services and obtain micro credit. Earlier it is noted that micro finance services are extended without any collateral security. However, they started grappling with the issues of their sustainability due to the changed environment in the State.

Telangana Microfinance Institutions (Regulation of Money Lending) Act

After the bifurcation of the AP State into Telangana and residual Andhra Pradesh, the *Andhra Pradesh Microfinance Institutions (Regulation of Money Lending) Act* 2011 is adopted by the Telangana Government by GO Ms.45 of the Law (F) Department dated 1-06-2016⁽¹⁴⁾. However, it is called as the Telangana Micro Finance Institutions (Regulation of Money Lending) Act, 2011. All the provisions of the Act aim at the regulation of financial services to the members of the SHGs under the progress of MFIs. The following are the important regulations that govern the management of financial services.

1. The existing MFIs as well as the proposed to be established are to get registered with the Registration Authority. A written application with all details about the rate of interest to be charged and the operational jurisdiction of the said MFI is to be submitted for registration (Section: 3).

2. The members of the SHGs should not seek membership in not more than one as per Section: 6 of the above Act.
3. The MFI should not seek security for the loan disbursed and should display the interest charged on the loans provided.
4. No MFI will extend a further loan to a SHG or its members where the SHG has an outstanding loan payable a Bank unless the MFI obtains the prior approval in writing in such manner as may be prescribed from the Registering Authority (Section: 10).
5. Every MFI should keep and maintain a cash book, a ledger and such other books of account in such form and in such manner as may be prescribed.
6. MFI should not engage any agents for recovery nor shall use any other coercive action either by itself or by its agents for recovery of money from the borrower and use any form of coercive methods for recovery.
7. The Registration Authority has the power to inspect the offices of MFI including the SHGs to know whether the business is conducted as per the provisions of the Act.

At this stage, it is necessary to note that “Registering Authority” means the Project Director, District Rural Development Agency (DRDA) for the rural areas and Project Director, Mission for Elimination of Poverty in Municipal Areas (MEPMA) for Urban areas or any other person appointed by the District Collector to perform the functions of a Registering Authority. A close reading of the above regulations indicates that the working of MFIs should be necessarily in favor of small entrepreneurs.

Briefly, the MFIs in Telangana in terms of legal status, are broadly of two types viz., NBFC and Coop. The Development Organization for Village Environment (DOVE) is established in 1993 which seems to be the oldest of all the MFIs established in Telangana. The business of MFIs is analyzed in terms of savings, loans disbursed and outstanding advances. The average savings, loans and outstanding loans of MFIs in Telangana State increased gradually over the years. The percentage of NPA in the MFIs is within the limits by all standards. Of course, during 2009 and 2010, the MFIs applied objectionable methods of recovering loans due to which the AP Government enacted a law to control their objectionable practices of recovery of loans. After the reorganization of the State into Telangana and the residual Andhra Pradesh, the newly created Telangana State has adopted the law by GO in 2016.

SECTION: III

Working of MFIs in Warangal (R) District

After having identified the MFIs assisting the members of SHGs in Telangana State, it is now to analyze working of MFIs in Warangal ® District. There are 13 MFIs declared themselves as having microfinance transactions in Warangal (R) district. However, it is also observed earlier that there are un-organized MFIs on self-help system. These institutions are not considered for this study. As a matter of fact, a few of the identified MFIs (Annexure Table: 3.D) do not have branches located in Warangal (R) district but they have business relations with the SHGs. Hence, they are considered as the MFIs supporting female members of SHGs. A sample study is proposed for an in depth enquiry of the working of MFIs in the empowerment of women. Out of the 13 MFIs 4 (31 percent) are chosen deliberately to make it a representative sample. In other words, the present study focuses on the working of three NBFCs and one Cooperative society. The working of MFIs in terms of their objectives, the type of services offered and the volume of micro-credit dispensed is analyzed subject to the availability of information. The problems and prospects of the sample MFIs are proposed to be examined by collecting the opinions of the two functionaries (Executive Officers/Managers) each of the sample MFI, for which appropriate questionnaire are canvassed. A copy of the Questionnaire served among the functionaries is placed as Appendix: A.

SKS Microfinance Ltd.

About two decades ago this Non-Banking Financial Company was established in Hyderabad as its headquarters. It means that after a decade's time of the genesis of

the concept of micro-finance it came into existence. In 2017 it is rechristened as Bharath Financial Inclusion Limited (BFIL) and merged with Indusland Bank. The objective of SKS Microfinance (BFIL) is to provide loan products that are specifically aimed to build a sustainable livelihood to the economically weaker sections of the society. In other words, the BFIL (SKS Microfinance Ltd) offers short, medium and long term loans to meet the working capital and long term investment requirements for starting and running kirana stores, raising livestock, tailoring and related services.

TABLE: 3.12

**(SKS Microfinance – Bharath Financial Inclusion Ltd.)
Financial Products for the Economic Welfare of the Weaker Sections of the Society**

Name of the Financial Product	Minimum Loan Amount (Rs)	Maximum Loan Amount (Rs)	Period for which loan is granted. (Weeks)	Repayment Frequency (Weeks)	Interest Rate (percent)
AARAMBH – Income Generation Loan	20,000	50,000	100	Weekly	19.75
VRIDDHI – Microfinance Mid-Term Loan.	20,000	1,50,000	150	Weekly	19.75
BFIL Long Term Loan	50,000	2,00,000	150	Weekly	19.75
SWARNA – PURSHPAM gold Loan	5,000	5,00,000	200	Monthly	24 to 26
BFIL Life Insurance (Premium)	-The policyholder has to pay a weekly premium of Rs.20 for a term of five years. – In Case of natural death the nominee will get Rs. 20,000 plus the value of the account. _ In case of accidental death of the policyholder, the nominee will get Rs.30,000 plus the value of the account. -If no death occurs during the 5 – year tenure of the policy, then the entire value of the account will be reimbursed to the nominee.				

Source: BFIL, office records

Table: 3.12 present the list of various financial products meant for all the group members irrespective of gender. All of them are meant to achieve inclusive growth of the weaker sections of the society. The rules and regulations concerning the gold loans and the Life Insurance program are also stipulated to enable the poor people

to join without much financial commitment. Further, it offers special types of loans to women of the weaker sections of the society for gaining women empowerment. They are: Biomass Cook-stove Loans, Solar Light Loans, Water Purifier Loan, Mobile Phone Loans, Bicycle Loan, and Sewing Machine Loan. The BFIL sanctions a minimum loan amount of Rs. 30,000 and to the maximum of Rs. 50,000 at 19 percent interest per annum. The tenure of all type of loan is one year. These loans are expected to improve the income generation capabilities and productivity of women entrepreneurs. It means that the BFIL offers loan products meant to promote economic welfare of the weaker sections of the community in general and specific schemes to support the economic endeavors of women.

As the BFIL considers the applications of SHGs directly, where the branch offices are not available, it requires a specific documentary proof to ensure the eligibility in terms of financial status of the applicant and the genuineness of the proposal. In addition to the above, the following documents are required to be submitted.

- A proof of identity issued by a competent and legitimate government authority.
- Address Proof: A proof of address issued by a competent and legitimate authority, or any proof of address that contains the borrower's name.
- Age Proof: A document that testifies the applicant's age.
- Other documents as may be required on an individual basis from the bank after assessment of candidate.

TABLE: 3.13
Working of SKS Microfinance (Bharath Financial Inclusion Ltd)
- A Trend Analysis

(Rs. In lakhs)

Year	No. of Enrolled SHGs	No. of Members (Borrowers)	Amount of loans disbursed (Rs)	Amount of loans Recovered (Rs)	Amount of outstanding Loans (Rs)	NPA (percent)
2014-15	186	16.52 (-)	3,303 (-)	1,972	2,047	3.2
2015-16	201	20.23 (22.46)	3,541 (7.21)	2,976	3,029	3.9
2016-17	391	26.71 (32.03)	5,921 (67.21)	3,912	4,001	3.4
2017-18	482	51.24 (91.83)	11,492 (94.09)	8,431	5,052	5.4
2018-19	501	68.29 (33.27)	16,543 (43.95)	10,735	5,002	4.2
2019-20	529	86.36 (26.46)	18,215 (10.11)	12,728	4,309	4.1
2020-21	518	85.20 (-1.35)	17,936 (-1.54)	13,938	7,921	3.2

Source: Annual Progress Reports, Bharath Financial Inclusion Ltd. 2016-17 to 2021-22.

Note: Figures in brackets indicate percentage growth y on y.

Regarding the trends in the volume of credit deployment among the SHGs an attempt is made to examine the number of beneficiaries, amount of credit deployed , recoveries and balance of outstanding loans (in other words Deployment , Collection of loans and Balance of loan to be recovered – DCB). **Table: 3.13** explain that the micro-credit dispensed to the weaker sections of the society increased gradually over the years except in 2020-21. The annual average of loans disbursed works out to 32 percent and number of beneficiaries also registers a similar trend. It can also be observed that there is a significant spurt in credit dispensation and in number of beneficiaries after 2017, the year in which the SKS is restructured as BFIL. Another

significant feature of the credit deployment is that the NPA ranged between 3.2 percent and 5.4 percent of the outstanding balances.

In 2017-18 the NPA is far higher when compared with other years and it might be on account of sudden jump in credit as well as in the number of beneficiaries. Another important observation is that the BFIL is charging a higher rate of interest in spite of the fact that the microfinance believes at lower service charges. All these analysis indicate that the MFI in question is working with business motive.

Bharatiya Samruddhi Finance Ltd (BASIX)

It is one of the oldest Microfinance Institutions in Telangana State established in 1997 as a subsidiary company of Bhartiya Samruddhi Investments and Consulting Services Ltd. (BASICS Ltd). Thus BASICS is the holding company through which equity and debt investments are made in the two subsidiary companies viz., Bharatiya Samruddhi Finance Ltd (BASIX) and Krishna Bhima Samruddhi Local Area Bank Ltd. The BASIX offer agricultural and business development services, such as input supply, training, technical assistance and market linkages, in a cost-effective manner. The poor households are organized into groups, informal associations and sometimes cooperatives or producer companies to offer financial services in a small way. The formation of such groups is meant to make them viable and effective in availing the financial services. Thus the BASIX aims to provide the following three services:

- (i) Livelihood Financial Services: including micro-savings, micro-credit, and micro-insurance.
- (ii) Agricultural and Business Development Services through local value addition, non-financial risk mitigation, productivity improvement, and alternative market linkages.

(iii) Institutional Development Services^[25] an attempt to evolve and reinforce a set of behavioral norms and processes for a group of people to act in a sustainable manner and to achieve the purpose for which they are made together.

BASIX^[26] also provides sectoral and policy research services, feasibility studies and other consultancy services by availing the services of the subsidiary companies held by BASICS Ltd. The objective of these services is to promote the knowledge and practice of livelihood activities. It has a wide coverage of 21 states including Telangana through a network of 702 branches. Further, the progress of BASIX is explained below by considering various variables for two land mark years.

Particulars	2017-18	2020-21
- The number of districts covered by the BASIX	515	702
- Number of villages enrolled	20,000	21,071
- Loans disbursed since inception cumulatively (Rs. In Crores)	854.77	983.90
- Loans outstanding as at the end of the financial year. (Rs. In crores)	63.53	109.38
- Number of customers served	4,37,651	7,49,371
- Percentage of loans disbursed to farm sector	41	47
- Percentage of women customers availing the credit facility.	64	71
- Insurance coverage of customers against risks like death, and critical illness (Number)	4,37,651	7,49,371
- Insurance Claims settled (Cumulative Number)	13,050	16,232
- Number of customers waiting for agriculture/business development services for productivity enhancement, and market linkages.	1,03,725	1,74,270
- Cumulative fee collected for rendering agriculture/business development services for productivity improvement and market linkages. (Rs. In Crores)	2.09	5.29
- Provision of Institutional Development Services to SHGs, Mutual Benefit Trusts, Producer groups and cooperatives to aid the livelihood activities. (No. of groups)	41,710	41, 510

From the above details, it can be concluded that the BASIX is committed to extend three types of services, as stated earlier which is described as Livelihood Triad. Of course, this MFI renders Triad Services by charging a nominal fee. It can be seen that within three years its income is doubled from Rs. 2.09 Crs in 2017-18 to Rs.5.29 Crs in 2020-21. The concept of 'Value Addition' is localized among the rural poor by mitigating the non-financial risk and by improving productivity, and by linking the groups with banks and also with the alternative market connectivity. Thus the above service package helps to outreach the clients by about double in size during four years time.

Trident Microfin Private Ltd.

Literally 'trident' is an instrument with three forks protruding that help to pick much material to enjoy. The reason to explain the literary meaning is to indicate that the Trident Microfin Private Ltd. has many independent organizations working with the same label with different objectives. The oldest Trident is registered in August 1996 as Non-Government Organization. But the present Trident Microfin Ltd. (TML) is a new generation microfinance institution established in 2007 and headquartered at Hyderabad in Andhra Pradesh. Its business motto is 'to reach the unreached'. The overarching goal of the company is to provide comprehensive financial and business solutions to low income individuals and enterprises. The following are the objectives of TML:

- 1) To reach the unreached low income communities with financial and business solutions in a socially, economically, and environmentally sustainable manner through the efficient use of capital, technology and human resources.

- 2) To provide comprehensive financial and business solutions to low income individuals particularly women and micro enterprises.
- 3) To ensure that No Bankable Poor are Left Behind in the area of our operation.

In view of the above objectives, the loans given to MSME are collateral free and financial consultancy; planning and business banking services are rendered to them. However, the TMI continues to commit to business goals of earning profits, people centered and offering appropriate products to the clientele. As such it follows 4A business principles viz., accessibility, affordability, accountability to the customers and adaptability to the changing business environment. Further, it strives to stay at the forefront of industry research and adopt cutting-edge technology in its business creativity and innovation.

TABLE: 3.14

Business of Trident Micro fin Private Ltd., A Trend Analysis

Particulars	2017-18	2018-19	2019-20	2020-21
Client outreach (No).	36,091 (-)	64,950 (79.96)	92,522 (42.45)	92,601 (0.01)
Number of SHGs covered .	2776 (-)	7,217 (58.43)	7117 (37.41)	10,289 (42.40)
Savings Deposits of the clients (Rs. In lakhs).	4.28 (-)	20.46 (378.04)	65.62 (220.72)	110.52 (68.42)
Borrowings from Banks and other sources (Rs. In lakhs)	2519.22 (-)	2095.58 (-16.820)	1,589.94 (-24.13)	1,488.70 (-6.37)
Investments (Rs. In lakhs)	13.90 (-)	83.88 (503.45)	159.93 (90.67)	207.97 (30.04)
Loans and Advances during the year (Rs. In lakhs.)	241.92 (-)	1,082.44 (347.44)	1084.09 (00.15)	1,107.43 (2.15)
Collections of Loans and advances in the year (Rs. In lakhs)	39.17 (-)	205.72 (425.20)	301.77 (46.69)	369.29 (22.37)
Outstanding loans as at the end of March (Rs. In lakhs)	37.01 (-)	197.37 (433.29)	271.05 (37.33)	382.72 (41.20)
Percentage of NPA as at the end of March.	3.29 (-)	4.07 (23.71)	4.10 (0.74)	5.02 (22.44).
Average Number of members per SHG	13 (-)	09 (-30.77)	13 (44.44)	09 (-30.23)

Source: Trident Microfin Limited, Annual Report, 2021-22

Note : Figures in brackets indicate rate of growth y on y.

A close reading of the objectives reveals that the TML is not able to shun its business nature while supporting the SHG members with the provision of microfinance. A look at the data presented in **Table: 3.14** disclose that it is borrowing funds from commercial banks to meet the microfinance requirements. Of course, such borrowings of TML show a declining trend over the period of four years as the savings of SHG's members increased. It means as the low cost funds (saving deposits) increase, the borrowings dwindle to make profits in their operations. All these strategies are meant only to help the micro entrepreneurs who explain its people orientation. Further, different loan products with different terms are offered to help the SHG's members. All these strategies helped TML to increase its client outreach from 36,091 in 2017-18 to 92,601 in 2020-21 registering a growth by 26 percent, the number of SHGs covered increased by about 3 times and similarly the advances increased by 3 times. It can also be noted that the NPA increased gradually from 3.9 percent in 2017-18 to 5.02 percent which might be on account of heavy advancing and poor recoveries over the period under study. All these analysis lead to conclude that TML (i) is following business strategies rather than the service provision, and (ii) it is not that efficient in recovery of loans as reflected by erratic trends in Non-Performing Assets (NPA)

Adarsha Mahila Mutually Aided Cooperative Society Ltd. (AMACS)

It was established in 1990 as NGO in Muqdumpuram village, Chennaraopet Mandal, Narsampet Division of Warangal (R) district. Thus Adarsha Mahila Mutual Help Cooperative Society (AMACS) is initially a voluntary organization of the poor women came together to promote thrift and to arrange provision of micro-credit to the poor producing products with the raw material of local availability. It continued to

render financial services successfully to the members and got it registered as a self-help society under the Andhra Pradesh Mutually Aided Cooperative Society Act 1995. Subsequently, after bifurcation of AP into Telangana State and residual Andhra Pradesh State the said Act is adopted by the Government of Telangana State. As a matter of fact, the success of AMACS has become inspiration to start Netaji Thrift and Mutually Aided Cooperative Society Ltd., exclusively for male; in the same village in 1992. Thus it is indicative of the cohesive behavior of the members' mutual support in the matter of mobilization of savings and dispensation of credit to the members. As a matter of fact, this AMACS has the following objectives:

- 1) To create systematically an opportunity to the rural women to save a part of their limited earnings on continuous basis. For this purpose the Society offers deposit schemes on a continuous basis with a definite amount out of their earnings.
- 2) To meet the financial requirements of the members a certain amount of loan is determined in a proportion to their savings and other balances to their credit.
- 3) To create an appropriate facility to save at least one day's earnings as insurance premium to help the members to live peacefully in their old age without depending upon others.

Consistent with the above objectives and the self-help philosophy, the AMACS believe a functional strategy of four steps. They are: (i) all members of the group should be present in the Society to sign documents recommending the loans and advances, (ii) any person without being a member of the group is not eligible to hold any position on the management board, (iii) not more than one nominee to deposit, bonus, and any other accounts is allowed and (iv) interest on the deposits and on

accumulated bonus is restricted to 12 percent of interest per annum. These regulations are proposed and accepted in the 17th General Body Meeting held in 2008. The progress of the working of AMACS is analyzed by considering the number of groups and their members, their thrift deposits, Insurance scheme, borrowings from the cooperative bank, and loans and advances deployed, and surpluses earned for a period of 8 years (2010-2014 to 2020-21).

The SHGs feel confident of the financial assistance, if the performance of the MFI is sound and solvent. Since AMACS is a cooperative society, it is likely to be transparent and democratic. As such it is expected to work in the interest of the members of the Society and not in the interest of any one particular member. Hence, it is necessary to examine the working of the organization in question.

TABLE: 3.15**ADARSHA WOMEN MUTUALLY AIDED COOPERATIVE SOCIETY (AMACS)****A trend Analysis of Financial Performance**

Sl. No	Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
01	Number of SHGs.	63 (-)	51 (-19.02)	55 (7.84)	73 (32.73)	45 (-38.36)	65 (44.44)	75 (15.38)	85 (13.33)
02	Number of clients.	572 (-)	561 (-1.92)	715 (27.45)	802 (12.17)	891 (11.10)	919 (3.14)	899 (-2.18)	853 (-5.12)
03	Average number of members per SHG.	09	11	13	11	13	14	12	10
04	Saving deposits of the clientele (Rs. Lakhs) at the end of the year.	33.31 (-)	41.85 (25.64)	46.38 (10.82)	52.49 (13.17)	55.06 (4.90)	57.41 (4.27)	61.75 (7.56)	67.71 (9.68)
05	Average amount of Savings per client (Rs. In lakhs).	0.06	0.07	0.06	0.07	0.06	0.06	0.07	0.08
06	Insurance premium collected (Rs. In lakhs).	0.45 (-)	0.48 (6.67)	0.53 (10.42)	0.55 (3.77)	0.58 (5.45)	0.81 (39.66)	0.79 (-2.47)	0.77 (-2.54)
07	Advances and Loans to clients (Rs. In lakhs).	39.72 (-)	41.42 (4.28)	42.35 (2.25)	44.05 (4.01)	51.73 (17.43)	53.90 (4.19)	55.67 (3.23)	57.41 (21.82)
08	Rate of interest on the advances to the clientele (percent).	13.50	12.00	12.00	12.00	12.00	12.00	12.00	12.00
09	Rate of interest on the saving deposits of the clientele (percent).	7.00	7.00	7.00	7.25	7.25	7.00	7.00	7.00
10	Surplus over the expenses (Rs. In lakhs).	2.12 (-)	2.19 (3.30)	3.05 (39.27)	3.17 (3.93)	3.12 (-1.58)	3.14 (0.64)	3.91 (24.52)	4.01 (2.58)

Source: AMAC; Annual Financial Reports, 2014-15 to 2021-22.

Note : Figures in brackets indicate percentage of growth y on y.

Table: 3.15 highlight the financial performance of AMACS in terms of 10 important indicators. The number of affiliated SHGs increased gradually from 63 in 2013-14 to 85 in 2020-21 except in 2017-18. Of course in 2014-15 there is a little drop in the number of SHGs which might be the result of uncertainty of the application of the provisions of AP Mutually Aided Cooperative Societies Act 1995. The average number of members per SHG varied between 09 and 14 during the period of 8 years which is a little more than the stipulation of the Government. The most important observation is that the saving deposits of the member with AMACS show a gradual increase over the years. The annual average growth of savings works out to 9.50 percent. The average amount of saving deposit per member is around Rs. 7,000 (Sl. No. 05) which is the basis for granting the advances to the clientele. The loans and advances provided to the SHG members also increased gradually without any let up in any year. They increased from Rs. 39.72 lakhs in 2013-14 to Rs. 57.41 lakhs (Sl. No. 07) registering a growth by 45 percent during the period under study. The annual average growth of advances works out to 7.17 percent(Sl.No.07). Surplus earned by the operations of the AMACS increased continuously year after year except in 2017-18. This drop in the year might be attributed to the fact of avoiding political intentions to the management on account of the impending general elections in 2018-19. All these observations help to conclude that the management of AMACS succeeds in performing the financial affairs without giving space to political comments.

Problems of MFIs – A Field Study

All the above analyses are based on quantitative data of the important variables of the select MFIs. As such, the ground realities of the working of the institutions may be clouded to reveal the subjective aspects of MFI. As such it is essential to elicit the

opinions of the functionaries of the MFIs to ascertain the problems of the management at grass root level. Hence an attempt is made to collect the experiences of the important functionaries in performing the financial responsibilities of the MFIs. For this purpose an appropriately developed questionnaire is canvassed among the 12 functionaries drawing three from each select MFI. A copy of the questionnaire canvassed is placed as Appendix: 4. A.

Perception Levels of the Executives MFIs: Prior to the analysis of the opinions of the functionaries, it is better to assess the reliability of the opinions of the 12 respondents. Hence, the personal profile of the respondents in terms of their age, academic qualifications and the year of experience in the MFIs are examined as collected through the questionnaire (**Appendix: 4. A**). The problems and prospects of the MFIs presented in the following discussion may be considered as reliable depending upon the level of perception of the responding executive officers of the sample MFIs.

TABLE: 3.16**PERSONAL PROFILE OF THE RESPONDENT EXECUTIVES OF MFIS**

Sl. No.	Particulars	Frequency	Percentage to total
01	Designation of the respondents:		
	- Manager	04	33.33
	- Assistant Manager	04	33.33
	- Loan Officer/Accountant	01	08.34
	- Field Officer	03	25.00
	- Total	12	100.00
02	Experience in the present position (in Yrs)		
	- 5 to 10	05	41.66
	- 12-14	06	50.00
	- 14-16	01	08.34
	- Total	12	100.00
03	Academic Qualification of the respondents:		
	- Graduation	09	75.00
	- Post graduation	02	17.00
	- PG Diploma in Cooperation	01	08.00
	- Total	12	100.00
04	Age of the respondents (in Yrs)		
	- 30 -35	08	66.66
	- 40 -45	01	08.34
	- 45-50	01	08.34
	- Above 50	02	16.66
	- Total	12	100.00

Source: Appendix: 4. A., Primary data

Almost all the respondents are responsible officers like Managers (33.33 percent), Assistant Managers (33.33 percent) and Field Officers (25 percent) which can be seen from the data given in **Table: 3.16**. The average experience of these officers is 11 years in their respective positions. In terms of academic qualifications, it is clear that all the Executive Officers are highly read since 75 percent of them are graduates and 17 percent are post-graduates. Further, the average age of the officers is about 38 years which means that all of them are young and experienced. As such, all their responses can be taken as dependable.

Problems of MFIs in the Provision of Microcredit: The financial strength of MFIs depends upon the rules and regulations followed in the process of sanctioning of loans and also on the effectiveness of recovery of loans in good time.

TABLE: 3.17

DISPENSATION OF LOANS TO SHGs - Problems of MFIs in Warangal (R) District

Sl. No.	Particulars	Frequency (MFIs)	Percentage to total
01	Documents Demanded by MFIs for sanctioning of the Micro-credit		
	Adhar Card of each member of the SHG.	01	25.00
	Election Identity Card	04	100.00
	Certification by the Gram Panchayath about the residence of the members of the SHG.	04	100.00
	Evidence as to the bank account with any scheduled Bank.	04	100.00
	Sources of Income Certificate issued by the competent authority.	04	100.00
	Composition of the SHG signed by the group leader	04	100.00
	Age proof.	04	100.00
	A brief note about the project.	03	75.00
02	Problems in Receiving the applications for Micro Credit		
	Incompleteness as to the certification.	04	100.00
	Technical assessment of the project.	02	50.00
03	Problems in the Processing of the Applications for Micro Credit		
	Political interference	04	100.00
	Poor verification of the veracity of the applications	04	100.00
	- Lack of field staff for inspection and the functioning of the project.	04	100.00
04	Time Taken by the MFIs to sanction the loan		
	Less than 1 week	01	25.00
	01 to 2 weeks	03	75.00
05	Do you Insist the presence of the group members at the the time of disbursement? Yes No	04 Nil	100.00 Nil
06	Minimum number required to form a group for sanctioning the micro credit. Five	04	100.00
07	Maximum amount of loan that is sanctioned: Rs. 50,000 Rs.1,00,000	03 01	75.00 25.00

Source: Appendix- A questionnaire- Primary data

Table: 3.17 explain the documentary requirements for considering the loan application of the SHGs for financial assistance. It is evident that almost all the MFIs follow a uniform procedure in documentation except one MFI which insist upon the production of Aadhar Card. However, three (75 percent) MFIs also require the technical report about the project for which financial assistance is sought. All the MFIs have similar problems in the processing of the applications for financial assistance. For instance, political interference, poor verification of the project and lack of field staff are the common problems of all the MFIs. It can also be seen that the maximum loan given by 75 percent of the MFIs is limited to Rs. 50,000 and the rest (25 percent) of MFIs consider sanctioning a maximum of Rs. 1.00 lakh. All these details amply explain that the MFIs follow the discipline dictated by the Ministry of Women Welfare and Child Development, Government of India.

Recovery of Loans: Management of credit of any financial institutions consists of five important elements viz., mobilization of resources, granting of credit, and disbursement of granted loans, supervision and recoveries of loans by the due date ⁽²⁶⁾. The executive officers of MFIs , so far have shared their experiences about the granting of loans and disbursement of loans which are presented in the aforesaid paragraphs. Recoveries of disbursed loans by the due dates from the beneficiaries is an important function as it enables the MFI to continue financial support to few more members of the SHGs. Out of the four sample MFIs three (75 percent) have the system of issuing the Loan Pass Books to the borrowers helping them to know about their financial transaction with the financial institutions.

TABLE: 3.18

RECOVERY OF LOANS BY MFIs
A Study of Strategies for the Recovery of loans

Sl. No.	Particulars	Frequency (MFIs)	Percentage to total
01	Do you have staff exclusively for the purpose of collection of loans?		
	Yes	03	75.00
	No	01	25.00
02	If 'YES' state the number: Nil	01	25.00
	02	01	25.00
	03	02	50.00
03	Is the cost Moderate?	02	50.00
	High?	01	25.00
04	Reasons for High Cost:		
	• Travelling Costs (TA)	01	25.00
	• Cost of stay (DA)	01	25.00
	• Repeated visits	01	25.00
05	Strategies being followed for the recovery of loans:	04	100.00
	• Preparing the DCB.	04	100.00
	• Advance Notices are sent.	04	100.00
	• Collection Staff is alerted about the defaulters.	04	100.00
	• Collection Staff reports are received.	04	100.00
	• Decision to go for arbitration.	04	100.00
06	Advance notices of due dates of the loans are given to the: * Leader of the SHG	04	100.00
	• All the members of the SHG.	04	100.00
07	Number of Arbitration cases filed and pending.	Nil	Nil
08	Is Loan Pass book system followed?		
	• Yes	03	75.00
	• No	01	25.00

Source: Primary data, Appendix: 4. A

It can also be seen from **Table: 3.18** that only 75 percent of the MFIs have field staff with the responsibility of collection of loans. Almost all the MFIs follow a recovery strategy consisting of five steps. They are: (a) preparation of Demand, Collection and Balance (DCB) of loans due from the borrowers, (b) advance notices of

due dates are issued to the debtors, (c) the collection staff is alerted about the defaulters, (d) the reports of the field staff are received and (e) decisions are taken as to the need to apply coercive methods to be taken to recover the loans. In the opinion of the executives that there is no arbitration cases filed and settled so far against any SHG members. Further it is revealing that the advance notices are given to the leader of the defaulting group as well as to the members of the group. About 25 percent of the MFIs feel that the cost of recovery is high on account of repeated visits to the defaulters for the recovery of loans. All the above experiences of executives of the MFIs explain that the management of credit is conforming to the general principles of credit management.

Resource Mobilization: In order to carry out the important functions, the MFIs must possess adequate financial resources which are also one of the elements of credit management. There are many options for the financial institutions to mobilize resources such as owner(s) stakes and borrowings. The latter may be in the form of deposits, and premium collections on various insurance schemes. Of course, the management chooses such resources which are low cost and viable in terms of repayment schedule. After a successful functioning of the financial organization for some years, it may develop reserve funds appropriated out of the annual earnings. Hence, a few questions are raised with the executives to ascertain the sources of funds for the purpose of carrying on financing activities.

TABLE: 3.19
SOURCES OF FUNDS OF MFIs IN WARANGAL (R) DISTRICT

Sl. No.	Particulars	Frequency (MFIs)	Percentage to total
01	Sources of Borrowings:		
	- Commercial banks.	04	100.00
	- Government.	04	100.00
	- Deposits.	04	100.00
	- Premium amounts	04	100.00
	- Bonds.	Nil	Nil
	- Any other sources (specify)	Nil	Nil
02	Types of Savings deposits:		
	- Recurring deposits	03	75.00
	- Compulsory Saving Deposits.	04	100.00
03	Purpose of resources mobilization:		
	- Loaning to the micro entrepreneurs	04	100.00
	- Financing of the working capital requirements of businesses.	02	50.00
	- Financing of the business expansion Projects of businesses.	01	25.00
	- Payment of bonus	01	25.00
04	Types of Reserves maintained:		
	- General Reserves.	04	100.00
	- Stabilization Reserves.	01	25.00
	- Depreciation Reserves	01	25.00
05	Did you ever default in paying the borrowed loans on date?		
	- Yes	Nil	Nil
	- No	04	100.00

Source: Primary data collected by Questionnaire Appendix: A.

A look at the data presented in **Table: 3.19** reveal that almost all the MFIs borrow funds from the commercial banks, government under various schemes, and by offering deposit schemes. The executives of the sample MFIs disclose that they never failed to repay the commercial banks from whom loans are raised. All the MFIs confirm that they are also pooling the finances by floating various insurance schemes. At times, the SHGs are to buy insurance compulsorily from the MFIs to safeguard mutual interests. The financial resources so mobilized are used by the MFIs to support the requirements of the SHGs. In addition to the above, the mobilized resources are

also used to lend to the business enterprises, besides lending to the micro-enterprises. It means that the MFIs are extensively undertaking the banking business. All the four MFIs admit that they build General Reserves by appropriations of their annual earnings. A close reading of the information given by the Aadarsha Mutual Aided Cooperative Society (AMAC), explain that it does not lend to the business houses but the NBFCs also extend their services to the business enterprises.

Problems of MFIs in managing the Micro-credit: The problems of management of credit by MFIs are typical in nature because of the three reasons. First problem is the poor communication between the borrowers and the Government as the latter is frequently altering the policy frame work relating to the microfinance. Second, the local political leaders are forcing the SHG members to apply for loans even though the project is unworthy of credit. Lastly, the interest amount due on the microfinance remains unpaid by both the members and the government. All these problems are disclosed uniformly by all the executives of the sample MFIs.

In brief, it is observed that there are organized and unorganized MFIs operating in Warangal (Rural) district. To study the impact of the MFIs on women empowerment, only the formal institutions are chosen. As a matter of fact, the MFIs and SHGs which have financial dealings in Warangal (Rural) district are closely examined. Out of the 13 MFIs with different dispositions 4 (about 31 percent) are chosen on deliberate sampling basis to study the impact of MFIs on women empowerment. The socio-economic environment of the district is highly rural in terms of area and population. The government administrative structure is geared to promote the SHG movement, beside many other functions. The MFIs in question show an increasing trend in the number of SHGs, borrowers, loans and advances, and in brief

their financial operations are in favor of assisting the people below the poverty line (BPL). The field inquiry with the executive officers of the select MFIs reveal that they follow all the rules and regulations in helping the SHG members as per the government policy and there are no arbitration cases against any borrowers since the recoveries are made on time.

References

- 1) 21 New districts were created on 11 October, 2016, which lead to the increase of districts to 31 in Telangana. All districts of erstwhile region of Telangana were divided into minimum of 2 to maximum of 5 except Hyderabad district which was untouched. Two new districts, Mulugu and Narayanpet were created on 17 February 2019, taking the total number of districts to 33
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- 3) 'TG Special Economic Zones'
<http://web.archive.org/web/20091007035200/http://www.sezindia.nic.in:80/HTMLS/578FormalapprovalsgrantedunderSEZAct19th June,09.pdf>.
- 4) Govt. of Telangana, Directorate of Economics and Statistics, Statistical Year Book 2021, p.27.
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- 7) Ibid., p.29
- 8) K.T. R. Rao , quoted in IND Today, March 8, 2022.
- 9) <http://wcdsc.tg.inc.in/apwcds.php>
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- 11) ^ Rajagopalan, Swarna (30 May 2016). "Why National and State Women's Commissions are important and should be held accountable". dnaindia.com. Retrieved 9 January 2022
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CHAPTER - IV

Working of SHGs in Telangana State

CHAPTER - IV

WORKING OF SHGs IN TELANGANA STATE

Earlier it is noted that the Self Help Organizations (SHGs) is the last link in the chain of Microfinance institutional structure. Most of the SHGs are organized by group of people of least means to promote mutual help for the financial support of all the members. At times, these SHGs are getting affiliated to Microfinance Institutions for the mobilization of micro credit to carry on their small enterprises of their own. There is another way of getting finances for the SHGs are by linking themselves to any commercial bank. Thus, SHG is a holistic program of micro-enterprises covering all aspect of self-employment, organization of the rural poor into Self Help groups and their capacity building, planning activity clusters, infrastructure build up, technology, credit and marketing. The genesis of these SHGs may be traced back to the schemes of Integrated Rural Development Program (IRDP) in the year 1982-83 with the coverage of 50 districts in Telanagana. Subsequently it is extended to cover all the districts by 1994-95. Later, the District Rural Development Agency assumed the responsibility of promoting the system of SHG as a means of providing finance to the poor people ⁽¹⁵⁾. Therefore now an attempt is made in this chapter to examine the working of SHGs in Telangana State, in terms of number of SHGs, loans disbursed, savings etc.

Number of SHGs in Telangana State:

Mostly, beneficiaries receive the financial services from the SHGs directly and in some cases the direct linkage is also traceable between them. Hence, it is understandable that there may be a large number of SHGs channelizing the financial services to the members of the group. For the purpose of understanding the significance of SHGs the number of SHGs in TS is examined by considering the data from the

Status of MFIs in India published by the NABARD for a period of seven years (2014-15 to 2020-21).

TABLE: 4.1

NUMBER OF SHGS IN TELANGANA

Year	Total Number of SHGs working in the State	Out of Total SHGs, exclusively Women SHGs in the State	Percent of Women SHGs to the total SHGs
2014-15	5,11,184	4,88,363	95.53
2015-16	5,42,376	5,24,726	96.74
2016-17	6,32,781	6,19,154	97.85
2017-18	5,17,817	5,02,798	97.10
2018-19	5,68,756	5,46,964	96.17
2019-20	5,69,100	5,47,354	96.18
2020-21	7,29,018	6,97,018	95.61

Source: NABARD, Status of Microfinance in India, Statements III-A, B and c.

The data in **Table: 4.1** reveal that the number of SHGs in TS increased gradually over the years. It can also be observed that the number of exclusive SHGs for women also increased year after year. The percentage of women SHGs to the total number varied between 95.53 (2014-15) and 97.85 (2016-17) which means that MFI system is highly geared to support women.

TABLE: 4.2**AVERAGE NUMBER OF MEMBERS PER SHGS IN TELANGANA STATE**

Year	Average of all members of all SHGs	Average of members per Women SHGs	Percent of Average number of women SHGs to all the SHGs
2014-15	09	09	ND
2015-16	12	12	ND
2016-17	11	NA	NA
2017-18	12	NA	NA
2018-19	12	NA	NA
2019-20	12	NA	NA
2020-21	12	12	ND

Source: NABARD, Status of Microfinance in India, Statements III-A, B and c.

Note: NA=Not Available ND= No Difference between all the SHGs and Women SHGs

The efficiency of SHGs in terms of volume of financial services can be evaluated by the size of the group members of each SHG. **Table: 4.2** present the average number of members of the SHGs in Telangana and the average number of members of women SHGs. The average number of members (rounded off to the nearest digit) of all the SHGs varies between 09 and 12 over the years. Similar trend is evident with SHGs of women. All these analysis indicate that the size of the members is within the limits that suggested by the AP Micro Finance Institution (regulation of Money lending Act). It is the indication of model size of the SHGs in the State of Telangana.

TABLE: 4.3**NUMBER OF SHGs IN TELANGANA- DISTRICT WISE TRENDS**

SL NO	District	NO. OF SHGS		MEMBERS OF	
		2015-16	2020-21	2015-16	2020-21
1.	Adilabad	9456	10991(+)	105129	122009(+)
2.	Kumuram Bheem	7303	8391(+)	82205	93585(+)
3.	Mancherial	11277	10395(-)	123499	114413(-)
4.	Nirmal	11097	12407(+)	125861	140717(+)
5.	Nizamabad	23884	24107(+)	242102	252234(+)
6.	Jagtial	14805	15050(+)	162769	1777594(+)
7.	Peddapalli	12759	11199(-)	119143	117268(-)
8.	Jayashankar	15809	8188(-)	153991	86936(-)
9.	Bhadradi Kothagudem	18121	18549(+)	164867	182176(+)
10.	Mahabubabad	15499	15328(-)	167807	162653(-)
11.	Warangal(R)	14215	11352(-)	174429	125859(-)
12.	Warangal(U)	6554	10244(+)	63521	116696(+)
13.	Karimnagar	14929	13712(-)	159791	150210(-)
14.	Rajanna Sirsilla	9164	9803(+)	102748	112466(+)
15.	Kamareddy	17937	17513(-)	181670	181276(-)
16.	Sangareddy	17764	18841(+)	189007	198489(+)
17.	Medak	13798	13526(+)	126923	144264(+)
18.	Siddipet	14765	18478(+)	142113	200214(+)
19.	Jangoan	11382	11279(-)	140311	130009(-)
20.	Yadadri Bhuvanagiri	14828	14920(+)	153302	157279(+)
21.	Medchal Malkajgiri	7775	3352(-)	72868	36099(-)
22.	Hyderabad	0	0	0	0
23.	Ranga Reddy	21425	19764(-)	230028	222863(-)
24.	Vikarabad	14850	15765(+)	145571	169706(+)
25.	Mahabubnagar	18493	11313(-)	204782	127308(-)
26.	Jogulamba Gadwal	3880	6975(+)	42950	77696(+)
27.	Wanaparthi	6501	7552(+)	81603	89243(+)
28.	Nagarkurnool	6380	13181(+)	76929	149777(+)
29.	Nalgonda	29777	28202(-)	292696	299298(+)
30.	Suryapet	18201	17993(-)	181599	189454(+)
31.	Khammam	25077	25804(+)	240001	260686(+)
32.	Narayanpet	-	8242	-	93907
33.	Mulug	-	7470	-	75084
	Total	426705	439885(+)	4442215	4757468(+)

Source: Government of Telangana, Directorate of Economics and Statistics, Statistical Year Book; 2017 and 2021

At this stage, it is relevant to analyze the number of SHGs district-wise and the members of the SHGs in Telangana state. The reason is that the present study is to highlight the impact of SHGs on the empowerment of women in the select district of Warangal (Rural). Hence, the first step is to explain the variation in the number of SHGs followed by the number of members in the said sample district. For this purpose, a study of relative variations among the districts is attempted by taking two land-mark years viz., 2015-16 and 2020-21. The rationality of taking these two years is that 2015-16 is the first year of the creation of TS and 2020-21 is the end year of the present study.

Table: 4.3 reveal that the number of SHGs in TS increased between the two land mark years registering a growth by 3 percent over a period of six years. As against this, the number of members of SHGs increased at a greater rate (7 percent) than the number of SHGs during the above two land mark years. In 2015-16 there are 31 district and by 2020-21 the number of districts increased to 33 on account of creation of two new district viz., Mulug and Narasampet. Similarly Warangal (Rural) and Mahabubnagar districts are also reorganized. Further, the total number of SHGs and their members in the integrated Warangal district registers a positive growth. The number of SHGs in the integrated Warangal District increased from 20,769 in 2015-16 to 21,596 in 2020-21 registering a growth by 4 percent. Concurrently, the number of members of the SHGs increased from 2.38 lakhs in 2015-16 to 2.43 lakhs in 2020-21 recording an increase by 2 percent. Thus it is clear that reorganization of district brought a little change in the structure of SHGs. Though Hyderabad is a district, it is to note that there are no SHGs established. As such the number in districts for the purpose of analysis is only 30. The district wise growth trends of the number of SHGs and the members is indicated by the symbol of + and – for increase and decrease

respectively. The reason for preferring these mathematical symbols is that the growth or drop between the land-mark years is very much insignificant. Out of the 30 districts, 17 (57 percent) show an increase in the number of SHGs and the number of members increased by 61 percent. Since the field study is proposed to be taken up in Warangal (Rural) district, it is not impertinent to know that the growth trends of the number of SHGs and the number of members is significant. As mentioned above the number of SHGs in integrated Warangal district increased and similarly the number of members of the SHGs also increased. All these analysis explain that the SHGs as a means of development assumed much important in Telangana State.

Working of SHGs in Telangana State.

The power of SHGs in transforming the economic status of the poor can be gauged by analyzing the volume of financial services rendered to the members. Procedurally, the MFIs extend financial services to the members through the SHGs. In this context, financial services of MFIs comprise mobilization of savings, extension of micro-credit, outstanding loans and recycling of funds by recovery of loans. The efficiency of the SHGs and their affiliating agencies is reflected by the volume of NPAs. All these aspects in aggregate terms explain the working pattern of SHGs in Talangana State. The data relating to these variables are collected from the Status of Microfinance Institutions in India published by the NABARD.

TABLE: 4.4**AGGREGATE VOLUME OF BUSINESS OF SHGS IN TELANGANA STATE***(Rs. In lakhs)*

Year	Total Savings of SHGs		Total Advances availed by the SHGs		Outstanding Loans of SHGs		percent of NPA to Outstanding Loans
	No. of SHGs	Savings made by the SHGs (Rs)	No. of SHGs	Loans availed by the SHGs (Rs)	No. of SHGs	Outstanding loans of the SHGs (Rs)	
2014-15	511184	98761.00 (0.19320)	261051	549461.72 (2.1048060)	472521	828591.33 (1.75355)	3.03
2015-16	542275	149130.09 (0.27501)	222302	598049.07 (2.6902550)	492947	986323.36 (2.00087)	2.60
2016-17	632781	159282.18 (0.25172)	265366	802058.05 (3.0224597)	607443	1205261.16 (1.98416)	3.04
2017-18	517817	264669.08 (0.51113)	284578	807112.76 (2.8361741)	562707	1376206.23 (2.44569)	3.71
2018-19	568756	304377.08 (0.53516)	336640	955583.70 (2.8385923)	570911	1540719.18 (2.69870)	2.80
2019-20	5,69,100	3,32,485.96 (0.58423)	3,63,042	11,59,159.24 (3.19291)	6,00,911	18,85,101.11 (3.13707)	3.18
2020-21	7,29,018	4,32,455.62 (0.59320)	3,42,801	7,81,825.91 (2.28070)	5,80,605	17,07,929.73 (2.94164)	3.52

Source: NABARD, Status of Microfinance Institutions in India, Statement – II- A, B, C and D.

Note : Figures in brackets indicate average savings per SHG. They are the figures rounded off to the nearest digit.

The pattern of financial services rendered by the SHGs under the direction of MFIs can be comprehended by a close reading of the data presented in **Table: 4.4**. As stated earlier, the financial services comprise the mobilization of savings, deployment of micro-credit, and outstanding of loans. The average savings per SHG in Telanagan State show a gradual increase from year to year except in 2016-17. However, the average savings per SHG over the years increased gradually from Rs19, 320 in 2014-15 to Rs. 59,320 in 2020-21 registering a growth by 207 percent. Business of SHGs, next to savings is availing micro credit for the purpose of financing the micro-business needs of the members. It can be seen that all the SHGs availed a significant amount of credit (Col. 5) in Telangana state. It increased from Rs. 549461.72 lakhs in 2014-15 to

Rs. 781825.91 lakhs in 2020-21 recording a growth by 42 percent over the years. The average loan availed by the SHGs increased from Rs.2.10481 lakhs in 2014-15 to Rs. 2.28070 in 2020-21 registering a growth by 8 percent. It means the savings have grown at a higher pace than the loans availed by them. A look at the loans outstanding of the SHGs (Col.7) reveals that it increased gradually over the years. In absolute terms, loans outstanding increased from Rs. 8,28,591,33 lakhs in 2014-15 to Rs. 17,07,929.73 lakhs in 2020-21 registering a growth by 106 percent over a period of 7 years. The average loan outstanding amounts per SHG increased from Rs. 1.75355 lakhs in 2014-15 to Rs. 2.94164 lakhs in 2020-21 recording a growth by 68 percent. All the above analysis indicates that the recovery performance of the SHGs is poor as indicated by the spurt in outstanding loans. This interpretation is confirmed by the increase of the NPA (Col.8) from year to year. The percentage of NPA to the outstanding loans is more than 3 percent except in two years viz., 2015-16 and 2018-19. In view of the above analysis of business of SHGs it is to suggest that they have to be strict in the recovery of loans.

Bank-wise Analysis of Business of SHGs

Earlier it is noted that the business of SHGs are linked with different financial agencies like public sector commercial banks, private sector banks, regional rural banks and cooperative banks in Telangana state. It means that the savings, credit deployment, and loans outstanding of the SHGs are associated with these financial agencies through the MFIs. Hence, it is pertinent to analyze the business transactions of the SHGs in the context of various financial agencies. The SHGs in Telangana have linkages with various banks of different sectors. A detailed list of various banks in different sectors who have the linkages with SHGs are presented in **Annexure Table: 4.A**. It reveals that the SHGs in Telangana state have linkage arrangements with 11 public sector

banks, 10 private sector banks, , 2 regional rural banks and 10 cooperative banks during 2020-21. An analysis of the business dealings of SHGs with these banks helps to understand the combined efficiency of the performance of MFIs, SHGs and banks concerned. It means that the proposed banks' sector-wise analysis of the dealings of SHGs help to ascertain effectiveness of their inter-relationship.

(a) **SHGs bank linkage with Public Sector Banks:** in terms of savings, loans disbursed, outstanding loan balances and NPA are considered to evaluate the effectiveness of their inter-relationships. Earlier in Table: 3.9, it is observed that the number of women SHGs are around 96 percent of the total established in Telanagana State. Hence, the study of their linkages is almost relating to women which is highly consistent with the subject matter of the present research upon the trends of savings of all the SHGs. **Annexure Table:4.B** reveal that the number of all the SHGs in Telangana increased by 22 percent and that of women SHGs by 20 percent. Further, the number of members in all these SHGs increased by 84 percent and 94 percent in women SHGs. In absolute terms savings of all the SHGs, increased from Rs. 71,894.71 lakhs in 2014-15 to Rs. 1,36,065.21 lakhs in 2020-21 registering a growth by about 89 percent whereas it is about 84 percent in exclusive women SHGs. On the basis of the basic data (Annexure Table: 3.E) the percentage growth trends of savings of all the SHGs and women SHGs are examined in **Table: 4.5**. In 2016-17 and in 2017-18 savings of both the classified SHGs dropped but in later years they picked up. The drop in the savings in the above years might be on account of poor percentage contribution of primary sector

TABLE: 4.5**Growth trends of savings of SHGs with Public Sector Banks (in Telangana State)***(Figures in percent)*

Year (1)	Savings of all the SHGs			Savings of Exclusive Women		
	Percent Growth of No. of SHGs (2)	Percent Growth of savings (3)	Percent Growth of Average savings per SHGs (4)	Percent Growth of No. of Exclusive Women SHGs (5)	Percent Growth of savings (6)	Percent Growth of Average savings per Women SHGs (7)
2014-15	-	-	-	-	-	-
2015-16	4.30	70.98	63.94	6.43	78.80	67.99
2016-17	5.38	-00.52	-05.59	06.90	-03.42	-09.65
2017-18	-35.41	-23.52	18.42	-37.26	-23.18	22.44
2018-19	22.10	08.70	-10.97	20.47	06.81	-11.34
2019-20	-6.20	06.63	13.68	-06.69	06.75	14.40
2020-21	49.90	25.56	-16.26	50.13	21.36	-20.32

Source: Annexure Table: 4.C

GSDP(Annexure Table: 3.B). Hence, it is to be noted that the savings of the poor people are closely associated with the development of agricultural sector in the country because many of women members carry on their micro-units with the agricultural produce as raw-materials or supporting inputs. Hence, it is pertinent to examine the correlation between growth of savings and percentage of contribution by the primary sector to the GSDP. The reason for presuming an inter-relationship between the above two variables, is that greater the prosperity of primary sector higher would be the potentials of greater employment result in savings of the rural people. The coefficient of correlation (r) between the growth percentage of savings of the SHGs and

the contribution of primary sector to GSDP in Telangana State is examined. It works out to -0.33 which explain that there is no functional relationship between the savings of the SHGs and the level of development of primary sector. Higher savings would be normally on account of the virulent economy that creates greater employment resulting into higher incomes. The present negative co-efficient of correlation may be on account of ignorance of the members of the SHGs about the importance of employment of resources. Hence it can be interpreted that there is a need to give the members knowledge about market potentials. However, the Probable Error (PE) of the coefficient of correlation is 0.24 which is far higher than the coefficient of correlation (-0.33). Hence, the correlation between the above variables is not significant. Hence it can be interpreted that there is a need to create awareness among the SHG members about the possible avenues of income generating activities with the use of local resources.

Turning to the analysis of quantitative indicators of business of public sector banks linked SHGs viz., loans disbursed, loans outstanding and NPA it can be noted that there is a similarity in the average amount of loans deployed, and outstanding loans between all the SHGs and women SHGs.

TABLE: 4.6**BANK LOANS DISBURSED TO SHGs and LOANS OUTSTANDING AGAINST SHGs-
By Public Sector Banks in Telangana State**

(Rs. In lakhs)

Years (1)	Loans Disbursed to SHGs in Telangana State				Loans Outstanding in SHGs in Telangana State				percent of NPA* (10)
	All SHGs		Loans to Exclusive to Women SHGs		All the SHGs		Loans outstanding in Exclusive Women SHGs		
	No. of SHGs (2)	Loans in Rs (3)	No. of SHGs (4)	Loans in Rs. (5)	No. of SHGs (6)	Loans outstanding in Rs (7)	No. of SHGs (8)	Loans in Rs. (9)	
2014-15	144563	320265.92 (2.21,541)	136649	298812.59 (2.18,672)	291694	480255.46 (1.64,449)	274494	435675.17 (1.58,7190)	3.77/NA
2015-16	121294	325285.90 (2.68,180)	113731	306127.59 (2.69,168)	300004	587632.96 (1.95,875)	281614	555127.23 (1.97,123)	3.42/NA
2016-17	111360	351009.27 (3.15,202)	104777	338050.70 (3.22,638)	338704	563011.87 (1.66,225)	301780	524025.94 (1.73645)	5.16/5.30
2017-18	100896	314334.19 (3.11,543)	92056	297342.16 (3.23,001)	285248	637697.41 (2.23560)	260903	593510.93 (2.27,483)	6.23/6.26
2018-19	117572	402757.43 (3.42,562)	107816	378270.52 (3.50,848)	287703	733107.32 (2.54,814)	259365	671946.57 (2.59074)	4.75/4.77
2019-20	1,53,248	5,99,310.62 (3.91,072)	1,45,634	5,70,640.71 (3.91,832)	2,98,385	9,79,971.16 (3.28,425)	2,81,484	9,24,409.67 (3.28,406)	5.10/4.16
2020-21	95,342	2,77,299.67 (2.90,847)	85,643	2,57,914.38 (3.01,151)	2,40,519	6,74,260.19 (2.80,335)	2,26,302	6,24,486.87 (2.75,953)	4.56/3.88

Source: NABARD, Status of MFIs in India.

Note: 1. Figures in brackets indicate average amounts per SHG. Figs are rounded off to the nearest digit.

2. Col. 10, first value is relating to all the SHGs and the next value is relating to exclusive Women SHGs

Table: 4.6 give the classified details of average loans disbursed, outstanding loans per SGHs and NPA of all the SHGs and of the SHGs of women for a period of seven years. The average loans disbursed to all the SHGs (Col.3) increased from Rs.2.21541 lakhs in 2014-15 to Rs.2.90847 lakhs in 2020-21 registering a growth of 31 percent. Similarly, the average loan deployed to the exclusive women SHGs (Col. 5) increased from Rs. 2.18672 lakhs in 2014-15 to Rs. 3.01151 lakhs in 2020-21 recording a growth by 37 percent over a period of seven years. The average loan outstanding of all the SHGs ((Col.7) increased from Rs. 1.64449 lakhs in 2014-15 to Rs. 2.80335 lakhs in 2020-21 registering a growth by 70 percent and the same in case of exclusively women SHGs increased from Rs.1.58719 lakhs in 2014-15 to Rs. 2.75953

lakhs in 2020-21 showing a growth by about 74 percent over the period of seven years. A look at the percentage of NPA of all the SHGs and exclusive women SHGs to their loan outstanding balances (Col. 10) explain that both are sailing at similar pace. However, both of them register a downtrend in the percentage of NPA to their respective outstanding loans. All these analysis explain that the women SHGs availed higher credit in aggregate terms than all the SHGs together. Consequently, the percentage growth of loan outstanding balances of the exclusively women SHGs is higher than that of all the SHGs together.

(b) **SHGs bank linkage with Private Sector Banks:** The data in Annexure Table: 4 B reveal that the SHGs in Telangana State have business linkages with 10 private sector commercial banks during 2020-21. It is pertinent to note that the SHGs are allowed to transact with only one bank at a time. Hence, it is appropriate to examine the aggregate business relations of SHGs linked with private sector banks in terms of savings, loans given, outstanding balances and NPA. Besides the provision of micro credit to the members of the SHGs, cultivating the habit of savings among them is the core business activity of the commercial bank. Further, amount of savings of the members indicate their financial potential for transacting with the financing agency concerned. Hence, an attempt is made to examine the savings of the SHGs members.

Annexure Table: 4.C present the trends in savings of all the SHGs and exclusive women also in aggregate terms for over seven years. The data reveal that in the initial year (2014-15) of Telangana State the number of all SHGs is limited but in the subsequent years it increased rapidly from 4738 in 2015-16 to 6019 in 2020-21 registering a growth by 27.04 percent (Col.2). Similar trend is observable in case of exclusive women SHGs (Col.5) which means that almost 95 percent to 98 percent of

SHGs are of women. Though it is evident that almost all the SHGs are exclusively of women in 2015-16 it tapered down in the subsequent years. As a matter of fact, the number of members of the exclusive women SHGs declined by 14 percent over the years in question. The average savings per general SHG increased by 107 percent and of the women SHGs average savings increased by more than 10 times between 2016-17 and 2020-21. All these analysis amply indicate that the performance of exclusive women SHGs is a little better than all the SHGs put together.

TABLE: 4.7

Growth Trends of Savings of SHGs with Private Sector Banks in Telangana State

Year (1)	Savings of all the SHGs			Savings of Exclusive Women SHGs		
	Growth of No. of all the SHGs (2)	Growth of savings of SHGs (3)	Growth of Average savings per SHGs (4)	Growth of No. of Exclusive Women SHGs (5)	Growth of savings of SHGs (6)	Growth of Average savings per SHGs (7)
2014-15	-	-	-	-	-	-
2015-16	-	125.12	-42.98	-	-	-
2016-17	2.13	2528.68	-97.65	01.96	2347.37	31.91
2017-18	9.28	140.98	120.53	09.33	154.77	133.00
2018-19	-52.27	242.58	617.19	-52.40	247.58	630.32
2019-20	70.72	742.59	393.56	70.25	746.94	397.48
2020-21	39.68	836.77	31.49	40.35	84.36	31.36
Average of Growth percentages	11.59	669.53	14.6	11.58	596.84	37.36

Source: Annexure Table: 4.C

The growth trends of the number, amount of savings, and average savings of all the SHGs together and of the exclusive women SHGs can be gauged from the data given in **Table: 4.7**. The relevant data relating to the above variable of all the SHGs including the women Groups are available from 2016-17 since the preceding years growth is either insignificant or unavailable. A cursory look at the data indicate that the

growth trends are volatile and do not incline to form any definite conclusion. The average growth of the number of all the SHGs works out to 11.59 percent (Col.2) whereas it is 11.58 percent (Col.5) in case of women Groups. The average growth of savings of all the SHGs is 669.53 percent (Col.3) against which the growth of savings of women SHGs is 596.84 percent (Col.6). Further, the average growth of savings per all the SHG is 146 percent (Col.4) but it is barely 37 percent(Col.7) in case of women groups. All these observations help to conclude that the performance of exclusive women SHGs is yet to improve when compared with all the SHGs. The reason might be that there could be a few old SHGs that are outperforming the working of the women Groups.

TABLE: 4.8

Savings of SHGs with Regional Rural Banks in Telangana State

(Rs. In lakhs)

Year (1)	SHGs' Savings linked with Banks			Out of Total SHGs.Exclusive Women SHGs			Percentage growth of savings
	No. of SHGs (2)	No. of Members (3)	Amount of Savings (Rs.) (4)	No. of SHGs (5)	No. of Members (6)	Amount of Savings (Rs.) (7)	
2014-15	181907	2067819	20732.88 (0.11398)	181907	2067819	20732.88 (0.11398)	-
2015-16	194498	2214940	21634.46 (0.11123)	194498	2214940	21634.46 (0.11123)	4.35
2016-17	269940	2916922	35640.55 (0.13203)	269940	NA	35640.55 (0.13203)	64.74
2017-18	275549	3088536	169373.80 (0.61468)	275549	NA	169373.80 (0.61468)	375.23
2018-19	279009	3197568	199456.58 (0.71488)	279009	NA	199456.58 (0.71488)	17.76
2019-20	2,93,716	33,44,135	2,11,036.88 (0.71851)	2,93,716	NA	2,11,036.88 (0.71851)	5.81
2020-21	3,23,189	34,33,646	2,75,185.98 (0.85147)	3,23,189	34,33,646	2,75,185.98 (0.85147)	30.40

Source: NABARD, Status of Microfinance in India, Statement III – B(i)

Note : Figures in brackets indicate average savings per SHG.

(c) **SHGs bank linkage with Regional Rural Banks (RRBs)** : As at the end of 2020-21 there are only two RRBs functioning in Telangana State viz., Andhra Pradesh Grameena Vikas Bank and Telangana Grameena Bank (Annexure Table: 3.D). A close examination of the data in **Table: 4.8** clearly reveal that RRBs have only women SHGs linked with them for the purpose of microfinance needs. The number of women SHGs, number of members and their savings are the same (and for that matter repeated) as all the SHGs together. It means that the RRBs in Telangana are providing microfinance only to the women groups. The number of SHGs increased from 1,81,907 in 2014-15 to 323189 in 2020-21 registering a growth by 78 percent over a period of seven years. The amount of savings made by the members of women Groups increased by 13 times without any let up in any year. It means that the average savings of the women groups increased gradually from year after year registering an annual average growth of 7 times over the year.

TABLE: 4.9

Bank Loans Disbursed to SHGs and Loans Outstanding Against SHGs – By Regional Rural Banks in Telangana State

(Rs. In lakhs)

Year (1)	Loans disbursed to SHGs in Telangana State				Loans Outstanding in SHGs in Telangana State				percent of NPA (10)
	All SHGs		Loans to Exclusive to Women SHGs		All SHGs		Loans outstanding in Exclusive Women SHGs		
	No. of SHGs (2)	Loans disbursed in Rs. (3)	No. of SHGs (4)	Loans disbursed to SHGs in Rs. (5)	No. of SHGs. (6)	Loans Outstanding in SHGs Rs. (7)	No. of SHGs (8)	Outstanding loans in SHGs Rs. (9)	
2014-15	114116	222142.81 (1.94664)	114116	222142.81 (1.94664)	173235	335746.00 (1.93809)	173235	335746.00 (1.93809)	1.82/1.82
2015-16	97757	262008.28 (2.68029)	97757	262008.28 (2.68029)	181669	384761.33 (2.11793)	181669	384761.33 (2.11793)	1.32/1.62
2016-17	151739	444519.82 (2.929503)	151739	444519.82 (2.929503)	259890	628482.51 (2.41826)	259890	628482.51 (2.41826)	1.15/1.15
2017-18	180856	482178.27 (2.66608)	180856	482178.27 (2.66608)	268229	721452.10 (2.68968)	268229	721452.10 (2.68968)	1.48/1.48
2018-19	214165	532409.34 (2.48597)	214165	532409.34 (2.48597)	271242	778180.33 (2.86895)	271242	778180.33 (2.86895)	0.93/0.93
2019-20	200090	521476.78 (2.60621)	200090	521476.78 (2.60621)	281331	848468.76 (3.01591)	281331	848468.76 (3.01591)	0.98/0.98
2020-21	231543	438503.20 (1.89383)	231543	438503.20 (1.89383)	313090	955535.84 (3.05195)	313090	955535.84 (3.05195)	1.14/1.14

Source: NABARD, Status of Micro Finance in India; 2014-15 to 2020-21

note: Figures in brackets indicate average per SHGs

Table: 4.9 also explain that the loans disbursed, the loans outstanding and the NPA of women groups are the same as that of all the SHGs. Again it reiterates the observation that the RRBs extended their financial services to only women groups unlike many other financial agencies. Aggregate loans disbursed to all the SHGs by the RRBs in Telangana increased from Rs. 2,22,142.81 lakhs in 2014-15 to Rs.4,38,503.20 lakhs in 2020-21 registering a growth by about 97 percent but in terms of average loan per SHG dropped down during the same period (Col.3). The average loan disbursed by the RRBs to SHGs in Telanagana declined from Rs. 1.94664 lakhs in 2014-15 to Rs. 1.89383 lakhs recording a drop by – 2.312 percent which is not significant. The reason for such drop in average loans per SHG is that the number of beneficiaries (SHGs) increased by about 102 percent (Col. 2) over the period of seven years. A look at the data relating to the loans disbursed amply explain that the position of women SHGs is similar to that of all the SHGs. It means all the SHGs by RRBs are women SHGs only. The outstanding loans of all the SHGs increased significantly in aggregate terms by about three times and it is also same in terms of average loans outstanding (Col. 7). However, the percentage of NPA to outstanding loan decreased gradually (Col.10) from 1.82 in 2014-15 to 1.14 in 2020-21 which mean that the management of financial activities of SHGs is not bad.

(d) **SHGs bank linkage with Cooperative Banks:** As in many states of India, the cooperative credit structure in Telangana can be traced as three tier system. It means that there is State Cooperative Banks at the apex level, district cooperative central banks (DCCBs) at the district level and at the village level there is primary cooperatives engaged in deployment of credit to the Groups of borrowers. All this description is relevant because the primary societies at village level borrow from the district cooperative banks to help the members. Hence, the amount of loans disbursed and

loans outstanding are reported by the NABARD, in their Status Report under the title as District Cooperative Central Banks (DCCBs). There are 10 DCCBs reported to have engaged in the dispensation of micro credit to the members (see Annexure Table: 4.A) as at the end of 2020-21. At this stage it is to be noted that in some years (say in 2019-20 and 2020-21), a few DCCBs could not register any business activities as per the Status Reports of MFIs published by the NABARD.

Savings of the SHGs is the indication of their financial strength for two reasons. First, it reflects the financial discipline of the members and second, the loan amount is sometimes estimated on the basis of the savings accumulated to the credit of the applicant. Hence, an attempt is made to examine the trends in savings made by the members of the SHGs with the DCCBs. **Annexure Table: 4.D** explain that the growth of number of all the SHGs and exclusive women SHGs linked with DCCBs is insignificant. As a matter of fact, all the women SHGs that have links with the DCCBs is the same as of all the SHGs in Telangana in 2014-15. It means that the DCCBs promoted exclusive women SHGs in the beginning but in later years the entire scenario changed similar to the public and private sector banks. The number of all the SHGs (Col.2) remained static over the years, but the number of their members increased by about 5 percent (Col.3). A similar trend is displayed by the exclusive women SHGs. In terms of aggregate savings of all the SHGs (Col.4) and also of exclusive women SHGs (Col.7) decreased by 41 percent. In terms of average savings per SHG decreased by 46 percent and 45 percent in all the SHGs and exclusive women SHG respectively.

TABLE: 4.10**Savings of SHGs with District Cooperative Banks in Telangana State***(Figures in Percent)*

Year (1)	Savings of all the SHGs with DCCBs			Savings of Exclusive Women SHGs with DCCBs		
	Growth of No. of all the SHGs (2)	Growth of savings of SHGs (3)	Growth of Average savings per SHGs (4)	Growth of No. of Exclusive Women SHGs (5)	Growth of savings of SHGs (6)	Growth of Average savings per SHGs (7)
2014-15	-	-	-	-	-	-
2015-16	0.62	-03.51	-25.83	-00.13	-04.27	-25.39
2016-17	-28.70	-29.26	-62.69	-28.41	NA	-62.93
2017-18	43.67	48.14	-17.96	43.90	NA	-18.12
2018-19	01.78	07.61	45.23	01.69	NA	45.52
2019-20	09.46	03.63	49.38	09.03	NA	49.87
2020-21	06.09	-06.45	10.83	-06.33	-	11.03

Source: Annexure Table: 4.E

A look at the data presented in **Table: 4.10** confirm all the above observations. Further, it is very much evident that the average savings of all the DCCB linked SHGs decreased in the initial years (Col.4). Similarly, the average savings of the exclusive women SHGs under the DCCBs decreased year by year in the first four years (Col.7). Of course, in the later years, there is a little improvement but it is not going to neutralize the negative trend. Moreover, the sum of the growth percentages in both conditions (all the SHGs and women groups), show negative trends. All these analysis lead to conclude that the SHGs linkage with the DCCBs is weak in terms of mobilization of savings.

In the aforesaid discussion, it is noted that the business of SHGs is comprised of the loans advanced, loans outstanding and the NPA. Hence, an attempt is made to

analyze the trends in credit deployed, outstanding loans and NPA over the years of seven years.

TABLE: 4.11
Bank Loans Disbursed to SHGs and Loans Outstanding Against SHGs –
By Cooperative Banks in Telangana State

(Rs. In lakhs)

Year (1)	Loans disbursed to SHGs in Telangana State				Loans Outstanding in SHGs in Telangana State				percent of NPA (10)
	All SHGs		Loans to Exclusive to Women SHGs		All SHGs		Loans outstanding in Exclusive Women SHGs		
	No. of SHGs (2)	Loans disbursed in Rs. (3)	No. of SHGs (4)	Loans disbursed to SHGs in Rs. (5)	No. of SHGs. (6)	Loans Outstanding in SHGs Rs. (7)	No. of SHGs (8)	Outstanding loans in SHGs Rs. (9)	
2014-15	2372	7052.99 (2.97344)	2330	6924.99 (2.97209)	7592	12589.87 (1.65831)	7592	12589.87 (1.65831)	6.95
2015-16	3251	10754.89 (3.30818)	3251	10754.89 (3.30818)	11274	13929.07 (1.23550)	11198	13661.52 (1.21999)	3.08
2016-17	2263	6518.36 (2.88041)	2249	6506.60 (2.89311)	8845	13756.18 (1.55525)	8795	13712.22 (1.55909)	3.07/3.08
2017-18	2364	9003.75 (3.80869)	2355	8991.73 (3.81814)	8655	15596.06 (1.80197)	8631	15568.09 (1.80374)	3.65/3.65
2018-19	3247	14500.41 (4.46579)	3244	14499.04 (4.46949)	9982	23845.63 (2.38886)	9954	23811.88 (2.39219)	4.72/4.73
2019-20	6,888	29,219.63 (4.24210)	5,852	23,679.20 (4.04634)	16,964	47,100.01 (2.77646)	12,849	36,352.89 (2.82924)	3.25/4.22
2020-21	11,728	48,786.32 (4.15981)	11,713	48,760.73 (4.116296)	21,005	60,308.15 (3.01465)	20,940	60,224.21 (2.87604)	2.57/2.57

Source: NABARD, Status of Micro Finance in India; 2014-15 to 2020-21.

Note : Figs. In brackets indicate average values of the concerned.

In column 10, the first value indicate the NPA of all the SHGs and the subsequent value relates to exclusive women SHGs

Table: 4.11 reveals that the loans disbursed to all the SHGs increased by about seven times as they increased from Rs.7,052.99 lakhs in 2014-15 to Rs. 48,786.32 lakhs in 2020-21. The average loan per SHGs increased from Rs.2.97209 lakhs in 2014-15 to Rs. 4.11629 lakhs in 2020-21 recording a growth by 40 percent (Col. 2). The average loans obtained by each SHG is very much less when compared with the growth of the

aggregate loans because that the number of SHGs increased by 5 times (Col.2). A similar trend is seen in the disbursement of loans to exclusive women SHGs in aggregate terms but the average loans per SHG is hardly 38 percent because of the reason explained above. Regarding the loans outstanding by all the women SHGs (Col. 9) it can be seen as increased by about five times and the average outstanding increased by 73 percent. A similar trend can be seen in case of exclusive women SHGs (Col.9) which means that the women groups are managed in the same manner as that of all the groups. It can also be noted that the percentage of NPA (Col.10) of all SHGs and exclusive women units is similar with each other in all the years except in 2019-20 because of a sudden spurt in the number of women groups. All these analysis amply explain that the DCCBs are working on par with other commercial banks in public and private sector.

To say briefly, this section analyses the working of the SHGs in Telangana State over a period of seven years commencing from 2014-15; the year of formation of Telangana. They are mostly the borrowing groups of people of poor financial base but are engaged in economically productive activities. More than 95 percent of the total number of SHGs are exclusively of women members. The average number of members per SHG is 12 in all the years. The savings of these SHGs with their affiliating agency increased gradually over the years. Similarly the loans obtained by them and the outstanding loans also increased year after year. With regard to the linkage of SHGs, it is found that they have dealings either with public sector banks or private banks or regional rural banks or cooperative banks. It is interesting to note that all the SHGs linked to RRBs are exclusively of women groups.

Summary:

Telangana State is one of the fast growing economies of the country in terms of agriculture, industry and service sector registering about 11.8 percent an annual average growth of SGDP (2012-13 to 2020-21). A close analysis of the sector wise contribution to the SGDP indicates that the tertiary sector is excelling over the primary and secondary sectors. Out of 33 districts, 13 show sex-ratio of 1000 and more which explain the fact that the female population is more than the male. The administrative arrangements in the State have registered a sea change indicating the pro-people orientation. Though the State is following the policy of MFI for empowering women, it believes that the welfare schemes support the empowerment of women. Conforming to this policy of development of women, it has 10 welfare schemes and 9 women empowerment programs. During 2009-2010 MFIs resorted to have employed prohibitive methods of recovery of loans due to which the erstwhile AP Government enacted a legislation regulating their activities. The same legislation is adopted by the Government of Telangana by a GO dated 01-06-2016. However, MFIs in Telangana registered a significant growth in terms of savings, disbursement of loans, and a low percentage of NPA to the outstanding loans. The number of SHGs in the State increased rapidly during the period under study with a typical feature of high percentage (about 95 percent of all the SHGs) of women groups. The membership in the SHGs also went up significantly with an average of 12 members per group in almost all years. Their financial management of SHGs is linked either with public sector banks, or private commercial banks, or regional rural banks or district cooperative central banks. Their financial transactions between SHGs and the commercial banks increased significantly. Further it is to note that the regional rural banks have only the women groups affiliated to them unlike other types of banks.

CHAPTER – V

Impact of MFIS on Women

Empowerment Beneficiaries' Perspective

CHAPTER – V
IMPACT OF MFIS ON WOMEN EMPOWERMENT BENEFICIARIES’
PERSPECTIVE

It is already noted that microfinance is a banking service provided to low-income individuals or groups who otherwise would have no access to financial services. Microfinance allows people to take on reasonable small business loans safely and in a manner that is consistent with ethical lending practices. Besides this, microfinance is provided to members of a cohesive group formed to borrow funds from the microfinance institutions. In the preceding Chapter an attempt is made to analyze the working of MFIs in terms of loans and advances to the members of SHGs followed by the rates of recovery. No doubt that the analyses indicate that the MFIs are functioning in a manner that meet the requirements of members of SHGs to the extent possible. Since the primary objective of the study is to focus on ‘the impact of MFIs on Women Empowerment’ it is essential to inquire with the beneficiaries about the change that took place in their lives after receiving the support. As such a field study is carried out during December 2021 and April 2022 by holding personal interviews with the select respondents by following the structured questionnaire. December to March is a period during which most of the people remain in their house as there could be no farm engagement. Further, this five months time is found to be free from any type of socio-political disturbance and inconvenience. It can be seen from Table: 1.1 that the select MFIs extend support to 8,593 SHG women members in Warangal (Rural District) out of which 860 borrowers are chosen on random basis for an in depth study to ascertain the impact of MFIs on Women Empowerment. It means that the MFIs have their stakes in other districts/states as noted earlier. The present study is only concerned with the women members. A sample of 10 percent of the universe of women members

is taken for the study. In what follows, the impact of microfinance on Women Empowerment is ascertained on the basis of the responses to the questionnaire (Appendix: B) canvassed among the select women beneficiaries.

Organization of the Field Study in Warangal (Rural) District:

The present study is carried out by personally interviewing the 860 women members of the select MFI. As the sample units are spread over the two divisions (Warangal and Narsampet) of the district, the researcher deployed 20 post graduate students to conduct the field study. For this purpose, they are given two sessions to explain about the purpose, of questions in the questionnaire and given the responsibility of conducting the personal interview with 40 respondents each during the period of five months. The researcher reviewed and checked their field investigation work periodically by physical visit and given spot suggestions to ensure the correctness and utility of information. Further, the researcher has closely scrutinized all the filled in questionnaires before attempting the analysis of the responses.

Personal Profile of the SHGs Borrowers:

The study of the personal details of the respondents aims at ascertaining the perception levels as well as their aptitude to undertake micro economic activity in their career. The average age of the 860 respondents works out to 36.50 years and about 38 percent of the respondents are in the age group of 35 to 45 years. Regarding their education it is found that about 46 percent of respondents are illiterates and 41 percent are of primary class.

TABLE: 5.1**PERSONAL PROFILE OF THE SHGs' WOMEN MEMBERS**

Sl. No.	Particulars	Frequency	Percent to total responses
01	Age of the respondents (in years):		
	Below 25 years	69	8.02
	25 to 35 years	258	30.00
	35 to 45 Years	328	38.14
	Above 45 years	205	23.84
	TOTAL	860	100.00
02	Educational Qualification:		
	Illiterate	391	45.49
	Primary class	352	40.93
	Secondary school	101	11.84
	Intermediate	15	01.74
	Graduation	01	Insg
	TOTAL	860	100.00
03	Caste Category:		
	FC	176	20.47
	BC	433	50.35
	SC	112	13.02
	ST	118	13.72
	Minority	21	02.44
	TOTAL	860	100.00
04	Marital Status:		
	Married	808	93.95
	Unmarried	52	06.05
	TOTAL	860	100.00
05	Number of Children:		
	None	16	01.98
	One	695	86.01
	Two	91	11.26
	More than Two	06	00.75
	TOTAL	808	100.00
06	Type of the family:		
	Joint Family	756	87.91
	Nucleus Family	104	12.09
	TOTAL	860	100.00
07	Religion:		
	Hindu	839	97.56
	Muslim	18	02.09
	Christian	03	00.35
	TOTAL	860	100.00
08	Mother Tongue:		
	Telugu	787	91.51
	Hindi	55	06.40
	Urdu	18	02.09
	TOTAL	860	100.00

Source: Appendix B – Questionnaire

Note: Insg- Insignificant

Economic Environment of SHGs Borrowers:

Since the subject matter of the study is relating to women, the respondents do not afford to say that they are the sole owners of economic factors to which they belong. Economic environment refers to all the external economic factors that influence the efficiency of the people in terms of income and ownership pattern of their residences and business place. However, all the household facilities that exist are shared by them. Hence, they take the advantage of the economic peripherals for the sustenance of the enterprises. Hence, an attempt is made to examine the economic environment in terms of structure of houses and their ownership.

TABLE: 5.2**ECONOMIC ENVIRONMENT OF WOMEN MEMBERS OF SHGs**

Sl. No	Particulars	Frequency (Women Members)	percent of the women members to the total
01	Structural condition of the houses:		
	(A) Residential Houses:		
	Pacca house	73	08.49
	Semi-pacca house	492	57.21
	Kachcha house.	295	34.30
	TOTAL	860	100.00
	(B) Business Premises:		
	Pacca Houses	147	67.12
	Semi pacca house	72	32.88
	TOTAL	219	100.00
02	Ownership of the houses:		
	(A) Residential Houses:		
	Own	492	57.21
	Leased	242	28.14
	Given by the Government	126	14.65
	TOTAL	860	100.00
	(B) Business Premises:		
	Own	118	53.88
	Leased	101	46.12
	TOTAL	219	100.00

Source: Primary data, Questionnaire: Appendix: B

About 8 percent of the beneficiaries live in pacca houses and 57 percent have semi- pacca houses (**Table: 5.2**). In addition to their residential houses 25 percent of them have business premises out of which 67 percent are of pacca construction. In terms of ownership 57 percent of beneficiaries are owners of residential houses and about 54 percent are owning the business premises.

TABLE: 5.3
MAJOR SOURCES OF HOUSEHOLD INCOME (Women Members of SHGs)

Sources of Income	Income per annum (Rs)	Frequency (No)	percent to total Respondents (860)
1. Agriculture.	10,000 – 50,000	213	24.77
	50,000 – 1,00,000	282	32.79
	1,00,000 – 1,50,000	251	29.19
	Above 1,50,000	114	13.25
	TOTAL	860	100.00
2. Allied activities to agriculture.	Less than 20,000	86	10.00
	20,000 – 50,000	137	15.93
	TOTAL	223	25.94
3. Farm labour	15,000 – 20,000	72	08.37
4. MSME	20,000 - 30,000	181	21.05
	30,000 – 40,000	201	23.37
	40,000 – 50,000	327	38.02
	50,000 - 1,00,000	82	09.53
	Above 1,00,000	69	08.03
	TOTAL	860	100.00
5. Pension (Social Welfare scheme)	25,000 – 50,000	52	06.05
6. Rent	10,000 - 20,000	41	04.77
	Less than 25,000	37	04.30
	TOTAL	78	09.07
7. Vegetable Vending	20,000 – 30,000	101	11.74
	Above 30,000	92	10.70
	TOTAL	193	22.44

Source: Primary data, Questionnaire: Appendix: B

Table: 5.3 explain that the women beneficiaries of SHGs seem to have different sources of income like agriculture, allied agriculture activities, wages, business, pension (under social welfare scheme), rent and vegetable vending. Out of 860 respondents about 33 percent have income ranging between Rs. 0.50 lakhs and Rs.1.00 lakhs from agriculture and about 26 percent have additional income from auxiliaries to agricultural operations. The annual average agriculture income works out to Rs.91,703 and from auxiliaries income is Rs. 27,287. Almost all the respondents seem to have engaged in MSME carrying on variety of business activities because of which they sought membership in SHGs. About 38 percent of the respondents report that they earn

between Rs.40,000 to Rs. 50,000 per annum. The annual average income of the 860 beneficiaries works out to Rs.47,732 which may not help to expand their activities over a period. Of course their average is tested as coefficient of variance (CV) of 0.81 which is too high to rely upon the average. Hence, they need financing of their small enterprises' activities. All these observations lead to conclude that their incomes are moderate from all the sources which may not be adequate to stabilize their economic position.

Pattern of Utilization of Income:

In the aforesaid paragraphs it is noted that almost all respondents are agriculturists and with an involvement in small business enterprises. Hence, their annual average income varied between Rs. 90,000 and Rs. 1, 00,000. Of course, this income is earned over a period stretching over a few months and not at a point of time. Since all of them are farmers they are likely to get the food crops resulting in a small savings over a period of time. Hence, an attempt is made to examine the pattern of savings. From the data presented in Table: 5.4, it is clear that 75 percent of respondents have no habit of savings but about 7 percent women occasionally save their earnings and about 18 percent save regularly. About 34 percent of the respondents report that they join in Chit Funds to save their surplus funds and about 22 percent reveal that they buy the household movables. All these revelations clearly explain the mindset of the women SHGs' members with regard to their savings. They want to earn something more and more on their investments by investing in chit funds, and deposits in banks. It is significant to observe that they have no habit of utilizing their surplus in the expansion of their respective business operations. But they have the habit of running the business by borrowing from cooperative and commercial banks.

TABLE: 5.4

**PATTERN OF UTILIZATION OF INCOME
BY SHGs' WOMEN MEMBERS**

Sl. No	Particulars	Frequency (No. of women respondents)	percent of respondents to 860
01	Periodicity of savings:		
	- Never.	645	75.00
	- Regularly.	151	17.56
	- Occasionally.	64	07.44
	TOTAL	860	100.00
02	How do you utilize the savings?		
	- Long term Lending.	09	01.05
	- Depositing in banks.	110	12.79
	- Subscription to Chits.	291	33.84
	- Expansion of business.	Nil	-
	- Purchase of securities.	Nil	-
	- Purchase of moveable	107	12.44
	- Purchase of immoveable properties.	191	22.21
	- Others – Giving hand-loans.	152	17.67
	TOTAL	860	100.00
03	State the liabilities (if any)		
	- Money Lenders.	110	12.79
	- Commercial Banks.	68	07.91
	- Cooperatives	209	24.30
	- Non-banking financial institutions.	55	06.40
	TOTAL	442	51.40
04	Reasons for raising liabilities:		
	- Household purposes.	132	15.35
	- Business purpose.	157	18.26
	- For celebrating Marriage (s)	29	03.37
	- For financing education of children.	15	01.74
	- Other purposes (specify).- Repairs and Replacements	109	12.67
	TOTAL	442	51.40

Source: Primary data; Questionnaire – Appendix: B

Table: 5.4 further explain that about 51 percent of the members have liabilities since they borrow funds from cooperatives, and money lenders. It is understandable from the data that they borrow for business purposes (18 percent) and for meeting the household commitments (15 percent). All these analysis indicate that the women members have reasonable knowledge about their savings and avenues of investment.

TABLE: 5.5
MEMBERSHIP OF WOMEN IN SHGs

Sl. No.	Particulars	Frequency of Members	percent to the total
01	Location of the MFIs.		
	Urban	675	78.49
	Rural	185	21.51
	TOTAL	860	100.00
02	Location of SHGs.		
	Urban	282	32.79
	Rural	578	67.21
	TOTAL	860	100.00
03	Source of Inspiration and motivation to join in SHG.		
	Self	51	05.93
	Group Leader	216	25.12
	Neighbors	165	19.19
	Friends	42	04.88
	Village Officers	386	44.88
	TOTAL	860	100.00
04	Did you attend any training program?		
	Yes	610	70.93
	No	250	29.07
	TOTAL	860	100.00
05	How do you feel about the training program?		
	Very Useful	255	41.80
	Useful	221	36.23
	Somewhat Useful	134	21.97
	Not useful	-	-
	TOTAL	610	100.00

Source: Primary Data; Questionnaire: Appendix - B

Membership of Women in SHGs

The concept of Microfinance is of nearly 25 years old. It is particularly addressing the low income group of people to uplift them in all socio-economic fields so as to improve their status in the society. It is a well known fact that illiteracy is much in India and particularly in rural areas. Hence, it is necessary to notify the micro financial facilities available to them in the fast changing economic scenario of India.

Table: 5.5 indicate that about 679 of the members of SHGs are rural based. As a matter of fact, most of the organized MFIs are located in urban areas but they have their branch offices or government offices placed in rural and semi-urban centers. Hence, there should be some intermediaries to help the rural poor to form self-help groups. The field investigation reveals that village officers (45 percent of the respondents) and group leaders (25 percent) motivate the needy to form self-help groups to avail the microfinance facility.

TABLE: 5.6**EXPECTATIONS OF WOMEN MEMBERS THROUGH MFIs**

(Figs. Number of respondents)

Statement of Expectation	Most Important (+2)	Important (+1)	Moderately Important (0)	Least Important (-1)	Not important (-2)	Ranking
Savings Source.	305	175	172	186	22	-5-
Improved source of capital	482	201	77	54	46	-2-
Sources of loan for Income Generating Activity (IGA)	441	258	141	17	03	-1-
Source of loan for consumption needs.	75	192	393	188	12	-7-
Improved social relations.	464	162	119	90	25	-4-
Improved business relations.	519	107	134	76	24	-3-
Achieving standard of living on par with others in the community.	473	108	58	145	76	-9-
Fall in line with others in the community.	73	143	192	350	102	-8-
Following the others involved in the same Income Generating Activity (IGA)	219	231	121	188	101	-6-

Source: Primary data; Questionnaire – Appendix: B

Though the members are motivated and inspired by the group leaders and/or village officers, the members' expectations mean much for their alliance with the SHGs. An analysis of their expectations from the membership is presented in **Table: 5.6** in order of their intensity of expectations measured by Likhert scale. The scaling is attempted in five spaces viz., most important, important, moderately important, least important and not important. A close reading of the opinions of the 860 members reveals that they have the following expectations in order of their importance:

1. Source of loan for Income Generating Activity (IGA).
2. Improved source of Capital.
3. Improved business relations.
4. Improved social relations.
5. Savings source.
6. Following the others involved in the same Income Generating Activity (IGA).
7. Source of loan for consumption needs.
8. Fall in line with others in the community.
9. Achieving standard of living on par with others in the community.

The above list of expectations of the members explains that the membership is seen as a source of loan for fixed and working capital purposes concerning the Income Generating Activity.

It is really appreciable that training programs and awareness sessions are organized for the newly enrolled members. About 71 percent of the women members reveal that they attended the training programs organized by the relevant authorities (DRDA or the MFIs) and about 689 members admit that the programs are useful to them. In brief it can be said that the Government is taking all steps to help to form SHGs and in creating awareness among them about the microfinance system.

TABLE: 5.7**RESULTS OF TRAINING TO WOMEN MEMBERS OF SHGs***(Figs. Number of respondents)*

Statements of Benefits	Total	Improved Greatly (2)	Improved slightly (1)	Remained constant (0)	Slightly bad (-1)	Worsened (-2)	Rank
Reading / Writing skills	610	279	131	169	31	0	-5-
Participation and Communication in the Meetings.	610	109	117	281	103	0	-8-
Interaction with outsiders/bank officials/others.	610	269	174	79	88	0	-6-
Reading of business documents.	610	231	197	110	72	0	-7-
Confidence in the operation of bank accounts.	610	298	139	102	71	0	-4-
Maintenance of personal records.	610	301	191	97	21	0	-2-
Confidence in managing personal finances.	610	301	182	101	26	0	-3-
Skill in business and personal work.	610	414	99	97	0	0	-1-

Source: Primary data; Questionnaire: Appendix-B

The information presented in **Table: 5.7** reveals the way how training benefitted them in order of their utility. Likhert method of scaling is used to measure the degree of each benefit. In the context of microfinance, the utility of training is estimated in 8 constructs with five scales viz., improved greatly, improved slightly, remained constant, slightly bad and worsened. It is significant to find that none of the respondents 610 beneficiaries who attended the training program) disclosed that their skills are worsened. An analysis of the responses explains the following gains that respondents obtained in order of degree utility.

1. Skills in business and personal work.
2. Maintenance of personal records.
3. Confidence in managing personal finance.
4. Confidence in the operation of bank accounts.
5. Reading/writing skills.
6. Interaction with outsiders/bank officials/others.
7. Reading of business documents.
8. Participation and communication in the meetings.

It is evident that the trained members of the SHGs feel that the training gave them a comprehensive development of business and work skills. All these revelations of 610 trained members will certainly motivate and inspire the others who remained untrained.

Problems of Borrowers in Obtaining Loan

After knowing the expectations of members of SHGs from the MFIs it is relevant to examine the problems being faced by them. Actually, the purpose of joining in SHGs is to seek financial assistance from the MFIs. In the process of receiving financial assistance, the members may face a few practical problems.

TABLE: 5.8
PROBLEMS IN OBTAINING LOANS
By the Members of SHGs

(Figs in Number of Members)

<i>Problems</i>	<i>High/Major (+1)</i>	<i>Medium (0)</i>	<i>Low/Minor (-1)</i>	<i>Rank</i>
Knowledge about the procedures.	529	192	139	-2-
Information about the documents required.	610	110	140	-1-
At the time of providing documents.	192	598	70	-8-
High rate of interest.	209	601	50	-7-
More Rules and Regulations/ Terms and conditions.	449	286	125	-3-
Not available in time.	239	398	223	-10-
Lack of cooperation by bank officials and other officials.	196	591	83	-9-
Domination of the leader of the Group.	297	492	71	-5-
Non-cooperation of members in the matter of repayment of loans.	341	428	91	-4-
Inadequacy of funds.	284	501	75	-6-
No provision of long term loans.	74	541	245	-11-

Source: Primary data; Questionnaire: Appendix – B

Note : Figs in brackets indicate the scale values assigned.

Table: 5.8 show eleven problems that are experienced in obtaining microfinance. As such, an attempt is made to identify the problems in order of severity. Out of 860 respondents 720 (84 percent) disclose that they have no information about the documents that are to be submitted for the sanction of microcredit. Following this problem, inadequate knowledge about the procedure for seeking the loans from MFIs is a severe problem of the borrowers. About 72 percent of the respondents feel that the MFIs do not come forward to give long term loans to the members of the SHGs. The borrowing women members of SHGs also complain that the rate of interest charged by the MFIs are high varying between 12 percent and 21 percent which is far above than the ceiling rate. The argument forwarded by the MFIs is that they have to meet the cost of lending and it is likely to impact the demand and supply of funds to them ⁽¹⁾. The philosophy of microfinance is very much distorted on account of non-cooperation of

borrowing members of SHGs in the matter of repayment of loans. Again, it is also revealing that the MFIs are not able to dispense loans in time. Table: 5.8 indicate the problems of the members in order of their severity by ranking. All these revelations lead to conclude that the SHG members are not as happy as expected in raising the funds from the microfinance institutions.

Assessment of Impact of MFIs on Women Empowerment:

Earlier it is understood that empowerment of women is the pre-requisite for socio-economic development so as to make them participate in the economic decisions. 'Empowerment' is defined as the action of granting of the power, right or authority to perform various acts or duties ⁽²⁾. It enables the empowered to represent their interest in a responsible manner. Further, it refers to process of self determination and to professional support of people, which enables them to overcome their sense of powerlessness and to recognize the use their resources. In the context of India, it is noted that women account for more than 50 percent of total population and therefore their exclusion from the process of socio-economic development is not justified. Hence, the Government of India followed by the State Governments evolved schemes for upliftment of the down-trodden and MFIs is one of such schemes. The primary theme of the present dissertation is to assess the impact of MFIs on women empowerment. As stated earlier for this purpose personal interviews with the borrowers are held by the investigators with the help of structured questionnaire. The responses reveal that the MFI changed the attitudes of women members towards economic activities and perception of the world around them

TABLE: 5.9**ASSESSMENT OF WOMEN EMPOWERMENT- A study of Impact of MFIs***(Figs. In number of respondents)*

Indicators of Women Empowerment	Strongly agree (2)	Agree (1)	Neutral (0)	Disagree (-1)	Strongly Disagree (-2)	Rank
1. Increased income.	512	101	92	97	58	-4-
2. Increased savings.	492	112	101	85	70	-5-
3. Increased value of household assets.	502	75	190	71	22	-3-
4. Increased value of productive assets.	601	110	79	59	11	-1-
5. Employment opportunities.	579	121	65	81	14	-2-
6. Increased power of decision making.	468	142	79	92	79	-8-
7. Increased confidence to face problems.	396	247	82	71	64	-7-
8. Increased awareness of business problems.	384	220	84	91	81	-13-
9. Increased knowledge about banking activities.	391	192	109	102	66	-16-
10. Improved social status.	312	309	97	105	37	-19-
11. Promotion of children education.	295	298	101	97	69	-22-
12. Improved Health of the family.	360	239	109	85	67	-14-
13. Increased human relations skills.	402	199	167	71	21	-6-
14. Participation in community ctivities.	319	291	105	89	56	-18-
15. Increased credit worthiness.	294	302	119	74	71	-20
16. Participation in social development activities.	319	295	101	84	61	-17-
17. Improved economic stability.	303	274	184	89	10	-21-
18. Poverty reduction.	401	198	102	75	84	-11-
19. Improved self esteem.	399	201	121	87	52	-9-
20. Improvement of personal health.	330	301	99	85	45	-12
21. Improved Standard Living.	299	321	101	65	74	-15-
22. Improved basic facilities.	323	298	139	77	23	-10-

Source: Primary data, Questionnaire: Appendix -B

Table: 5.9 give a list of 22 indicators showing the impact on women empowerment in order of their importance assessed by the number of responses for each index. Likhert scaling technique is employed to assess the impact of MFIs on women empowerment with five scales. They are determined by assigning values as Strongly Agree (2), Agree (1), Neutral (0), Disagree (-1) and Strongly Disagree (-2). This process reveals that the most important impact is the increased value of productive assets held by them for income generating activities. The next change that impacted women is the creation of employment opportunities for themselves and for others also. The respondents feel that they could possess valuable household assets that help them to improve their efficiency and quality of life (Rank – 3). On account of these three improvements, they could improve their income and savings (Rank- 4 and 5). Hence, it led to improve their credit worthiness in the field of business. On account of these economic improvements in their life, they are able to cultivate human relations, participation in decision making process, improved confidence to face problems and feel self esteem. Further, Table: 4.20 explain that their social and community activities improved considerably. However, children education is not taken care of as it is found least rank. All the analysis lead to say that there is a considerable economic impact on the women empowerment enabling them to feel as important entities in the society.

Barriers to Process of Empowerment of Women:

Culturally Indian women are not fully independent to declare themselves endowed with the power of taking decisions. In the context of women empowerment, there are many social and economic impediments through their lives. Besides the nature of health and womanhood constraints, they are to live in different environments as the

age grows which may affect their life styles. In their childhood they are under parental care, after marriage they live in-law's house and in their old age they tend to depend upon their children. Hence, the empowerment endowed on them by various external interventions may not sustain for a long time. In spite of all these inhibitions, women must be equipped with as much entitlement as possible to stand on their feet. In view of all these incongruities it is necessary to gauge the various barriers that come in the way of sustainable empowerment process.

TABLE: 5.10
BARRIERS TO SHG MEMBERS' EMPOWERMENT

(Figs. In number of respondents)

Particulars of Barriers	Always (2)	Often (1)	Occasionally (0)	Rarely (+2)	Never (-1)	Rank
1. Proper use of capital.	196	201	95	281	87	29
2. High rate of interest.	253	210	79	190	128	23
3. Lack of training.	248	194	210	120	88	13
4. Lack of adequate capital.	301	169	85	237	68	25
5. Lack of awareness about microfinance.	172	297	227	133	31	15
6. Problem of high competition.	257	196	198	183	26	18
7. Problem of being women.	321	205	169	101	64	02
8. Problem of supervision.	199	210	99	301	51	28
9. Biased gender roles reinforcement.	351	151	91	179	88	09
10. Physical problem.	291	199	108	187	75	16
11. Lack of knowledge about the latest developments in socio economic environment.	310	129	314	97	10	01
12. Balancing of personal and professional life.	298	201	195	101	65	04
13. Not getting the loan on time.	303	219	151	109	78	05
14. Problem of product ready for market.	291	189	157	144	79	10
15. Lack of formal education.	199	294	182	132	53	12
16. Problem of social categorization.	208	198	262	156	36	20
17. Problem of Illiteracy.	196	237	183	192	52	24
18. Conflict among the members.	279	231	196	99	55	03
19. Violent fluctuations of business environment.	297	201	166	135	61	08
20. Problem of marketing of the product.	199	296	154	121	90	14
21. Not getting the price.	209	290	136	152	73	17
22. Non-reimbursement of interest paid to the banks.	178	274	202	181	25	21
23. Credit policy.	304	199	168	153	36	07
24. Lack of trust in employees.	185	201	286	143	45	22
25. Dependency on the male members of the family.	305	198	205	135	17	06
26. Child care	197	202	204	207	50	26
27. Lack of communication with nearby market.	302	213	108	194	43	11
28. Forced sales to the middlemen.	127	204	302	186	41	27
29. Non-cooperation of the family.	190	281	209	173	07	19

Source: Primary data, Questionnaire: Appendix- B

Note : Figures in brackets indicate the scale value assigned.

Table: 5.10 present 29 probable impediments that scuttle empowerment gained by them through many strategies indicated in Table: 4.20. These barriers to empowerment are constructed on the basis of the responses received from 860 select women members of SHGs. All of them are ranked with the help of Likhert scaling technique to show the intensity of the barriers. The most important impediment is the lack of knowledge about the latest socio-economic environment (Sl. No. 11) followed by the problem being woman (Sl. No. 07) and conflicts among the members of the group (Sl. No. 18). The least important barrier is the proper use of capital (Sl. No. 01) and problem of supervision (Sl. No. 08) in that order. All these analysis clearly indicate that the women are facing the problems that arise on account of being women and conflicting behavior of members of the SHGs. As a matter of fact, illiteracy (Sl. No.17) and high rate of interest (Sl. No. 2) are not considered as serious hurdles in the process of empowerment of women. Of course, non-reimbursement of interest by the government to the borrowers (Sl. No. 22) is not found as a serious barrier. As such there is a need to (a) train the members as frequently as possible on the subject of business environment and (b) put in efforts by the government on achieving group cohesion among the members.

In brief, it is to say that a field investigation with the select 860 women borrowers is carried out by personal interviews. The perception levels of the respondents is found to be fairly good measured in terms of age, experience and engagement in the economic activity. About 71 percent of the respondents reveal that they are motivated by the village officers to join in the SHGs. Their objective of joining in SHG is to obtain credit for the promotion of income generating activities. The impact of MFIs is that they could procure productive assets for improving their income generating activities resulting greater employment opportunities. However,

they disclose that they are suffering from lack of knowledge about business environment and being women, they are not having a cohesive environment among the members of the SHGs concerned.

Summary

In Warangal (R) women population accounts for about 50 percent of the population due to which their productive engagement is necessary to accelerate the socio-economic development. Further, about 93 percent of the total population is living in rural area and the Government machinery penetrates into rural area through 14 mandals and 270 village panchayaths. There are a large number of organized and unorganized MFIs. As at the end of March 2020 there are 13 organized MFIs having financial dealings in Telangana State connected with Warangal (Rural) district. For an in depth study of the impact of MFIs on women empowerment a sample of four MFIs is considered. All the select MFIs except one have men and women as members of their SHGs. It is revealing that almost all MFIs attended to a growing number of women of SHGs and the financial assistance also increased year after year. A field inquiry with the executives of the MFIs discloses that there are no arbitration cases pending against any party for the recovery of loans. However, they admit that they are not free from the political interference in the matters relating to sanctioning of loans, recoveries and in getting the reimbursement of interest from the government. To ascertain the impact of MFIs on the empowerment of women, a field study is conducted by taking a sample of 860 beneficiaries out of the total of 8593 women borrowers. A scrutiny of the personal profiles of the respondents reveals that they have a fair perception of the working of the SHGs. Most of the women members disclose that they are largely motivated by village officers to join in the SHGs. About 71 percent of the members attended the training programs organized by the MFIs. The most important expectation of the members is to

get loans from the MFIs to carry on their income generating activities. The respondents say that they are not having full knowledge about the documents required to obtain the loans. The impact of the microfinance institutions is that they are able to mobilize loans to increase the value of productive assets followed by improvement of employment opportunities. Of course, they face certain problems in getting empowerment like 'lack of knowledge about the business environment. The next important problem is that they being women, they have certain constraints and also non-comprehensive understanding between the group members.

References:

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2. Burton and Kagan, Rethinking Empowerment: Shared Action Against Powerlessness; Parker and R. Spears: Psychology and Society: Radical Theory and Practice, London; Pluto Press, 1996.

Chapter - VI

Summary, Conclusions and Suggestions

CHAPTER: VI

SUMMARY, CONCLUSIONS AND SUGGESTIONS

This Chapter intends to present a summary of the findings that emerged through the preceding five Chapters. These findings are followed by a few suggestions pertinent to the improvement of the functioning of the MFIs in the context of the socio-economic empowerment of rural women. Throughout the country there are millions of SHGs functioning in a varied socio-economic background. Therefore, the impact of MFIs on the members may also differ from place to place and situation to situation. Hence, there is a possibility of learning a few related areas untouched by the present research. As such, on the basis of the findings and suggestions, an attempt is made to indicate the allied subject matters that are yet to be explored. It enables the future researchers to undertake an inquiry in to such unexplored issues so as to improve the working of MFIs in a comprehensive manner. It will also help the policy makers and functionaries to improve the working of the MFIs thereby the SHGs in the matter of achieving the basic objectives. The summaries of findings are presented Chapter-wise and the allied conclusions are drawn at the point relevant to the findings.

1. Microfinance institutions system is a time tested strategy to assist the low income group people (men and women) since 1970 because of its success in Bangladesh and in other underdeveloped countries. The amount of loan disbursed to low income groups is generally small without collateral security and repayable in convenient installments but not more than 12 months. The loans are secured on the personal and group commitment of repayment even though there is no collateral attachment to the loan. MFIs, besides loaning, also

render all banking services such as acceptance of small deposits; extend payment services, money transfers and insurance to poor and low income households and microenterprises.

2. Functionally microfinance and micro credit are different from each other. Microfinance is a broad term that includes provision of credit, and promotion of savings, transfer of funds, insurance, pension and payment services and other banking services. Microcredit refers only to loaning of small amounts to low income people. The present study is concerned with microfinance and its impact on women empowerment.
3. Microfinance institutions may prefer to organize their financial activities either through Grameena Bank Model or Joint Liability Group Model or Individual Lending Model or Group Model, or Village Banking Model or Credit Cooperative model. Broadly all of them perform similar financial functions but they differ in their legal frame work. They may either take any organizational form of Non-banking Finance Company/Corporation (NBFC) or Cooperative or Non-government Organization or Company Form of Organization register under Section: 23. However, it is found that the popular legal forms of organization of MFIs are NBFC and Cooperative Societies. A close observation of the style of functioning of these MFIs lead to say that they may be formal and informal. The institutions registered under relevant legislation are called as formal and those formed by voluntary association of people is called as informal.

Review of Literature:

Chinmaya Ranjan Kumar and Chittaranjan Nayak (2021) found that the SHG concept empowers women to participate in all productive activities and to make decisions. It helped them save more and increase their monthly income. Many members have shown positive results in making important decisions after joining SHG. The study found that women's empowerment in SHG increased in Mayurbani district. It was suggested that the government should launch a skills development program for rural women. It helps them develop their knowledge and skills so that they can earn a living and earn money.

Lalzuiliana (2021) these banks also provided micro finance services. The banks should, however, consider the benefit of the programs to be extended to the poor and women-headed households. The formal financial institutions, which are mainly banks, are contributing to the disbursing of loans to various sectors such as housing and agriculture. In order to provide them with the necessary resources, such as seeds and fertilizer, micro-finance is often utilized.

It is important to note here that the studies described above are not the only studies available. Indeed, the literature on microfinance is abundant. However, it reviews literature published between 2000 and 2021 and also reviews research closely related to microfinance mechanisms and their impact.

Research Gap:

They hardly reveal the impact of the operations of the institutions on the empowerment of women. Though analysis of economic impact is the core aspect of women empowerment, there are many other dimensions like education, decision

making power, and general consciousness of the problems. Hence, it is necessary to examine the financial and administrative tenacity of the financing agency which is not attempted by earlier researcher.

1. Empowerment of women means a comprehensive and all-round development of the member concerned but almost all researchers studied the economic aspect leaving aside the other dimensions like education, decision power and relations between the women members.
2. The cost of credit dispensed is an important component of the empowerment of women but the `interest on the loans` charged by the microfinance agencies is not studied by any researcher. In view of the reported exorbitant interest charged by the financing agencies, there is a need to know the regulatory system existing but this aspect is hardly addressed.
3. Achieving Women empowerment depends upon the financing strength and the working of the agency concerned. Hence, there is a possibility of existence of differentials in the achievement of the objectives of the microfinance but no research is so far carried out to examine impact agency-wise.

Objectives of the study:

In the above backdrop, an attempt is made in the present study to assess the impact of microfinance institutions on women empowerment in Telangana State in order to strengthen the MFIs and SHGs. The sub-objectives include:-

1. To examine the role and importance of MFIs in empowering women in India in an overall manner.
2. To assess the performance of MFIs in Telangana State in terms of loan disbursements, promotion and savings.

3. To analyze the working of SHGs in Telangana State in terms of volume of business, growth trends of savings.
4. To evaluate the impact of MFIs on women empowerment from the beneficiaries' perspective.
5. To summarize the findings of the study and offer suggestions for better role of MFIs in empowering the women beneficiaries.

Research Methodology

This study is based on primary and secondary data. Primary data sources are respondents drawn from various types of microfinance institutions and members of SHGs. To collect primary data, two different questionnaires were developed and interviews were conducted among (i) selected officials of microfinance institutions and (ii) female participants of microfinance institutions. Copies of these two questionnaires are provided at the end of the paper as Appendix: 1 and Appendix: II. A pilot study will be conducted with the help of investigators to test the suitability of the questionnaire. Based on the experience of the pilot survey, the questionnaire will be redesigned and sent to the final selected respondents.

Secondary data useful for the study are obtained from public documents of the National Bank for Agriculture and Rural Development (NABARD), SA-Dhan (Association of Community Development Financial Institutions) and reports of the District Integrated Rural Development Authority (DIRDA). In relation to the periodic reports issued by the DWACRA Group, the Cooperative Development Foundation (CDF), the Ministry of Women and Child Development and reports issued by relevant agencies. Secondary data collected is checked for consistency, usefulness and reliability before use.

Sampling Design:

A stratified random sampling method based on a lottery system is used to collect primary data. The sample design uses his three-step procedure for selecting respondents. First, a geographical area is determined and defined for selecting microfinance institutions. In fact, there are microfinance institutions all over the country, including Telangana. Therefore, taking a sample of MFIs operating country-wide or state-wide can be impractical and nearly impossible from a resource and time standpoint. Poor concentration is also possible. The investigation is therefore limited to the Warangal District (Province), which consists of his two financial departments in the Warangal Consolidated District. Therefore, having his two districts (Warangal and Narsampet) of Warangal (rural) covered in the study means that 100% of the district is covered. Second, a sampling frame of all MFIs (MACS and NBFC) operating in the selected geographical area will be prepared in consultation with relevant departments. In the third stage, a random sample of SHGs is selected. . Finally, officers and women members of these selected bodies are chosen by lottery to deeply study the issues facing MFI and their impact on women members.

Period of the Study

A period of 11 years (2010 to 2020) is used for the analysis of secondary data on MFI performance for two reasons. First, agriculture's contribution to GDP in 2009 was 15.6%, indicating the poor condition of the rural economy, but in 2010 the share of agriculture in GDP improved. Second, the Sixth Five-Year Plan ended in 2017. In the context of women's empowerment, this period (2010-2020) is important for obvious reasons. Hence, the secondary data relating to the growth trends of MFIs in aggregate literature are collected for a period of 11 years for the purpose of analysis and interpretation.

Tools of Analysis

The secondary and primary data are analyzed by applying statistical tools like ratios, averages, coefficient of correlations followed by variances depending upon the context. Statistical tests are performed as needed to determine the reliability of the underlying statistics.

Scope and Limitations of the Study

As previously mentioned, this study is geographically limited to two revenue divisions in Warangal (rural) district. Content-wise, investigating the impact of MFI on women's empowerment aims to cover changes in women's economic status, educational level, and decision-making capacity. The researchers definitely recognize that examining the sources of income may not reflect the actual impact of her MFI on a women's empowerment in the state/country. Another limitation of this study is that although different types of the MFIs exist, such as federations and clubs, these were not considered in the study.

Chapterization scheme:

Consistent with the objectives of the study the thesis is developed and presented in the following six Chapters including the present one. Each Chapter deals with an independent theme but all of them together highlight the single subject of the impact of MFIs on Women Empowerment.

Chapter: I - Introduction is devoted to the need for the study, concepts relating to the main theme of MFIs and Women Empowerment. The objectives of the study, methodology, tools of analysis and scope and limitations of the study are presented in this Chapter.

Chapter: II – Micro Finance Institution and Women Empowerment –An

Overview examines the working of MFIs in India in the context of Women Empowerment. The role of Government in the promotion of women empowerment over the years is also examined.

Chapter: III – Performance of MFIs in Telangana State examines the working of

MFIs in terms of their number, client base and loan portfolio, progress of MFIs, it also analyses the socio-economic environment of Telangana as a backdrop to the working of MFIs.

Chapter: IV – Working of SHGs in Telangana State is devoted to analyze self help

groups in Telangana State in terms of number of SHGs in Telangana State, volume of business, bank wise analysis of business of SHGs, growth trends of savings, disbursal of loans by banks etc.

Chapter: V – Impact of MFIs on Women Empowerment – Beneficiaries’

Perspective A Field Study containing the experiences of women borrowers from the MFIs are analyzed, the opinions of the select MFIs executive officers about the problems and prospects of micro finance are also analyzed.

Chapter: VI – Summary, Conclusions and Suggestions presents a brief summary of

the findings followed by recommendations and the areas of research that could be explored in this field of MFIs and Women Empowerment.

Major findings that emanated from Chapter 2 to Chapter 5 are briefly presented here:-

CHAPTER - II

1. MFIs by the type of registration explain the process of registration under different laws concerned. In addition to the legislative control the MFIs are also governed by the RBI directions released periodically.
2. An analysis on Govt. Schemes for Women Development and Empowerment gives a list of other schemes with their corresponding objectives and the year of commencement of the programs. These programs aim to ensure welfare as well as to achieve women empowerment. They are meant to provide the basic needs of food, shelter, clothing; skill based training, education, marketing facilities to small entrepreneurs for women welfare and empowerment.
3. Number of Accounts linked with SHGs Saving Banks-A trend Analysis presents the data relating to the number of MFIs by states. The data relating to these years are relevant as many of the states have undergone re-organization for various administrative and political reasons. The number of MFIs decreased from 240 in 2010-11 to 216 in 2020-21 as a few of them were dissolved on account of financial problems borne by mismanagement and poor recovery of loans. A close scrutiny of the data reveals that certain states like Tamil Nadu, West Bengal, and Maharashtra have maximum number of MFIs.
4. Number of Microfinance Institutions in India shows the number of existing MFIs in India at the end of March for a period of 10 years. The data reveals that the number of MFIs increased gradually except in the year 2012-13 on account of the fact that the Government was conceiving a policy of regulating the MFIs.

5. An analysis on Progress of MFIs- Banks Savings of SHGs with Banks reveals that the quantity of partnered SHGs expanded from 75 lakhs in 2010-11 to 112 lakhs in 2020-21 enlisting a development by 49 percent over a time of eleven years. Further, it tends to be noticed that the quantity of associated SHGs expanded progressively which works out to a typical yearly development of 3.93 percent. It is fascinating note that the total reserve funds of all the subsidiary SHGs expanded fundamentally besides in 2011-12 and the normal yearly development of the investment funds works out to 15.12 percent more than 11 years. Obviously the normal investment funds of the associated SHOs expanded at a typical pace of 13.09 percent. All these analysis clearly indicates that the MFIs are successful in motivating the affiliated SHGs in improving their ability to save and deposit in the Banks.

6. An analysis on Progress of MFIs- Bank Loans Disbursed during the year reveals that the total amount of loans disbursed increased from Rs.14,54,773.19 lakhs in 2010-11 to Rs.58,07,067.81 lakhs in 2020-21 registering a growth by about 299 percent. The number of SHGs seeking microfinance increased from 11,96,134 in 2010-11 to 28,87,394 in 2020-21 registering a growth by 141 percent over a period of 11 years). However, the annual average rate of growth of the number of affiliated SHGs works out as 8.75 percent. The annual average growth of loans disbursed registers 14.72 percent over a period of eleven years. All these data show that disbursement of loans to affiliated companies is important and is expected to have a positive impact on the economic strength of key SHG members. It should also be noted that disbursement of loans is possible only if collection of loans is stable and

efficient. Therefore, it can be said that the member SHGs conducted efficient and effective financial management during the target period.

7. Progress of MFIs- Bank Loans Outstanding explains that the total outstanding loans increased from Rs.3122116.55 lakhs in 2010-11 to Rs. 10328970.83 registering a growth by 2.31 times (231 percent). This meteoric growth is attributed to the fact that the loans disbursed during the period increased by 299 percent, the annual average growth of the loans outstanding works out to 11.83 percent over a period of 11 years
8. Progress of MFIs –Non Performing Assets (NPA) Against Bank Loans to SHGs reveals that the outstanding loans increased at the rate of 11.83 per year and the annual average rate of growth of NPA loans is 12.68 among the SHGs affiliated to MFIs. The NPA as percentage to outstanding loans ranged between 4.72 (2010-11) and 7.08 (2012-13). The annual average percentage of NPA to outstanding loans works out to 5.97 which is far lesser than the NPA of the Scheduled Commercial Banks in India.
9. Number of Accounts linked with SHGs Saving Banks explains that the number of SHGs of Savings Account linked with banks increased from 74.62 lakhs in 2010-11 to 112.23 lakhs in 2010-21 registering 50 percent over a period of 11 years but with bumps in 2012-13 and in 2015-16. However, the annual average rate of growth of the number of SHGs with saving accounts works out to 3.92. As against this growth of number of SHGs linkages of savings, it can be observed that the rate of growth of exclusive women SHGs is a little higher at an annual average growth of 4.48. Further the Women SHGs account for more than 79 percent of all the SHGs, the percentage of number of exclusive women SHGs out of the total number ranges between 79 (2011-12) and 87 (2020-21).

10. Number of Accounts of SHGs Credit Linked with Banks-A trend Analysis reveals that the number of SHGs availing credit under bank linkage scheme increased from 11.96 lakh in 2010-11 to 28.27 lakhs in 2020-21 recording a growth by 136 percent and the annual average growth works out to 8.56 percent. The number of women SHGs availing credit under bank linkage program increased 10.17 lakhs in 2010-11 to 25.90 lakhs in 2020-21 registering a growth by 155 percent over a period of 11 years. The annual average growth of number of women SHGs availing credit under bank linkage program works out to 9.51percent. Out of the total number of SHGs availing credit the percentage of women SHGs range between 80.40 (2011-12) and 91.77 percent (2019-20).

11. Credit availed as against savings of women SHGs in India - A Trend Analysis shows the average of availed credit per SHG, the average of savings per SHG and the ratio of savings deposits and credit availed. All these analysis indicate that the percentage of savings ranged between 6 and 14 of the total content of working of SHGs.

12. An analysis on Changes in Administrative Arrangements of Telangana State reveals that the number of Municipalities increased from 37 in 2015 to 129 in 2021 recording a growth by 249 percent. Similarly the number of Zilla Parishads increased by 256 percent on account of the increased number of Districts by 230 percent. The number of many other administrative units likes Revenue Divisions and Gram Panchayaths increased by 76 percent and 47 percent respectively. The rate of growth of population, though erratic through the decades it is definitely on an increasing trend. The total SC and ST populations of Telangana are 54.09 lakhs and 31.78 lakhs respectively. The two

social groups account for 15.45 percent and 9.08 percent of the state's total population respectively. The total literacy rate of the state is 66.54 percent. The literacy rate among females and males respectively is 57.99 percent and 75.04 percent

CHAPTER - III

13. The district-wise populations of TS by gender as per 2011 Census reveals that after reorganization of the erstwhile Andhra Pradesh into Telangana State and residual state of Andhra Pradesh in June 2014, the number of districts in Telangana State increased from 09 to 33 during 2014-2021 for administrative reasons. An analysis of gender-wise classification of population reveals that women in 20 districts are heading towards equal number to the male population. However, out of the 33 districts 13 have more number of women than men as per the Census of 2011.
14. Telangana State Domestic Product at constant prices (2011-12) The strength of the economy of Telangana can be gauged from the growth of Gross State Domestic Product (GSDP) at constant prices, it increased from Rs.3,59,434 Crs. in 2011-12 to Rs.6,44,599 Crs in 2020-21 registering a growth by 79.34 percent over a period of 10 years.
15. An analysis on Women Empowerment Schemes in Telangana State gives a list of 9 Women Empowerment Programs of TS out of which 4 programs are directly concerned with women empowerment. They are: (i) Kishore Shakti Yojana (KSY), (ii) Women Entrepreneurship – Startup Telangana (iii) Stree Nidhi and (iv) SHE Teams. The rest of the five programs are supporting the women empowerment promotion right from the beginning of the life of the girls.

16. Decadal Growth of Population of Warangal (R) explains the decadal growth of population of Warangal (R) has a gradual increase during the past seventy years except in the recent twenty years (2001 to 2011). Further, it can also be noted that the number of female are showing a trend to be equal to male population. In 2011 female population is 49.91 percent of the total population which mean that the women strength is nothing short of male number.
17. Demographics of Warangal (Rural) by Various Features - As per 2011 Census reveals that there are 270 gram panchayaths as against 226 number of villages which means that there are small communities (e.g. Thandas) of ST population in remote places. However, all these favorable factors help in creating a better socio-economic environment for empowerment of the people subject to the policy framework of the Government.
18. Administrative Machinery of Governance in Warangal (R) District (2022) A look at the administrative environment is rationale since the district in question is a branch off the integrated Warangal District. On account of this bifurcation the administrative structure is suffering from unclear-delineation of the functions of the Government Offices.
19. A close analysis of Microfinance institutions in Telangana in terms of client base and volume of business it is discernible that the average clientele is 1.60 lakhs of the 12 units and the average loan portfolio is Rs. 643.33 crs. of the 15 institutions. The details are explained by considering the tier system.
20. The analysis on Working of MFIs in Telangana State explains that the number of SHGs availing the financial services of MFIs increased in terms of savings, credit extended and the outstanding loans. The number of SHGs under MFIs in

TS with regard to savings increased from 5.11 lakhs in 2014-15 to 7.29 lakhs in 2020-21 registering a growth by 43 percent over a period of seven years. Similarly, the number of SHGs availing credit facilities increased by 31 percent and outstanding loans by 23 percent.

21. Progress under MFI Non-Performing Assets of Banks against SHGs present the trends in NPAs of the SHGs affiliated to the MFIs for a period of seven years (2014-15 to 2020-21). In absolute terms NPA of MFIs of Banks against SHGs increased from Rs.25081.10 lakhs in 2014-15 to Rs.43265.33 lakhs in 2020-21 registering an increase of 75 percent over 7 years. The percentage of NPA to the outstanding loan balances never went beyond 4 percent it is an excellent performance of MFIs when compared with the NPAs of business credit dispensed by Commercial Banks.

22. An Analysis on (SKS Microfinance – Bharath Financial Inclusion Ltd.) Financial Products for the Economic Welfare of the Weaker Sections of the Society explains that the micro-credit dispensed to the weaker sections of the society increased gradually over the years except in 2020-21. The annual average of loans disbursed works out to 32 percent and number of beneficiaries also registers a similar trend. Another significant feature of the credit deployment is that the NPA ranged between 3.2 percent and 5.4 percent of the outstanding balances.

23. Business of Trident Micro fin Private Ltd., A Trend Analysis reveals that there is increase its client outreach from 36,091 in 2017-18 to 92,601 in 2020-21 registering a growth by 26 percent, the number of SHGs covered increased by about 3 times and similarly the advances increased by 3 times. It can also be noted that the NPA increased gradually from 3.9 percent in 2017-18 to 5.02

percent which might be on account of heavy advancing and poor recoveries over the period under study.

24. Adarsha Women Mutually Aided Cooperative Society (AMACS) a trend analysis of Financial Performance reveals that the loans and advances provided to the SHG members also increased gradually without any let up in any year. They increased from Rs. 39.72 lakhs in 2013-14 to Rs. 57.41 lakhs registering a growth by 45percent during the period under study. The annual average growth of advances works out to 7.17 percent.
25. An analysis on Personal Profile of the Respondent Executives of MFIs reveals that the average experience of these officers is 11 years in their respective positions. In terms of academic qualifications, it is clear that all the Executive Officers are highly read since 75percent of them are graduates and 17 percent are post-graduates. Further, the average age of the officers is about 38 years which means that all of them are young and experienced.
26. Dispensation of Loans to SHGs - Problems of MFIs in Warangal (R) District explains the documentary requirements for considering the loan application of the SHGs for financial assistance. It is evident that almost all the MFIs follow a uniform procedure in documentation except one MFI which insist upon the production of Aadhar Card. However, 75 percent MFIs also require the technical report about the project for which financial assistance is sought.
27. An analysis on recovery of loans by MFIs - A Study of Strategies for the Recovery of loans reveals that only 75percent of the MFIs have field staff with the responsibility of collection of loans. Almost all the MFIs follow a recovery strategy consisting of five steps. They are: (a) preparation of Demand,

Collection and Balance (DCB) of loans due from the borrowers, (b) advance notices of due dates are issued to the debtors, (c) the collection staff is alerted about the defaulters, (d) the reports of the field staff are received and (e) decisions are taken as to the need to apply coercive methods to be taken to recover the loans. In the opinion of the executives that there is no arbitration cases filed and settled so far against any SHG members. Further it is revealing that the advance notices are given to the leader of the defaulting group as well as to the members of the group. About 25percent of the MFIs feel that the cost of recovery is high on account of repeated visits to the defaulters for the recovery of loans. All the above experiences of executives of the MFIs explain that the management of credit is conforming to the general principles of credit management.

28. Sources of Funds of MFIs In Warangal (R) District reveals that almost all the MFIs borrow funds from the commercial banks, government under various schemes, and by offering deposit schemes. The executives of the sample MFIs disclose that they never failed to repay the commercial banks from whom loans are raised. All the MFIs confirm that they are also pooling the finances by floating various insurance schemes.

CHAPTER - IV

29. An analysis on Number of SHGs in Telangana reveals that the number of SHGs in TS increased gradually over the years. It can also be observed that the number of exclusive SHGs for women also increased year after year. The percentage of women SHGs to the total number varied between 95.53 (2014-15) and 97.85 (2016-17) which means that MFI system is highly geared to support women.

30. Average Number of Members per SHGS in Telangana State presents the average number of members of the SHGs in Telangana and the average number of members of women SHGs. The average number of members (rounded off to the nearest digit) of all the SHGs varies between 09 and 12 over the years.
31. An analysis on number of SHGs in Telangana- District Wise Trends reveals that the number of SHGs in TS increased between the two land mark years registering a growth by 3 percent over a period of six years. The number of SHGs in the integrated Warangal District increased from 20,769 in 2015-16 to 21,596 in 2020-21 registering a growth by 4 percent. Concurrently, the number of members of the SHGs increased from 2.38 lakhs in 2015-16 to 2.43 lakhs in 2020-21 recording an increase by 2 percent. Thus it is clear that reorganization of district brought a little change in the structure of SHGs.
32. Aggregate Volume of Business of SHGs in Telangana State show a gradual increase from year to year except in 2016-17. However, the average savings per SHG over the years increased gradually from Rs19, 320 in 2014-15 to Rs. 59,320 in 2020-21 registering a growth by 207 percent. It can be seen that all the SHGs availed a significant amount of credit (Col. 5) in Telangana state. It increased from Rs. 549461.72 lakhs in 2014-15 to Rs. 781825.91 lakhs in 2020-21 recording a growth by 42 percent over the years. In absolute terms, loans outstanding increased from Rs. 8,28,591,33 lakhs in 2014-15 to Rs. 17,07,929.73 lakhs in 2020-21 registering a growth by 106 percent over a period of 7 years. The average loan outstanding amounts per SHG increased from Rs. 1.75355 lakhs in 2014-15 to Rs. 2.94164 lakhs in 2020-21 recording a growth by 68 percent.

33. Growth trends of savings of SHGs with Public Sector Banks (in Telangana State) the coefficient of correlation (r) between the growth percentage of savings of the SHGs and the contribution of primary sector to GSDP in Telangana State is examined. It works out to -0.33 the Probable Error (PE) of the coefficient of correlation is 0.24 which is far higher than the coefficient of correlation (-0.33). Hence, the correlation between the above variables is not significant. Hence it can be interpreted that there is a need to create awareness among the SHG members about the possible avenues of income generating activities with the use of local resources.
34. An analysis on Bank Loans Disbursed to SHGs and Loans Outstanding against SHGs- by Public Sector Banks in Telangana State reveals that the average loans disbursed to all the SHGs increased from Rs.2.21541 lakhs in 2014-15 to Rs.2.90847 lakhs in 2020-21 registering a growth of 31 percent. Similarly, the average loan deployed to the exclusive women SHGs increased from Rs. 2.18672 lakhs in 2014-15 to Rs. 3.01151 lakhs in 2020-21 recording a growth by 37 percent over a period of seven years. The average loan outstanding of all the SHGs increased from Rs. 1.64449 lakhs in 2014-15 to Rs. 2.80335 lakhs.
35. An analysis on Growth Trends of Savings of SHGs with Private Sector Banks in Telangana State reveals that the average growth of the number of all the SHGs works out to 11.59 percent whereas it is 11.58 percent in case of women Groups. The average growth of savings of all the SHGs is 669.53 percent against which the growth of savings of women SHGs is 596.84 percent. Further, the average growth of savings per all the SHG is 146 percent but it is barely 37 percent in case of women groups. All these observations help to

conclude that the performance of exclusive women SHGs is yet to improve when compared with all the SHGs.

36. An analysis on Savings of SHGs with Regional Rural Banks in Telangana State reveals that the number of SHGs increased from 1,81,907 in 2014-15 to 323189 in 2020-21 registering a growth by 78 percent over a period of seven years. The amount of savings made by the members of women Groups increased by 13 times without any let up in any year. It means that the average savings of the women groups increased gradually from year after year registering an annual average growth of 7 times over the year.

37. Bank Loans Disbursed to SHGs and Loans Outstanding Against SHGs – By Regional Rural Banks in Telangana State it is examined that the aggregate loans disbursed to all the SHGs by the RRBs in Telangana increased from Rs. 2,22,142.81 lakhs in 2014-15 to Rs.4,38,503.20 lakhs in 2020-21 registering a growth by about 97percent but in terms of average loan per SHG dropped down during the same period. The average loan disbursed by the RRBs to SHGs in Telangana declined from Rs. 1.94664 lakhs in 2014-15 to Rs. 1.89383 lakhs recording a drop by – 2.312 percent which is not significant. The reason for such drop in average loans per SHG is that the number of beneficiaries (SHGs) increased by about 102 percent over the period of seven years.

38. Savings of SHGs with District Cooperative Banks in Telangana State the average savings of all the DCCB linked SHGs decreased in the initial years. Similarly, the average savings of the exclusive women SHGs under the DCCBs decreased year by year in the first four years, in the later years, there is a little improvement but it is not going to neutralize the negative trend.

39. Bank Loans Disbursed to SHGs and Loans Outstanding Against SHGs – By Cooperative Banks in Telangana State reveals that the loans disbursed to all the SHGs increased by about seven times as they increased from Rs.7,052.99 lakhs in 2014-15 to Rs. 48,786.32 lakhs in 2020-21. The average loan per SHGs increased from Rs.2.97209 lakhs in 2014-15 to Rs. 4.11629 lakhs in 2020-21 recording a growth by 40 percent.

CHAPTER - V

40. It is examined from the personal profile of the SHGs' women members that about 38 percent of the respondents are in the age group of 35 to 45 years. Regarding their education it is found that about 46 percent of respondents are illiterates and 41 percent are of primary class. Further, it is analyzed that 20 percent belong to FC category and the rest are BC (50 percent), SC (13 percent), ST (14 percent) and minority (25 percent). The data reveal that about 94 percent of the borrowers are married and most of them (88 percent) are having joint family dispensation. Again it can be seen that about 98 percent are Hindus by religion and they (92 percent) disclose that their mother tongue is Telugu.

41. An attempt is made to examine the Economic Environment of Women Members of SHGs in terms of structure of houses and their ownership. About 8 percent of the beneficiaries live in pacca houses and 57 percent have semi-pacca houses. In addition to their residential houses 25 percent of them have business premises out of which 67 percent are of pacca construction. In terms of ownership 57 percent of beneficiaries are owners of residential houses and about 54 percent own the business premises.

42. An analysis made on Major sources of household income reveals that Out of 860 respondents about 33 percent have income ranging between Rs. 0.50 lakhs and Rs.1.00 lakhs from agriculture and about 26 percent have additional income from auxiliaries to agricultural operations. The annual average agriculture income works out to Rs.91,703 and from auxiliaries income is Rs. 27,287. Almost all the respondents seem to have engaged in MSME carrying on variety of business activities because of which they sought membership in SHGs. About 38 percent of the respondents report that they earn between Rs.40,000 to Rs. 50,000 per annum. The annual average income of the 860 beneficiaries works out to Rs.47,732 which may not help to expand their activities over a period.
43. An attempt is made to examine the pattern of utilization of income by SHGs' women members the data reveals that 75 percent of respondents have no habit of savings but about 7 percent women occasionally save their earnings and about 18 percent save regularly. About 34 percent of the respondents report that they join in Chit Funds to save their surplus funds and about 22 percent reveal that they buy the household movables.
44. Membership of women in SHGs the field investigation reveals that village officers (45 percent of the respondents) and group leaders (25 percent) motivate the needy to form self-help groups to avail the microfinance facility.
45. Results of training to women members of SHGs reveals that 71 percent of the women members reveal that they attended the training programs organized by the relevant authorities (DRDA or the MFIs) and about 689 members admit that the programs are useful to them. All these revelations of 610 trained members will certainly motivate and inspire the others who remained untrained.

46. The Problems in obtaining loans by the Members of SHGs and examined that out of 860 respondents 720 (84 percent) disclose that they have no information about the documents that are to be submitted for the sanction of microcredit. Following this problem, inadequate knowledge about the procedure for seeking the loans from MFIs is a severe problem of the borrowers. About 72 percent of the respondents feel that the MFIs do not come forward to give long term loans to the members of the SHGs.
47. Assessment of Women Empowerment-A study of Impact of MFIs give a list of 22 indicators showing the impact on women empowerment in order of their importance assessed by the number of responses for each index. Likhert scaling technique is employed to assess the impact of MFIs on women empowerment with five scales. They are determined by assigning values as Strongly Agree (2), Agree (1), Neutral (0), Disagree (-1) and Strongly Disagree (-2). This process reveals that the most important impact is the increased value of productive assets held by them for income generating activities. The next change that impacted women is the creation of employment opportunities for themselves and for others also. The respondents feel that they could possess valuable household assets that help them to improve their efficiency and quality of life (Rank – 3). On account of these three improvements, they could improve their income and savings (Rank- 4 and 5). Hence, it led to improve their credit worthiness in the field of business. On account of these economic improvements in their life, they are able to cultivate human relations, participation in decision making process, improved confidence to face problems and feel self esteem.

48. Barriers to SHG members' empowerment these barriers to empowerment are constructed on the basis of the responses received from 860 select women members of SHGs. All of them are ranked with the help of Likert scaling technique to show the intensity of the barriers. The most important impediment is the lack of knowledge about the latest socio-economic environment followed by the problem being woman and conflicts among the members of the group. The least important barrier is the proper use of capital and problem of supervision in that order. All these analysis clearly indicate that the women are facing the problems that arise on account of being women and conflicting behavior of members of the SHGs. As a matter of fact, illiteracy and high rate of interest are not considered as serious hurdles in the process of empowerment of women, non-reimbursement of interest by the government to the borrowers is not found as a serious barrier. As such there is a need to train the members as frequently as possible on the subject of business environment and put in efforts by the government on achieving group cohesion among the members.

SUGGESTIONS

While giving the epitome of the findings of the study, relevant suggestions are presented as a part of each observation. The said suggestions are meant to strengthen the existing conditions of the MFIs and the affiliated SHGs. In continuation to the above pursuit an attempt is made to present the following maiden recommendations with a view to break new ground for future growth of the microfinance system.

- The general survey of the employment status of women in India indicates that they are scant in number when compared with the men. Hence, there is a necessity for the MFIs to create facilities to improve their basic educational

qualifications and thereby their awareness and consciousness of their potentials and strength. Adult Education programs and frequent awareness meetings are to be arranged either by the MFIs or by the Government agencies like DWCRA and DRDA.

- It is necessary to strengthen the organization of awareness programs for the members of the SHGs to give knowledge about the changing business environment. It may help SHG members to develop or change the design of the produce to improve the marketability. They may also understand the changing policies of the government with regard to microfinance and also about the subsidies and concessions that are applicable to them.
- The MFIs can also think about the conduct of meetings to impart management skills including public relations aptitude programs to the SHG members so as to mitigate financial problems that arise in the management of SHG activities.
- The number of informal self-help groups in non-registered category is more than the formal and registered category SHGs. The number of informal and unregistered SHGs is mostly found in educational institutions and in government departments. They are popular among the middle income employees. Of course these informal SHGs have a turnover running into millions and helping the members to improve their paying power. It means that the prices of certain goods and services are going to be adversely affected. Therefore, it is necessary to develop a workable system of controlling the operations of the informal SHGs through the heads of the above referred institutions.
- There is a necessity to reduce the rate of interest on the microcredit so as to conform to the rules and regulations formulated by the supervisory authorities

like NABARD and DWACRA. It is also necessary to the MFIs to see that the reimbursement of interest from the government takes place in time.

- Government support to the SHG members is likely to be timely and adequate only when there is a coordinating body between the Village Officers, SHGs, financing banks, and the MFIs. The coordinating bodies should meet as frequently as possible to solve the problems that arise on account of delay in reimbursement of interest and also to avoid political interference in the process of sanctioning, disbursing, and recovery of loans.
- Loan pass books should be issued to each and every member of the SHGs by the MFI concerned. They must be updated at regular intervals after intimation to the members of the SHGs. The MFI should also prepare a consolidated record of Disbursements, Collections and Balance of loan of each member of the SHG and kept with the leader of the Group. The leader must be able to remind the members about the loan accounts and repayment dates so as to improve the working of the MFIs.
- The Government believes that the social welfare schemes are the precursors of the women empowerment. There are a number of welfare schemes floated by the Government through various rural and urban development agencies. For the implementation of the schemes grants are deployed by the Government. The schemes of Women Empowerment like extension of micro credit to the SHGs through MFIs at lower rate of interest. There is a need to oversee the implementation of the welfare schemes and also to see that the SHGs are utilizing the credit for the purposes for which they are sanctioned. Hence, there is an immediate need to introduce Social Audit system to ensure that the funds funneled are not diverted and miss-utilized.

- The number of the MFIs and the SHGs is fastly increasing year after year resulting into heavy financial transactions affecting the economy. Of course, it is not so easy to take an account of the informal SHGs working outside the ambit of the laws concerned. For the purpose of management of formal SHGs and their volume of their business it is necessary to frame rules and regulations with regard to compulsory reporting about the financial activities periodically. This suggestion would work well when an official body with the responsibility of collection of information is created by the Government concerned.
- It is a general conception that greater the robustness of agricultural operations larger would be the employment opportunities generated in the year. In such environment people in the country or in that specific location will get engaged in income generation activities. Thus there would a positive coefficient of correlation between the contribution of agriculture to the national economy leading to higher GDP. However, it is practically observed in the present study that there is a negative correlation between these two variables. The test of significance (PE) for the derived coefficient correlation is found to be highly insignificant. The negative coefficient of correlation could be on account of peoples' ignorance about the inter-dependence of agriculture and the growth of the economy. All this argument is meant to highlight that the people should be given counseling and guidance to undertake farm based economic activity viz., food processing activity. Hence, it is recommended that the DRDA or DWCRA or any other rural agency should organize counseling classes to the members of SHGs to create awareness about the potentials of farm based economic activity.
- The provision of microfinance services to the potential entrepreneurs is helping women to get stabilized financially but it is essential to sustain that spirit of

development. Hence, it is necessary to develop a consortium of all the financiers, development agencies like DWCRRA, higher educational institutions and social organizations to counsel and impart business skills on continuous basis to them. It is also essential to devise and develop training programs in marketing, storing, and investing for the purpose of helping the entrepreneurs in the creation of value addition. All possible measures should be taken by this consortium to develop creativity and innovative thinking among the members of the MFIs on continuous basis.

- The NABARD being the national financial institution for the development of rural areas, must strengthen its research agencies and regulatory system to control the interest regime by constant supervision. It is also necessary to suggest the NABARD to establish research agencies in every State to supervise over the activities of the MFIs and the affiliated SHGs.
- In view of the increasing inflation and cost of operations, the minimum limit of microcredit to the members of the MFIs should be scaled up to create a sense of security and financial comfort.
- The local (political) leaders are now-a-days mobilizing the members of the SHGs to follow them to attend the political meetings by greasing with paltry amounts. All such gimmicks have become normal affecting the financial discipline of the borrowers under the MFI system. It is strongly recommended to see that such practices are controlled, particularly with the members of the SHGs through appropriate rural development functionaries.

RESEARCH TOPICS YET TO BE EXPLORED

Though the present research endeavor is scientific and all pervasive, the researcher feels that there are many areas which require an investigation to be more useful to the people interested in MFI and SHGs. The following are a few topics of Microfinance which may be explored by future researchers.

1. An exclusive study of MFIs working in the frame work of Mutually Aided Cooperative Societies may be attempted since they are highly regulated and feel native to the area of well-defined jurisdiction. Further a comparative study between the MFIs registered as NBFCs and those registered as mutually aided cooperative societies.
2. Credit management aspects – mobilization of funds, deployment of credit, supervision, and recovery of loans including legal action of the MFIs is necessary for effective management of funds. It may have the objective of highlighting the problems faced by MFIs of different dispensation.
3. The deep rooted traditions and sentiments in the Indian society, to a large extent come in the way of willingness of women to get empowered. They being women in the age old culture of Indian society, they themselves sometimes feel withdrawn and marginalized. Lack of comprehension about the growing facilities of empowerment and about the ever changing business environment may also be a hindrance to seek self- assertiveness in their career. Therefore, a

large number of women, though physically and mentally capable of accepting socio-economic responsibilities fail to come forward on account of cultural impediments. Hence, there is a need to probe deeply into the unknown barriers that come in the way of empowerment of women. This being the subject remained undiscovered; the economists, business managers, administrators and psychologists should undertake a multi-disciplinary research activity.

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APPENDIX: A

IMPACT OF MICRO FINANCE INSTITUTIONS ON WOMEN EMPOWERMENT – A STUDY

Questionnaire to Executive Officers of Select MFIs

Dear Sir / Madam,

Myself, **Guduru Pavani**, Research Scholar, Faculty of Commerce and Management, Kakatiya University, Warangal, doing research under the guidance of **Prof.K.Sayulu**, on the topic “**Impact of Micro Finance Institutions on Women Empowerment- A study**”. Kindly share your experiences in the management of Microfinance by your organization. The information provided by you will be used only for research (Ph.D) purpose. Please spare a few minutes from your valuable schedule and share your true feelings. Confidentiality of the information provided by you is assured.

Personal Profile		
01	Present Designation in Your MFI	
02	Experience in the present position	
03	Academic Qualification (Tick the relevant- TR)	a) Under graduation. () b) Graduation. () c) Post Graduation () d) Diploma ()
04	Age (TR)	30 to 35 years () 35 to 40 years () 40 to 45 years () 45 to 50 years 50 to 55 years 55 to 60 years
Problems in the dispensation of credit		
01	What are the documents you require to be produced for considering the application for the grant of micro credit?	1. 2. 3 4. 5.
02	State the problems in receiving the application for micro credit.	

03	State the problems in processing of the application for micro finance.	
04	How much time you take to sanction the required credit (TR).	Less than 1 week () 01 to 02 weeks () 02 to 03 weeks 03 ()
05	Do you insist the presence of all the members of the group (TR)?	Yes () No ()
06	What is the minimum number of members of the borrowing group is required?	
07	State the minimum amount of loan you advance.	Rs.
Recovery of Loans		
01	Do you have Loan Recovery staff exclusively for collection (TR)?	Yes () No ()
02	Please state the number of Collection staff as at now.	Give the number:
03	Is the cost of staff break even (TR)?	Yes () No ()
04	If 'No' state the reasons:	
05	Briefly state the strategy being implemented for the recovery.	
06	Do you have the system of Loan Pass Book(TR)?	Yes () No ()
07	Are there any arbitration cases pending? (TR)	Yes () No ()
08	If 'Yes' state the number of cases.	For recovery of loans: () Against the employees () Against the MFI: ()
09	State the amount involved in each type of arbitration (Approximately).	Recovery of Loans: Rs. Against the Employees: Rs. Against the MFI: Rs.
Borrowings		
01	State the sources of borrowings.	1. 2. 3. 4.
02	What is the purpose of borrowing funds from outside	1. Lending. ()

	agencies? TR	2. Other Business purposes. (). 3. Construction of Office buildings. ()
03	What are the different types of Savings Deposit schemes you offer to the members?	1. 2. 3. 4.
04	State the different types of Insurance Schemes offered by th MFI.	2. 3. 4. 5.
05	Are there any defaults in payment of borrowings? (TR).	Yes () No ()
06	If 'Yes' what are the reasons for such defaults?	
07	State the types of Reserves created.	1. 2. 3. 4.
08	State the problems relating to the management of MFI.	

APPENDIX - B
IMPACT OF MICRO FINANCE INSTITUTIONS
ON WOMEM EMPOWERMENT –A STUDY

*(Registered Topic for Ph. D. in the Department of
Commerce and Business Management, Kakatiya University, Warangal)*

Name of the Scholar: Pavani Guduru)

(Questionnaire to the Members of the MFI/SHO)

This study is designed to investigate the Impact of Micro Finance Institutions on Women Empowerment. Hence, this questionnaire is meant to collect the information about socio-economic conditions of women before and after becoming member in the MFI/SHO. The findings of the inquiry will be used only to report in the form of dissertation in partial fulfillment of the requirements for the award of doctoral degree. The information you are providing are exclusively used for research and academic purpose only and not going to be revealed to any others. It will therefore be treated as confidential.

Thank you.

PART: A
Profile of the Respondent

1. Name: (Optional).....
2. Name of the SHO/MFI in which you are member: _____
3. Age (in years):
4. State the Highest Educational Qualification:
5. Occupation: (Tick the relevant)

Industrial labour	Agricultural labour
Self employed	Farmer
Salaried employee	Others
6. Marital Status (Tick the relevant):

Single Divorced	Married Widow
-----------------	---------------
7. Number of children (Tick the relevant):

One	Two	Three	More than three
-----	-----	-------	-----------------
8. No of dependents(Tick the relevant):

None	1-2	3-4	More than three
------	-----	-----	-----------------
9. Type of the Family (Tick the relevant):

11. State the purpose of the loan (Tick the relevant).

Agriculture

Emergencies

House construction

Old debt repayment

Marriage of son/ daughter

Diary farming

Business Festival

12. Have you repaid your loan? (Tick the relevant)

Yes

No

13. If 'No' state the reason(s) for non-payment or default (tick the relevant)

Drought condition

Ill Health

Heavy family expenditure

Spent on children's education

Social functions

Others (specify)

14. Are you associated with any of the institution given below (Tick the relevant).

MFI/NBFC SHG

Banks JLG

Co-operatives

Governmental Schemes

Regional Rural Banks Othears

15. Are you aware of services offered by MFI? (Tick the relevant).

Micro Savings Auto loans

Training /technical knowhow Medical loan

Micro Leasing Life insurance

Money transfer Health insurance

Microcredit Crop insurance

Agricultural loan Cattle insurance

Consumption loan

Loan to take up small Machinery/Equipments Education loan

Economic activities (business)

Any other (specify)

16. What is the source of information and awareness of such services? (Tick the relevant)

Advertisement in TV/radio/newspaper

Posters/Banners/Hoardings

MFI Employees

13. State your opinion about the loan facility availed from MFI/SHG/JLG.(Tick the relevant)

Note: - HS – Highly Satisfied, **S** - Satisfied, **N** – Neutral, **D** – Dissatisfied, **HD** – Highly Dissatisfied.

S.No	Factors	HS	S	N	D	HD
1	Loan amount.					
2	Loan duration.					
3	Rate of interest on Loan.					
4	Repayment of instalments					
5	Terms and conditions.					
6	Behavior of the loan provider.					
7	File charges.					
8	Business Hours.					
9	Demand for collaterals.					
10	Requirement of guarantee.					
11	Compulsory savings requirement.					
12	Rate of interest on savings.					
13	Loan utilization and verification					
14	Transportation cost to visit office.					
15	Time taken to get the loan sanctioned.					
16	Recognition and respect from the provider.					
17	Customization of loan.					
18	Consequences of non-repayment.					
19	Convenience of procedure.					
20	Grievance handling mechanism.					
21	Affordability of financing.					

SECTION - C

Role of MFI in empowering women (Psychologically sociologically & economically)

1. Psychological impact on the member

Note: - HS – Highly Satisfied, **S** - Satisfied, **I** -Indifference, **D** – Dissatisfied, **HD** – Highly Dissatisfied.

PSYCHOLOGICAL FACTORS	HS	S	I	D	HD
Opinion working of the MFI					
Degree of empowerment through MFI					
Self confidence					
Feel self-reliance					
Feel positive towards life					
Sense of financial security					
Problem solving capacity					
Freedom of expression					

2. State the behavioral change

a. What will be your reaction in the suggested situation?

(Choose your answer by specifying the number from the list of alternatives given)

Note: - **RP**- Remain passive, **R**- Resist, **L**- Lodge the complaint, **W**- Warm **CS**- Can't Say

BEHAVIORAL FACTORS	RP	R	L	W	CS
Verbal Abuse.					
Physical violence/ Beating.					
Negligence.					
Psychological & emotional abuse.					

3. State the sociological Impact. (put a tick in the relevant column)

Note :- **SA**- Strongly agree, **A**- Agree, **N**-,Neutral **D**- Disagree, **SD**- Strongly Disagree

SOCIOLOGICAL FACTORS	SA	A	N	D	SD
Do you have participation in family decision-making?					
Do you take decisions regarding children education?					
Do you take decision regarding child marriage?					
Do you participate in social functions?					

4. State the economic impact (put a tick mark)

FACTORS	A	F	O	R	N
Control over the earnings.					
Rights in family earning.					
Investment decision.					
Lending decision					
Family budget					

Note :- **A**- Always, **F**- Frequently, **O**- Occasionally, **R**- Rarely, **N**-Never

SECTION - D

Study of Impact of Micro Finance

1. Change in consumption pattern (Tick the relevant):

	Before Membership		After Membership	
	Yes	No	Yes	No
Milk	Yes	No	Yes	No
Fruits	Yes	No	Yes	No
Eggs	Yes	No	Yes	No
NonVeg	Yes	No	Yes	No
Rice	Yes	No	Yes	No

2. Structural Condition of House:

	Before Membership		After Membership	
	Yes	No	Yes	No
Kuccha House				
Pakka House				

3. Ownership Status of House: (Tick the relevant)

	Before Membership	After Membership
Owned		
Rented		
Given by Govt		

4. Use of fuel for cooking: (Tick the relevant)

	Before Membership	After Membership
Electricity		
LPG		
Biogas		
Kerosene		
Wood		

5. Access to various given facilities

		Before Membership	After Membership
Sanitation	Facility within the house		
	Facility within the area		
Water supply for drinking	Facility within the house		
	Facility within the area		
Medical facilities	Government hospital		
	Private hospital		
Water supply for household chores	Facility within the house		
	Facility within the area		

6. Ownership of Household Assets: (tick the relevant)

	Before Membership	After Membership
Gas Stove		
Fan		
Refrigerator		
Television		
Mobile		
Cable		
Bed and mattress		

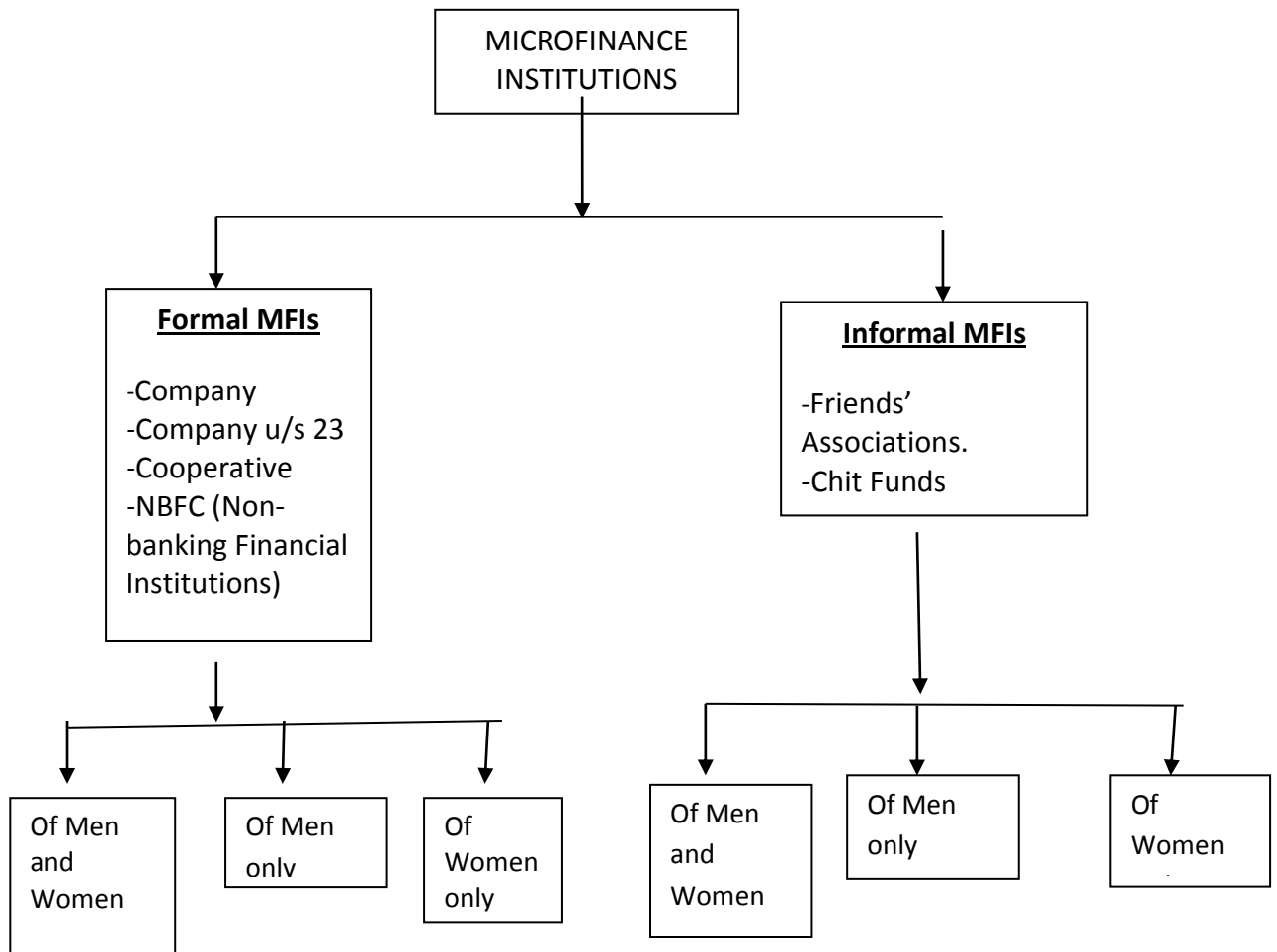
7. Give your opinion about the outcomes of SHGs. (Tick the relevant)

Perception of Beneficiary	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1.Increased income.					
2.Increased savings.					
3.Increased value of Household assets.					
4.Increases value of Productive assets.					
5. Increased employment opportunities.					
6.Increased decision making power.					
7.Increased confidence to face problems.					
8.Increased awareness about the rights of women.					
9. Increased knowledge about banking operations.					
10. Improved social status					
11. Improved level of education (children education)					
12. Increased awareness about health and nutrition.					
13. Improved employability skills.					
14. Improved participation in community activities.					
15. Improved sources of Credit.					
16. Improved economic conditions of Women.					
17.Improved health condition.					

8. Give your opinion about the limitations of the existing micro finance system

9. Give suggestions for the improvement of the MFI operations.

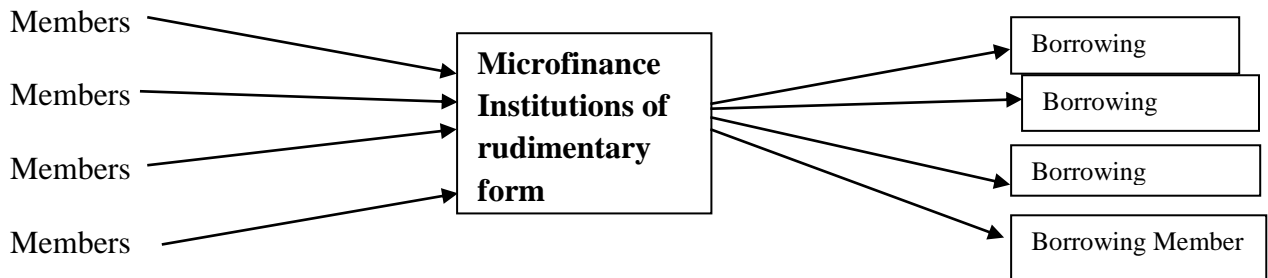
ANNEXURE CHART: 1. A
LEGAL CLASSIFICATION OF MICROFINANCE INSTITUTIONS



ANNEXURE CHART: 1. B

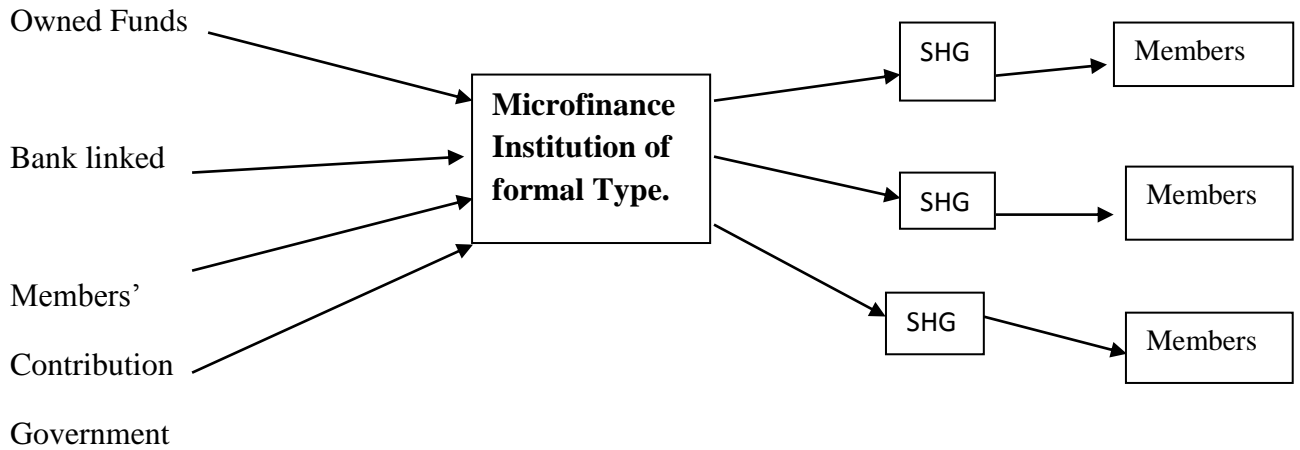
RELATIONSHIP BETWEEN MFIs and SHGs

Model: I
Voluntary Association like
Teachers' Financial Club/association.



Model: II

Legal Forms of MFIs



ANNEXURE TABLE: 2A

Clients Outreach (in Lakhs) and Loan Portfolio outstanding (Rs in crores) over the year

Year	Clients Outreach in Lakhs	Percentage increase/decrease over the previous year	Loan portfolio outstanding (Rs in Crores)	Percentage increase/decrease over the previous year
2001	3	-	64.5	-
2002	3	-	183.5	184.50
2003	9	200.00	283.4	54.50
2004	33	266.66	433.9	53.10
2005	35	6.06	468.00	7.85
2006	40	14.28	2070.00	342.30
2007	100	150.00	3456.00	66.95
2008	141	41.00	5954.0	72.28
2009	226	60.28	11734	97.07
2010	267	18.14	18343.9	56.33
2011	317	19.10	24332	32.64
2012	275	(15.72)	24607	1.13
2013	275	-	25699	4.44
2014	330	20.00	33517	30.42
2015	371	12.4	48882	45.84
2016	309	(16.71)	52421	7.24
2017	412	33.33	54347	3.68
2018	470	14.08	59667	9.99
2019	459	(2.34)	61472	3.03
2020	461	0.44	76921	25.13

Source: Bharath Microfinance report 2012 and 2021 Sadhan

ANNEXURE TABLE: 2. B

Number of MFIs across the State

Name of the State	No. of MFIs	Percentage to Total
Andhra Pradesh	10	3.73
Assam	18	6.72
Bihar	11	4.10
Delhi	7	2.61
Gujarat	7	2.61
Haryana	1	0.37
Jharkhand	8	2.99
Karnataka	18	6.72
Kerala	13	4.85
Madhya pradesh	10	3.73
Maharashtra	13	4.85
Manipur	8	2.99
Odisha	29	10.82
Punjab	1	0.37
Rajasthan	9	3.36
Tamil Nadu	33	12.31
Telangana	11	4.10
Uttar Pradesh	14	5.22
Uttrakhand	2	0.75
West Bengal	45	16.79
TOTAL	268	100

Source: Sa-Dhan, Directory of Microfinance Institutions (MFIs) in India, Version:1 Copyright reserved Sa-Dhan 2014

ANNEXURE TABLE: 2. C

Number of MFIs Across Legal Form

Legal Form	No. Of MFIs	Percentage to Total
Society	111	41.42
Trust	21	7.84
Section 25 of Companies Act 1956	26	9.70
Cooperatives	18	6.72
Local Area Bank	01	0.37
NBFC	91	33.96
TOTAL	2.68	100

Source: Sa-Dhan, Directory of Microfinance Institutions (MFIs) in India, Version:7 pg: 7, Copyright reserved Sa-Dhan 2014

ANNEXURE TABLE: 3.A

Decadal Growth of Population in Telangana State –Gender wise Analysis

Year	Male No. in lakhs	Female No. in lakhs	Total No. in lakhs	Sex Ratio	Density No.	Growth of population
1901	30.65 (51.37)	29.04 (48.63)	59.72 (100.00)	947	52	-
1911	31.13 (51.10)	35.53 (48.90)	72.66 (100.00)	957	63	21.66
1921	35.61 (50.94)	34.30 (49.06)	69.91 (100.00)	963	61	-3.78
1931	41.50 (51.08)	39.74 (48.92)	81.24 (100.00)	958	71	16.21
1941	47.69 (51.03)	45.77 (48.97)	93.46 (100.00)	960	81	15.04
1951	55.03 (50.50)	53.95 (49.50)	108.98 (100.00)	980	95	16.67
1961	64.26 (50.55)	62.87 (49.45)	127.13 (100.00)	976	111	16.65
1971	80.35 (50.80)	77.82 (49.20)	158.17 (100.00)	969	138	24.42
1981	102.40 (50.74)	99.42 (49.26)	201.89 (100.00)	971	176	27.60
1991	132.66 (50.85)	128.23 (49.15)	260.89 (100.00)	967	227	29.27
2001	157.59 (50.73)	152.68 (49.27)	309.87 (100.00)	971	270	18.77
2011	176.11 (50.31)	173.92 (49.69)	350.03 (100.00)	988	312	12.96

Source: Registrar General & Census Commission of India, Government of Telangana, Director of Economics & Statistics, Statistical Year Book 2017 pg. 15

Note: Figures in brackets indicate the percentage share to total

ANNEXURE TABLE: 3.B

Section wise contribution to GSDP-A Trend Analysis on constant price

Year	Primary Sector	Secondary Sector	Tertiary Sector
2011-12	19.5	27.6	52.8
2012-13	20.6	23.7	55.71
2013-14	19.9	22.6	57.5
2014-15	17.19	20.4	61.7
2015-16	15.5	22.4	62.1
2016-17	15.8	20.7	63.6
2017-18	16.1	21.2	62.7
2018-19	16.3	21.9	61.8
2019-20	18.3	20.2	61.5
2020-21	20.6	19.9	59.5

Source: Government of Telangana, (TSDPS), Planning Department 2021 pg. 69-73

ANNEXURE TABLE 3C

Women Welfare Schemes in Telangana

SL NO.	Name of the Women Welfare Scheme	Objectives	Remarks
1	Pradhan mantri grameen awaas yojana	Central Government announced this scheme for the construction of houses to the rural poor people.	Beneficiaries are the Rural poor
2	Pradhan Mantri Kaushal Vikas Yojana (PMKVY)	It is the flagship scheme of the ministry of skill development and entrepreneurship (MSDE). The objective of this skill certification scheme is to enable a large number of Indian Youth to take up industry relevant skill training that will help them in securing a better livelihood.	Beneficiaries are the Employable youth
3	Housing for the poor (Double Bed Room)	The objective is to provide quality and respectable housing to the poor.	
4	Asara Pensions	It is meant to protect the most vulnerable section of society in particular the old and infirm people with HIV-AIDS, widows, incapacitated weavers and toddy tappers, who have lost their means of livelihood with growing age in order to support their day to day minimum needs required to lead a life of dignity and social security.	
5	Arogya Laxmi	Under this scheme one nutritious meal every day to pregnant and lactating woman and children below the age of six through Anganwadi centres	
6	Haritha Haram	It envisages increasing the green cover of the state from the present 25.16 to 33% of the total geographical area.	
7	KCR Kit	The pregnant woman can utilize this scheme for the Minimum of two deliveries. Woman who gives birth at a government hospital can avail the benefits.	About 11 lakh of families have benefited so far through KCR kits. KTR IND TODAY, March 8, 2022
8	Kalyana Laxmi / Shaadi Mubarak	Kalyana Laxmi extends financial help to celebrate the marriage of girls economically weak families. This scheme was launched on 2nd October 2014. shaadi Mubarak scheme especially covers the Muslim girls in the state.	an amount of Rs.1,00,116 is proposed to be given to the family celebrating

			the marriages.
9	She Teams	Commenced on 24th October 2014. It is meant to create safe and secure environment for women. The aim of these teams is to curb eve-teasing and harassment of women in public places.	Initially set up in Hyderabad and is expanded to all the districts.
10	Pension Scheme for single women.	An amount of ₹1000 will be provided per month whose annual income is below Rs. 2.00 lakhs and belong to BPL families.	

Source: Telangana Portal on Schemes of women welfare in Telangana State.

ANNEXURE TABLE: 3.D

MICROFINANCE INSTITUTIONS IN TELANGANA STATE

As at the end of March, 2020

Name of the MFIs (1)	Legal Status (2)	Year of Establishment (3)	No. of States Covered (4)	No. of Branches (5)	Nature of Business (6)	Client outreach (Rs. In lakhs) (7)	Gross Loan Portfolio (Rs. In Crs) and the reference Year (8)
SKS Microfinance Ltd.	NBFC	2003	19	1381	Micro Credit, Housing & Energy, Insurance.	86.36	1821.56
Spandana Sphoorty Financial Ltd.,	NBFC	2003	14	3901	Micro Credit and Micro Insurance.	28.14	2701.12
Share Microfin Ltd.,	NBFC	1999	21	891	Micro Credit, Health & Sanitation, Education, Capacity Building and Training.	36.20	4855.95
Asmitha Microfin Ltd.	NBFC	2002	18	455	Micro Credit, Livelihood Promotion, Housing & Energy, Health & Sanitation, Education, Capacity Building & Training.	9.26	9742.21
Bhartiya Samruddhi Finance Ltd., (Basix)	NBFC	1996	21	702	Micro Credit, Livelihood Promotion, Housing & Energy, Health & Sanitation, Education, Capacity Building & Training	5.21	854.77
Swaws Credit Corporation India Pvt. Ltd.,	NBFC	1999	09	109	Micro Credit	1.92	110.04
Awaere Macs	Coop	2008	02	05	Micro Credit,	2.04	87.57

Ltd.,	.				Livelihood, Thrift & Micro Saving, Promotion, Housing & Energy, Health & Sanitation, Education, Capacity Building & Training		
Trident Microfin Pvt. Ltd.,	NBF C	2007	07	43	Micro Credit, Education	0.92	10.84
Development Organization for Village Environment (DOVE)	Coop	1993	02	08	Micro Credit, Micro Insurance.	0.16	10.61
Indur Intideepam Macs Federation Ltd.,	Coop	2002	01	18	Micro Credit, Thrift & Microsaving, Micro Insurance, Micro Pension.	0.18	19.15
Pragathi Seva Samithi Macs Federation.	Coop	2006	01	42	Micro Credit, Thrift & Microsaving, Micro Insurance, Education, Health & Sanitation.	0.82	29.04
Fedbank Financial Services Ltd.	NBF C	2010	05	450	Gold Loans, Home Loan, Loans against Property (LAP) and Business Loans	NA	NA
Adarsha Mahila PodupuSangham.	Coop	1993	-	-	Promotion of thrift, Credit dispensation linked with savings and providing economic security.		

Source: Sa-Dhan Directory of Microfinance Institutions (MFIs) in India, 2021, pp.225-235

ANNEXURE TABLE: 3.E

SAMPLING DETAILS OF SHG WOMEN MEMBERS (WARANGAL – Rural)

Names of the Select MFIs (1)	Size of the Universe		Size of the Sample % of Sample Units	
	No. of SHGs (2)	No, of women borrowers in Warangal (R) (3)	(4)	(5)
SKS – Bharath Financial Inclusion Ltd	518	2,115	212	10.02
Bharatiya Samruddhi Finance Ltd., (BASIX)	21,071	1,520	152	10.00
Trident Microfin Private Ltd.	10,289	4,105	411	10.01
Aadarsha Mahila Mutual Help Coop. Society Ltd., Moqdumpuram (AMACS)	85	853	85	09.96
TOTAL	31,963	8,593	860	10.01

Source: Table: 1.1, Chapter: I

ANNEXURE TABLE: 4.A

Financial Services Availed by SHGs in Telangana State

SL NO	District	2015-16		2020-21	
		No.of SHGs provided with Bank credits	Amount of Loan prizes	No.of SHGs provided with Bank credits	Amount of loan (Rs in crores)
1.	Adilabad	3,173	51.79	6,344(+)	208.67(+)
2.	Kumuram Bheem	2,271	33.53	5,077(+)	163.58(+)
3.	Mancherial	5,506	117.97	9,216(+)	314.73(+)
4.	Nirmal	4,482	79.87	8,541(+)	332.06(+)
5.	Nizamabad	18,057	325.58	28,322(+)	949.32(+)
6.	Jagtial	8,884	165.83	13,222(+)	516.38(+)
7.	Peddapalli	9,454	156.06	11,260(+)	428.80(+)
8.	Jayashankar	7,792	149.91	3,5,218(-)	201.34(+)
9.	Bhadradri Kothagudem	11,288	208.81	12,963(+)	538.17(+)
10.	Mahabubabad	9,855	173.11	10,916(+)	388.13(+)
11.	Warangal(R)	7,640	182.22	11,365(+)	422.43(+)
12.	Warangal(U)	2,502	53.50	7,923(+)	323.28(+)
13.	Karimnagar	8,925	119.46	11,893(+)	573.34(+)
14.	Rajanna Sirsilla	4,863	119.29	9,181(+)	370.21(+)
15.	Kamareddy	14,119	223.06	19,352(+)	771.07(+)
16.	Sangareddy	9,538	272.97	14,737(+)	645.11(+)
17.	Medak	7,093	166.27	11,786(+)	438.53(+)
18.	Siddipet	10,680	262.90	18,005(+)	689.88(+)
19.	Jangoan	6,261	157.88	10,516(+)	333.84(+)
20.	Yadadri Bhuvanagiri	7,254	203.08	12,418(-)	429.85(+)
21.	Medchal Mal	5,068	88.71	3,534(-)	119.67(+)
22.	Hyderabad	0	0	0	0
23.	Ranga Reddy	13,035	296.92	15,794(+)	655.76(+)
24.	Vikarabad	9,573	137.69	13,303(+)	406.14(+)
25.	Mahabubnagar	7,579	134.28	7,521(-)	288.25(-)
26.	Jogulamba Gadwal	2,320	55.71	3,637(+)	160.56(+)
27.	Wanaparthy	4,682	98.55	6,007(+)	244.01(+)
28.	Nagarkurnool	4171	105.51	8415(+)	347.04(+)
29.	Nalgonda	13168	321.28	24631(+)	948.4(+)
30.	Suryapet	10779	236.18	13252(+)	55.16(+)
31.	Khammam	19240	43783	23913(+)	891.38(+)
32.	Narayanpet	-	-	5722	218.34
33.	Mulug	-	-	4962	200.36
	Total	249252	5135.75	368936	14048.80

Source: Government of Telangana, Telangana State Development Planning Society (TSDPS), Planning Department, Telangana State Statistical Year Book; 2017 and 2021 pg.27

ANNEXURE TABLE 4.B

SHGs in Telangana Linked Banks for the Financial Services(2020-21)

Public Sector Commercial Banks	Private Sector Commercial Banks	Regional Rural Banks	Co-operative Banks
Bank Of Baroda	Axis Bank Limited	Andhra Pradesh Grameena Vikas Bank	The Adilabad District Co Operative Central Bank Ltd.
Bank Of India	Federal Bank of India Ltd	Telangana Grameena Bank	The District Co-Operative Central Bank Ltd., Khammam
Bank Of Maharashtra	Hdfc Bank Ltd.		The District Co-Operative Central Bank Ltd., Medak
Canara Bank	Icici Bank Limited		The District Co-Operative Central Bank Ltd., Warangal
Central Bank Of India	Idbi Bank Limited		The Hyderabad District CoOperative Central Bank Ltd.
Indian Bank	Indusind Bank Ltd		The Karimnagar District CoOperative Central Bank Ltd
Indian Overseas Bank	Karnataka Bank Ltd		The Mahbubnagar District CoOperative Central Bank Ltd
Punjab National Bank	Kotak Mahindra Bank Ltd.		The Nalgonda District CoOperative Central Bank Ltd.
State Bank Of India	South Indian Bank Ltd		The Nizamabad District CoOperative Central Bank Lt
Uco Bank	Yes Bank Ltd.		The Telangana State CoOperative Bank Ltd.
Union Bank Of India			
Total No. Of Banks:11	Total No. Of Banks: 10	Total No. Of Banks: 2	Total No. Of Banks: 10

Source: NABARD, Status of Microfinance in India, Statements: A(i), A(ii), B, C 2020-21

ANNEXURE TABLE: 4.C
Savings of SHGs with Public Sector Commercial Banks
in Telangana State

(Rs. In lakhs)

Year	SHGs' Savings linked with Banks			Out of Total SHGs.Exclusive Women SHGs		
	No. of SHGs	No. of Members	Amount of Savings (Rs.)	No. of SHGs	No. of Members	Amount of Savings (Rs.)
2014-15	319127	2662141	71894.71 (0.22528)	296318	2294959	66003.88 (0.22275)
2015-16	332838	3905474	122926.69 (0.36932)	315365	3655460	118013.30 (0.37421)
2016-17	350729	3948946	122289.45 (0.34867)	337135	NA	113981.68 (0.33809)
2017-18	226526	2886009	93531.10 (0.41289)	211537	NA	87566.00 (0.41395)
2018-19	276583	3527546	101666.68 (0.36758)	254835	NA	93527.36 (0.36701)
2019-20	2,59,428	32,94,200	1,08,404.87 (0.41786)	2,37,794	-NA	99,841.90 (0.41987)
2020-21	3,88,872	49,07,719	1,36,065.21 (0.34990)	3,56,990	44,55,468	1,21,172.52 (0.33494)

Source: NABARD, Status of Microfinance in India, Statement III – A (i)

Note : Figures in brackets indicate average savings per SHG

ANNEXURE TABLE: 4.D

Savings of SHGs with Private Sector Commercial Banks

in Telangana State

(Rs. In lakhs)

Year (1)	SHGs' Savings linked with Banks			Out of Total SHGs.Exclusive Women SHGs		
	No. of SHGs (2)	No. of Members (3)	Amount of Savings (Rs.) (4)	No. of SHGs (5)	No. of Members (6)	Amount of Savings (Rs.) (7)
2014-15	12	22	16.88 (1.40667)	NA	NA	NA
2015-16	4738	71060	38.0 (8.0203)	4738	71060	3.80 (0.00080)
2016-17	4839	71643	137.89 (0.02849)	4831	NA	127.20 (0.02633)
2017-18	5288	78825	332.29 (0.06283)	5282	NA	324.07 (0.06135)
2018-19	2524	37472	1137.35 (0.45061)	2514	NA	1126.40 (0.44805)
2019-20	4,309	42,114	9,583.24 (2.22401)	4,280		9,539.91 (2.22895)
2020-21	6,019	60,985	17,602.20 (2.92444)	6,007	60,866	17,587.79 (2.92788)

Source: NABARD, Status of Microfinance in India, Statement III – A (ii)

Note : 1. Figures in brackets indicate average savings per SHG

2. NA stands for Not Available

ANNEXURE TABLE: 4.E

Savings of SHGs with District Cooperative Central Banks

in Telangana State

(Rs. In lakhs)

Year (1)	SHGs' Savings linked with Banks			Out of Total SHGs.Exclusive Women SHGs		
	No. of SHGs (2)	No. of Members (3)	Amount of Savings (Rs.) (4)	No. of SHGs (5)	No. of Members (6)	Amount of Savings (Rs.) (7)
2014-15	10138	106695	6116.53 (0.60333)	10138	106695	6116.53 (0.60333)
2015-16	10201	102946	4565.14 (0.44752)	10125	102139	4557.95 (0.45017)
2016-17	7273	72817	1214.29 (0.16696)	7248	NA	1209.64 (0.16689)
2017-18	10454	107869	1431.89 (0.13697)	10430	NA	1425.25 (0.13665)
2018-19	10640	116075	2116.47 (0.19892)	10606	NA	2109.03 (0.19885)
2019-20	11,647	1,20,285	3,460.97 (0.29715)	11,564	NA	3,446.22 (0.29801)
2020-21	10,938	1,12,529	3,602.23 (0.32933)s	10,832	1,11,738	3,583.99 (0.33087)

Source: NABARD, Status of Microfinance in India, (2014-15 to 2020-21)

Note: Figures in brackets indicate average savings per SHG.

