

A STUDY ON SHG-BANK LINKAGE, DEFAULTING AND COMPETITION AMONG THE MICROFINANCE INSTITUTIONS AND ITS IMPLICATIONS



APMAS

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BACKGROUND OF THE STUDY

- A.P. is in the forefront of SHG Movement in India
- Massive implementation of SHG - Bank Linkage through a target-oriented approach
- Growing tendency of SHGs in defaulting to banks.
- Changing roles and or priorities of NGOs in SHG Bank linkage – NGOs transforming into MFIs.
- Attitude of Bankers and SHGs towards linkage banking
- Feedback from various Workshops on SHG-BL



RESEARCH QUESTIONS

- What is the quality of SHGs linked to Andhra Bank
- What is the loan appraisal methodology?
- What is the relationship between loan size, utilization, multiple loans/multiple doses, livelihoods and loan repayment?
- What is the rate of default? And reasons for it?
- What is the percentage of Poorest of the Poor in SHGs?
- To what extent banks are catering to the financial needs of SHGs?



RESEARCH QUESTIONS...

- What is the role of mediators in SHG - bank linkage
- What is the scope, nature, and size of payments and services?
- What is the perceptual gap between banks and SHGs on SHG - Bank linkage?
- To what extent other micro finance institutions (MFIs) influence SHG- Bank linkage?
- What is the impact of SHG-Bank linkage on the lives of the people?



OBJECTIVES

- To understand the quality of SHGs after bank-linkage;
- To understand the coverage of SHG Bank linkage in a branch;
- To understand the rate of default and the percentage of over dues;
- To identify various needs of the groups and the strategies for meeting the needs;
- To understand the impact of MFI lending on SHG – Bank linkage; and
- To understand the impact of SHG-Bank Linkage on the socio-economic status of the group members



DATA COLLECTION

NATURE OF DATA	Qualitative /Quantitative Primary /Secondary
SOURCES of DATA	Banks, SHGs, DRDA/Velugu and NGOs
DATA COLLECTION TOOLS	Interview Schedules for SHGs, Banks and NGO MFIs Interviews with Branch Managers/Field Officers Observation and case Studies
PERIOD OF STUDY	Nov 2003 - Feb 2004
RESEARCH TEAM	3 member team



SAMPLING

Universe

SHGs linked to Andhra Bank in AP

Regions

All the 3 Regions in AP-Coastal , Rayalaseema and Telangana

Districts

(3-one from each region)

Selected purposively based on the advise of AB

3 Districts- Guntur, Ananthapur and Karimnagar

No. of Linkages and Defaults in the branch

District in which AB is Lead Bank

District in which Andhra Bank is not a Lead Bank

Excluded the districts from the sample where APMAS has conducted a study on SHG Bank Linkage in A.P. in the past



SAMPLING...

Branches
(3 X 5=15)

Purposive selection

No. of linkages, no. of defaulting SHGs,
amount of overdue

MFIs located in that area-NGOs, MACS

Regions within the districts

SHGs
(15 x 7 =105)

Stratified and Purposive sampling

No. of default SHGs, Age of Defaulting and
the amount of overdue

No. of groups linked to other MFIs

Maximum of 3 SHGs from Gram Panchayat
to cover more no. of GPs in a Branch

Included the habitations of high default &
OD on the advise of Bank Manager



STUDY COVERAGE

Sampling area	Districts			Total
	ATP	GNT	KRN	
Mandals	9	5	5	19
Panchayats	17	17	22	56
Habitations	24	25	23	72
SHGs	35	35	35	105
Branches	5	5	5	15
Branch Managers	5	5	5	15
Mandal Coordinators	10	10	10	30
DRDA/Velugu PD/APD	1	1	1	3
Zonal Manager/LDM	1	1	1	3



DISTRICTS PROFILE*

Particulars	Districts		
	Ant	Gun	Kar
Area in Sq. km.	19,130	11,391	11,823
Mandals	63	57	56
Revenue Divisions	3	5	
Population in '000	3,639.30	4,405.52	3,477.07
Female in '000	1,779.80	2,185.21	1,738.83
Female literacy	43.87	54.17	44.19
Bank Branches per 1,00,000 persons	6.44	7.82	5.83
Per Capita bank credit	1,188	2,134	819
P.C. Bank Ag. credit	473	486	319
No. of SHG	22,256	19,205	21,602
No. of SHGs linked	6,984	7,981	14,480

* Source: www.aponline.org



SHG-BANK LINKAGE

Details	ATP	GNT	KRN
No. of branches of Andhra Bank	21	37	21
No. SHG SB Accounts	1823		2611
Total no. of linkages	942	2362	1532
Amount disbursed in lakhs	237		279
No. of SHG defaulted (%)	75 (7%)	469 (20%)	315 (21%)
Total amount of overdue in lakhs	(2.46%) 6	25	(5.03%) 14



SHG-BANK LINKAGE SCENARIO

S. No	Name of the Branch	No. of SHG Accounts	% of SHGs Not linked	Cum. Linkages	Active Linkages	% of Rep Linkages	Amt. of Loan-'000	No. of Def. SHGs	% of OD Amount
A-1	Gooty	110	23	128	81	43	2776	28(35%)	25
A-2	Talupula	100	72	39	24	46	558	21(88%)	24
A-3	Tadipatri	102	11	98	86	8	2991	34(40)	4
A-4	Vepulaparthi	121	60	78	41	71	2165	7(17%)	0
A-5	Kalyandurg	78	35	56	42	12	1304	36(86%)	(?) 90
G-1	Kolluru	160	47	149	81	70	1790	10(12%)	5
G-2	Kuchinipudi	157	39	146	75	68	2900	40(53%)	9
G-3	Phirangipura	250	11	332	223	35	4638	72(32%)	3
G-4	Tumrukota	156	44	156	81	57	3446	32(40%)	8
G-5	Vinukonda	310	57	180	132	35	5070	42(32%)	6
K-1	Dharmaram	249	17	341	180	61	4448	47(26%)	3
K-2	Julapally	160	61	251	59	71	15369	16(27%)	0
K-3	Jammikunta	157	22	249	120	60	3450	56(47%)	37
K-4	Metpally	254	29	322	173	62	3147	51(29%)	10
K-5	Rudrangi	189	16	235	144	39	2720	45(31%)	31
15	Total	2553	35	2760	1542	48	56772	537(35%)	10



DISTRICT-WISE SHG-BANK LINKAGE SCENARIO

SHG-Bank Linkage Details	ANT	GNT	KRN	Total
No. of SHG Accounts in the Branch	511	1033	1009	2553
No. of SHG Linkages in the Branch	304	622	731	1657
Cumulative linkages	399	963	1398	2760
Targets Achieved in 2002-2003	51	313	315	679
Targets Fixed for the Current Year	181	465	650	1296
No. of Linkages in Live	274	592	676	1542
Total Amount of Loan in thousands	9794	17844	29134	56771
Total Amount Paid in thousands	3306	7219	5238	15762
Total Amount Outstanding in thousands	6488	10625	10064	27176
No. SHGs Having Over Dues	126	196	215	537
Total Amount of Overdue in thousands	2123	1107	2639	5869
Average Period of Overdue	47	27	55	129
No. of 1st linkages	187	315	288	790
No. of 2nd Linkages	79	229	298	606
No. of 3rd Linkages	8	32	89	129
No. of 4th Linkages	0	16	15	31
No. of Groups not Linked Due to Age	109	119	92	320
No. of Groups not Linked Due to Irregularity	98	292	186	576
SHGs not Approached for Repeat Linkage	30	30	55	115

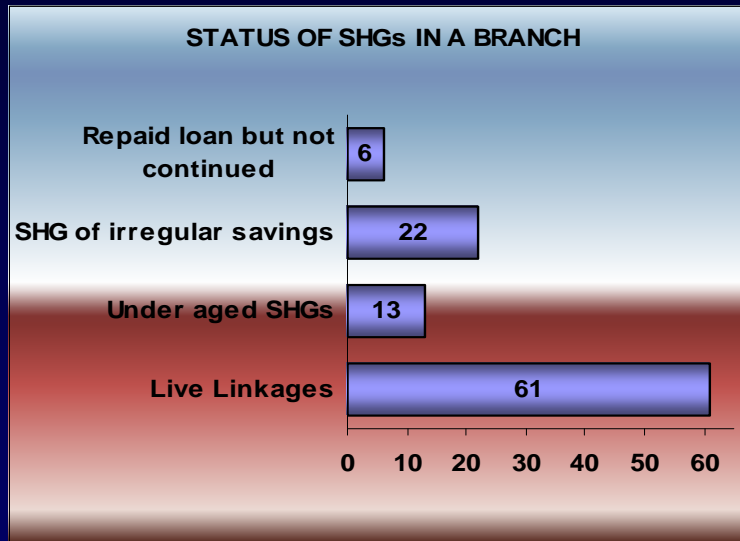


SHG-BANK LINKAGE SCENARIO

SB Accounts	<ul style="list-style-type: none">• 170 are the average no. of accounts in a branch• 78 are the lowest in Kalyadurg and 310 are the highest in Vinukonda
No. of linkages	<ul style="list-style-type: none">• Both Tadipatri and Phirangipuram have highest percentage of linkages and Talupula has the lowest no. of linkages
Cumulative linkages	<ul style="list-style-type: none">• Highest no. cumulative linkages are in Dharmaram (341) followed by Phirangipuram (332) and Metpalli (322)• Cumulative linkages low in Talupula (39), Kalyandurg (56) and Vepulaparthu (78%)



SHGs-BANK LINKAGE STATUS

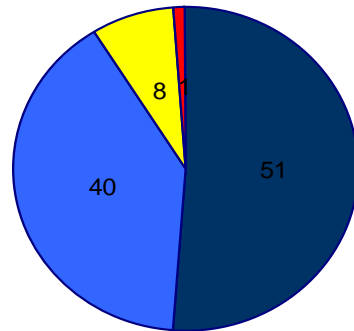


- Percentage of active linkages are more in Phirangipuram (89%) followed by Tadipatri (84%) and less in Talupula (24%) followed by Vepulaparthi (34%)
- Under aged groups are less in Tadipatri (3) and highest in Talupula (64) and Vinukonda (148)
- Irregular groups are absent in Phirangipuram and Dharmaram and highest in Julapally (51% (82))
- No repeat linkage in Phirangipuram and Vinukonda where as highest in Kuchinipudi (13% (20) and Dharmaram (27))



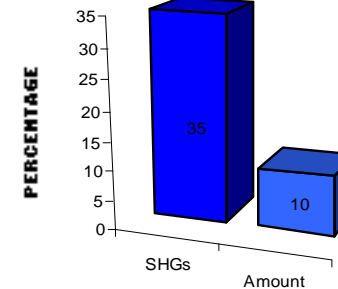
REPEAT LINKAGES & OVER DUES

PERCENTAGE OF SHGs ACCORDING TO NO. OF LINKAGES



■ 1st linkages ■ 2nd linkages ■ 3rd linkages ■ 4th linkages

PERCENTAGE OF SHGS AND AMOUNT OVERDUE TO BANK



- Rs. 3,91,261 is the average amount of over due in a branch
- Lowest percentage of Over Due SHGs are in Kolluru (12%) followed by Vepulaparthi (17%). Highest percentage of over dues are in Talupula (88%) followed by Kalyandurg (86%)
- Less percentage of over due amount is in Vepulaparthi (.26%) followed by Julapally (.35%) and the more in Kalyandurg (90%) and Jammikunta (37%)
- Repeat linkages are less in Tadipatri (8%) more in Metpally (72%)



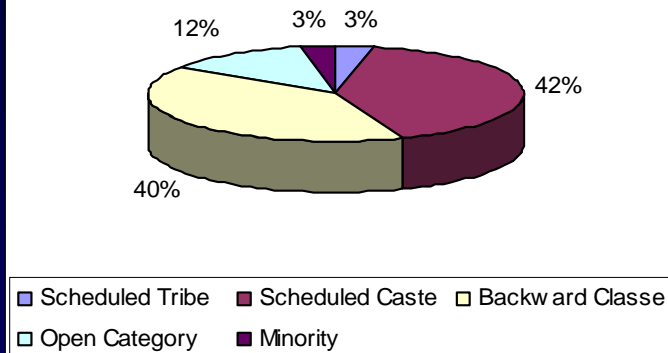
MEMBERSHIP AND OTHER DETAILS

- 12.47 is the average size of the SHG
- 1.37 members with drawn their membership
- only 0.21 members on an avg. admitted in the SHGs
- Group size decreased (1.14 members) compared to the size at the time of formation
- Reasons- migration, marriage, death, dual membership, joined in other SHGs and no benefits from SHGs and from govt.
- 75% of the SHGs are more than 4 year old
- Nearly 50% of the groups are between 4 and 5 years old in the SC, BC and OC
- But majority of the groups in the categories of ST and Min are in 3 and 4 years old
- The age of the groups is low in Guntur compared to Ananthapur and Karimnagar

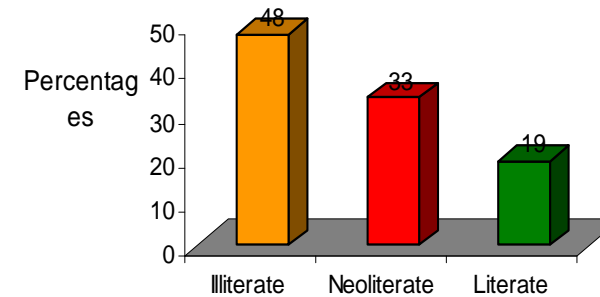


SHG MEMBERS PROFILE

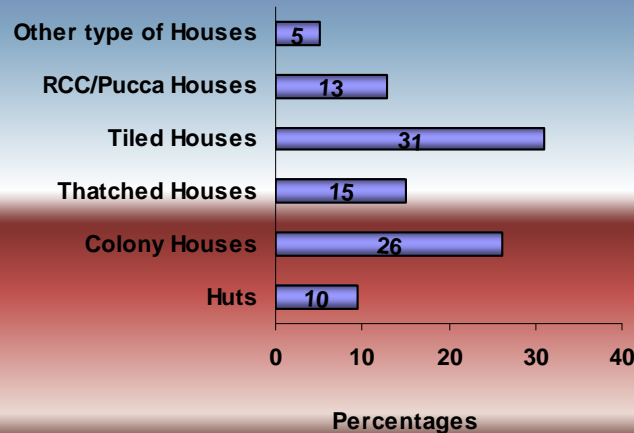
Social Categories of the SHG Members



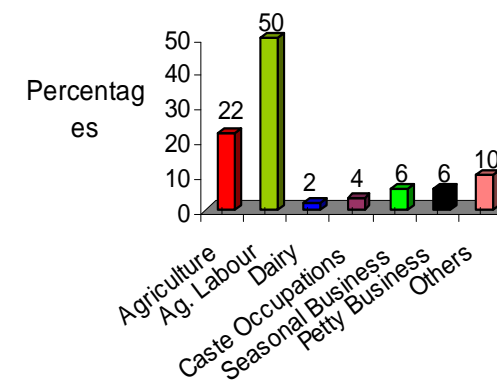
LITERACY LEVELS



TYPES OF HOUSE



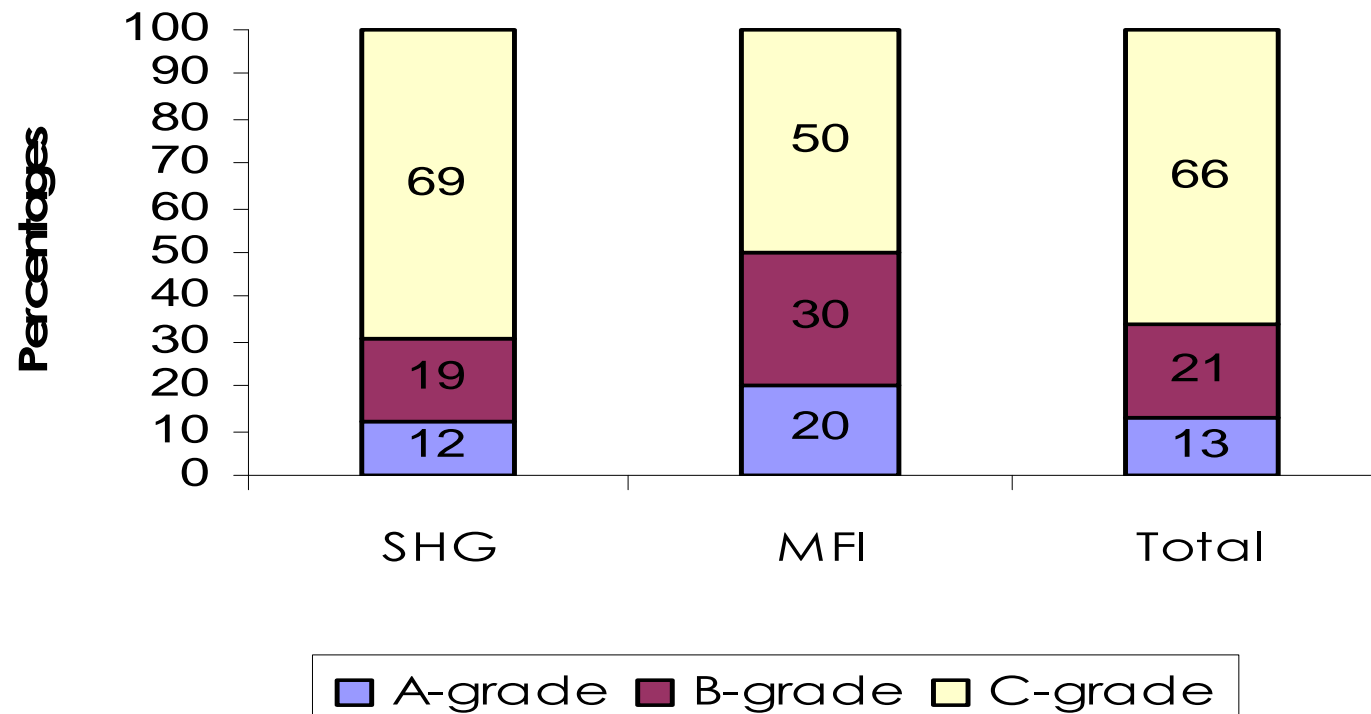
PRIMARY OCCUPATION OF THE SHG MEMBERS





QUALITY OF SHGS

SHGs ACCORDING TO GRADE AND NATURE OF INSTITUTION



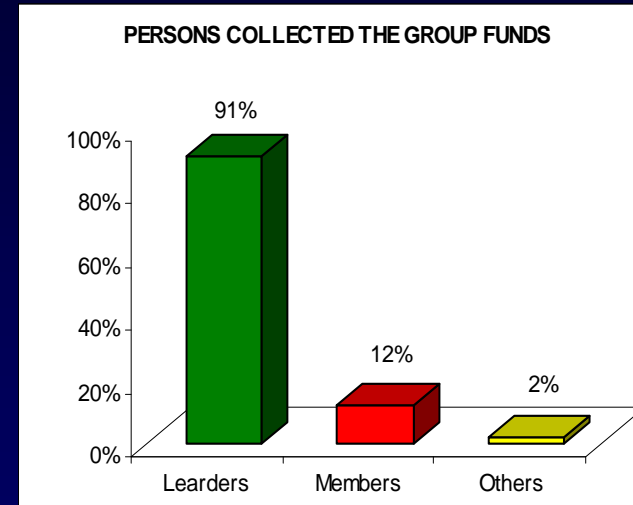
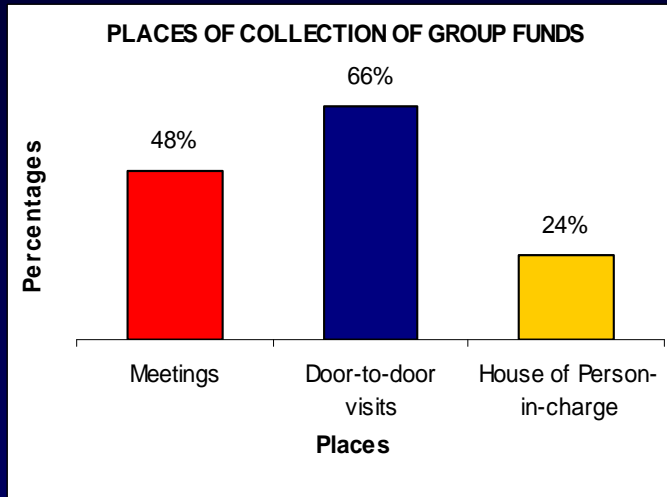


SAVINGS AND THEIR STATUS

- Rs. 47 is the average savings ranging from Rs. 10 to Rs.100
- Almost all the SHGs (96%) practicing monthly mode of savings
- Rs. 2,433 is an average bank balance of a SHG
- 17% of the SHGs have cash on hand from Rs. 100 to 13,000
- Rs. 361 is the average amount on hand
- Rs. 4,239 is the average Idle Fund of the SHG



COLLECTION OF THRIFT AND LOAN



- Savings and loan amount are collected mainly through door-to-door visits followed by meetings and house of a person in-charge
- Leaders take the responsibility for collection of thrift and/or loan in 90% of the SHGs
- On an average it takes 8 days to collect the monthly savings and loan repayments.



SAVINGS AND THEIR STATUS

- Nearly 1/4th of the SHGs stopped savings
- Nearly 31% of the SHGs have changed the amount of monthly thrift
- On an average Rs. 2 increased in their monthly savings
- 22% of the SHGs increased their monthly savings
- 9% of the SHGs decreased their monthly savings
- 52% the SHGs have distributed their savings
- On an average, Rs. 706 received by each member at the time of distribution of savings



REASONS FOR CHANGES IN SAVINGS

<ul style="list-style-type: none">• Increase (22%)	<ul style="list-style-type: none">• To get large amount of loan• To get loans from other sources• To meet the household expenditure• To meet the future needs• Velugu/Ngo personnel advised• To repay the share of the members with drawn• To pay insurance• To increase savings amount
<ul style="list-style-type: none">• Decrease (9%)	<ul style="list-style-type: none">• Savings adjusted to the loan instalment• Drought• Leaders misused the savings



REASONS FOR EQUAL DISTRIBUTION

Reasons at group level	To repay the savings of the members withdrawn To repay the old arrears of the individual loans Internal default, To avoid quarrels Leader migrated, Decided to dissolve the group Book-keeper resigned, Bank Manager advised
Production & asset creation purpose	To buy milk animals, For agriculture inputs For business, Gas connection, Education Distributed with loan to get large amount
Consumption purpose	Health, Marriage, To meet the festival expenses To buy rice from Velugu, to meet the consequences of drought
Unawareness	No subsidy loans or benefits from the bank Surplus savings no demand for loans For their future expenses



INTERNAL LENDING OF SAVINGS

- 64% of the SHG members borrowed loans from the savings amount
- An average of Rs. 15,298 was lent by SHGs.
- Only 9% of the loan borrowed from savings repaid to SHG.
- Rs. 13,844 is the average outstanding amount of loans from savings
- 15 months is the average period of defaulting



WHY OVER DUES?.....

PROCEDURES & COPING MECHANISMS

- Savings made as FD to get the loan
- Few members joined in other groups
- More payments/bribes
- To meet the festival expenses
- Bullet payment
- Small loan size
- Borrower was dead

ECONOMIC/ PRODUCTION

- Business not upto expectations
- To purchase wool
- To repay SHARE loan

BENEFITS

- No benefits from Govt. to the groups
- Benefits only to reserved categories
- All benefits enjoyed
- They want to dissolve the group

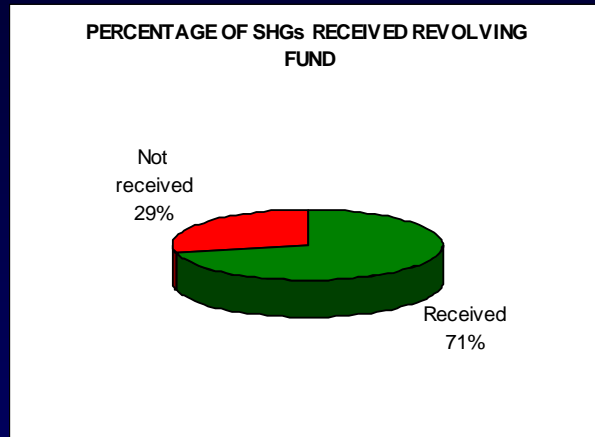


WHY OVER DUES?

LEADERS	<ul style="list-style-type: none">• Conflicts between leaders and members• Leader defaulted• All the savings borrowed by the leaders,• Leader migrated
LENDING PROCEDURES	<ul style="list-style-type: none">• Lending to non-SHG members and no repayment• No internal lending• Quarrels at the time of repayment
DROUGHT	<ul style="list-style-type: none">• Drought-Less earnings, Crop failure/ less yielding• Savings adjusted to loan- banks• Diverted to loan instalments-SHGs• Only interest amount have been paying



REVOLVING FUND



- 70% of the SHGs got revolving fund
- Rs. 7,571 is the average amount of revolving fund
- Majority of the SHGs are unaware about the sanction and adjustment of it to loan instalments

Reasons- to repay (28%)

- Local leaders advised
- Quarrels in distributing RF between leaders
- Used by the leaders
- To improve the group fund
- Adjusted to old loan arrears
- To get large amount of loans

Reasons- not to repay

- It is from Govt. need not repay
- Both savings and RF not repaid
- Members borrowed from savings not repaid so RF amount not repaid
- Equal benefit to all the members
- Dissolved the group
- Drought-Poor crop yielding



UTILIZATION OF RF

Economic

- RF with loan to get large amount
- Sheep-units
- To purchase wool
- To repay loan instalments
- To repay old loans
- To purchase Ag. inputs
- To purchase gas connection
- To purchase land
- Invested on business
- To repair the house

Consumption

- Health, Marriage
- Drought-HH expenses

Unawareness

- Free amount from Govt. to SHGs
- Leaders borrowed all the savings
- Lending only to limited persons
- Manager suggested equal distribution
- Surplus savings
- To avoid conflicts



FIXED DEPOSITS

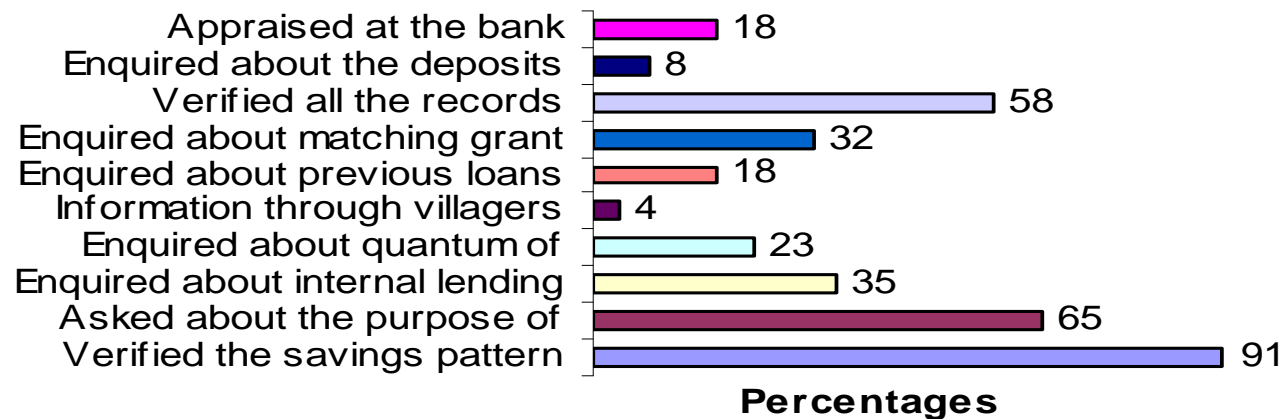
- 8% of the SHGs made revolving fund as FD
 - 9% of the SHGs made savings as FD
 - Rs. 722 on an average of Revolving fund made as FD
 - 59% of the SHGs made payments ranging Rs. 50 to 5000
 - on an average Rs. 613 or 8% of the RF amount made as payments to get RF
- Reasons for FD
 - To avoid quarrels
 - Members get fewer amounts if they distribute among themselves
 - To get large amount of loan
 - Bank Manager advised to made savings as FD
 - DRDA back-end subsidy rule



SHG APPRAISAL METHODOLOGY

- 65% of the SHGs are aware of appraisal of groups
- 50% of the groups were apprised before SHG bank linkage
- only 13% appraised after linkage or during the linkage
- 35% of the SHGs don't know whether the group was appraised or not
- 3/4th of the SHGs were appraised by DRDA

APPRAISAL CRITERIA FOLLOWED BY THE BANKS ACCORDING TO SHGs



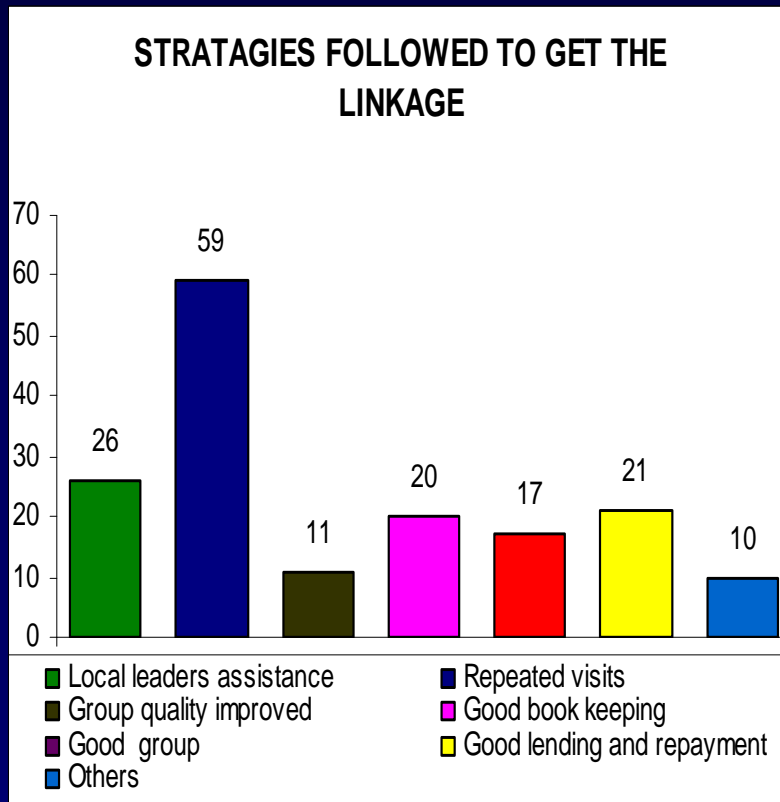


GENERAL PROCEDURES

Loan size	1 st linkage- equal to savings, 2 nd linkage- Double 1 st - < 25,000; 2 nd Upto 50,000; 3 rd – 50,000 >
No. of instalments	12 to 60 instalments Depending on no. of linkages and loan size
Mode of payment	Monthly, Quarterly and Half Yearly
No. of visits	1 st -Enquiry; 2 nd -Appraisal; 3 rd -Documentation; 4 th - Loan disbursal
Collateral surety	No surety; in few cases FDs (Savings & RF)
Loan disbursement	Loan Melas, Individual loans
Rate of interest	Currently 8% Diminishing Method-Monthly, Bi-monthly, Quarterly
CRI (Grading)	Not Strictly following due to various reasons



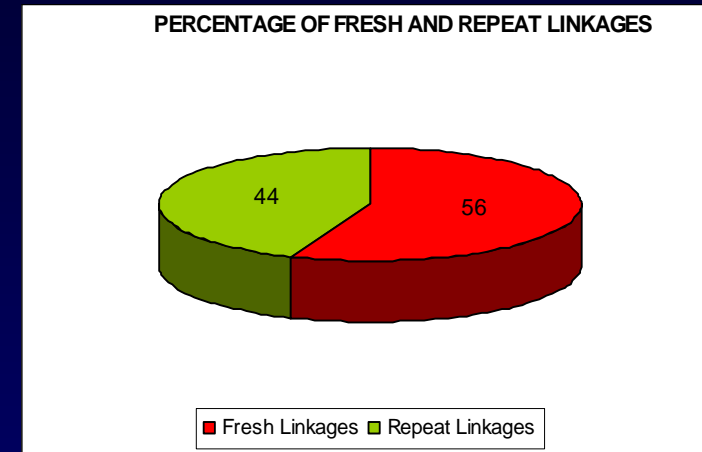
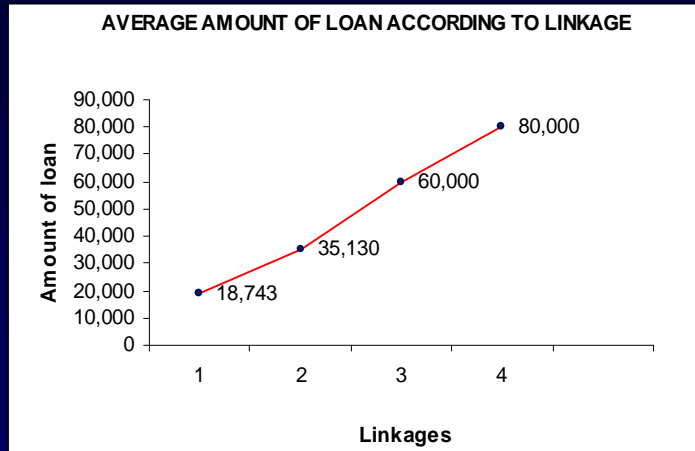
LOAN LINKAGE STRATEGIES



- Nearly 1/4th of the SHGs maintained quality to get the loans
- Nearly 60% of the SHGs made repeated visits to get the loan
- 1/4th of the groups took the assistance of the local leaders



LINKAGES AND LOAN SIZE



- Rs. 38,895 is the average cumulative loans to the SHG
- Rs. 3,120 is the average loan per SHG member
- 3:2 is the Loan ratio between SHGs and MFI-SHG



DETAILS OF CURRENT LOAN

Details of loan	Ana	Gun	Kar
Amount sanctioned	30,814	30,329	26,114
Pay back period in months	21.54	15.74	25.09
No. of instalments paid	9.14	5.37	8.26
No. of instalments due	12.40	9.43	11.43
Total amount paid	11,498	11,202	8,679
Total amount outstanding	18,264	20,774	16,975



LENDING DETAILS OF BANK LOAN

Loan Details	Ana	Gun	Kar
No. of members	12.46	9.89	11.17
Amount borrowed	28,117	30,157	25,471
Amount paid	11,336	9,916	8,731
Amount outstanding	17,797 (63%)	20,898 (69%)	17,069 (67%)
Amount overdue	16,913 (60%)	20,135 (66%)	13,287 (52%)



REASONS FOR OVERDUES

LEADERS

Leaders defaulted, Migrated to nearby towns

SOCIAL

Migration, more payments (bribes), active member became inactive, majority members are from a single household-kinship relations

ECONOMIC

Used for production, used to repay other loan instalments,

GROUP

To recover loans borrowed from savings, Non-SHG borrowers not repaid

CASTE DOMINANCE

Higher caste members defaulted, No voice to lower caste members in the group

MEMBERSHIP

Joined in other SHGs

RISK

Loss in business

CONSUMPTION

Meet the festival expenses, health

AWARENESS

Subsidy loans, no benefits from banks

DROUGHT

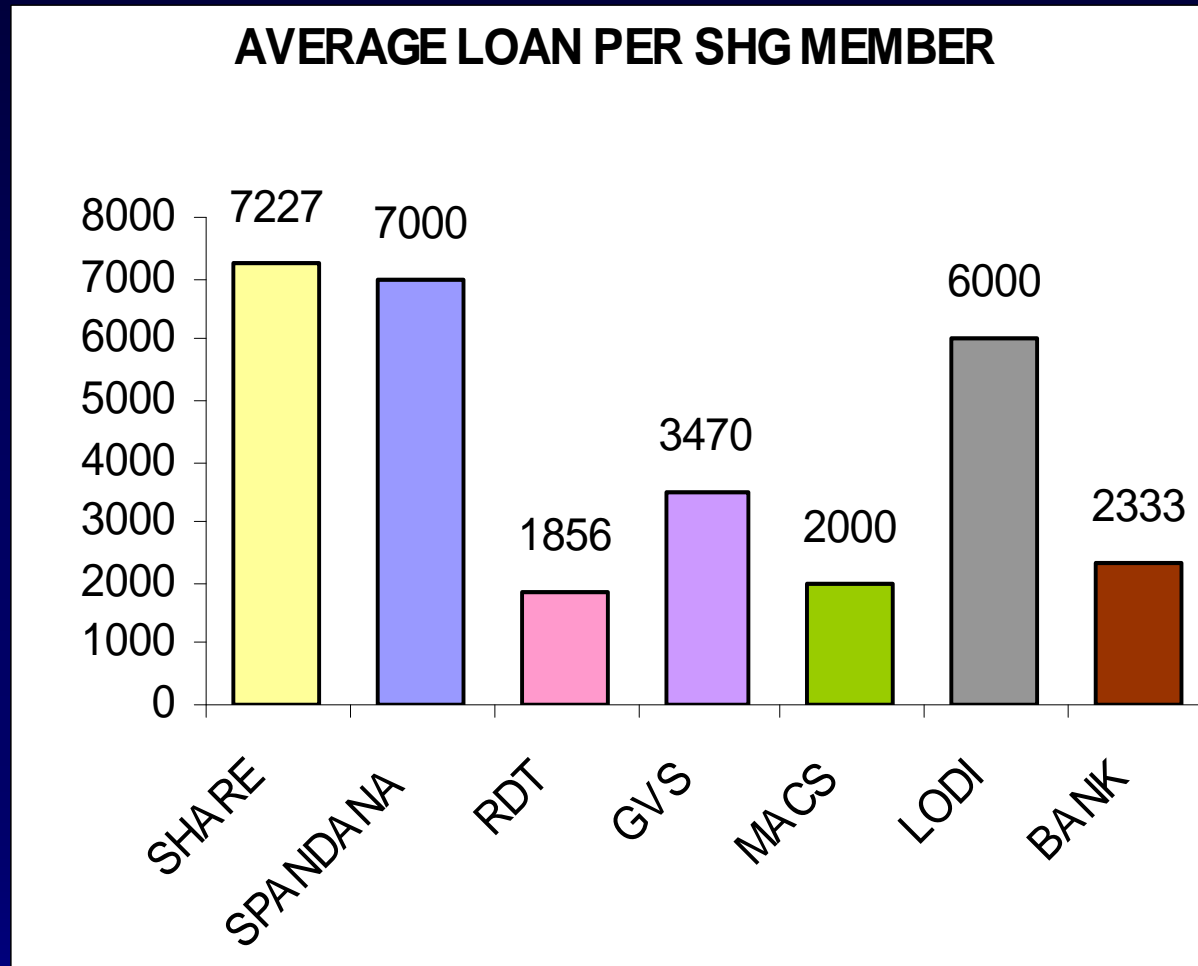
Livestock disposed, Less yielding

GEOGRAPHICAL

Members residing in different habitations

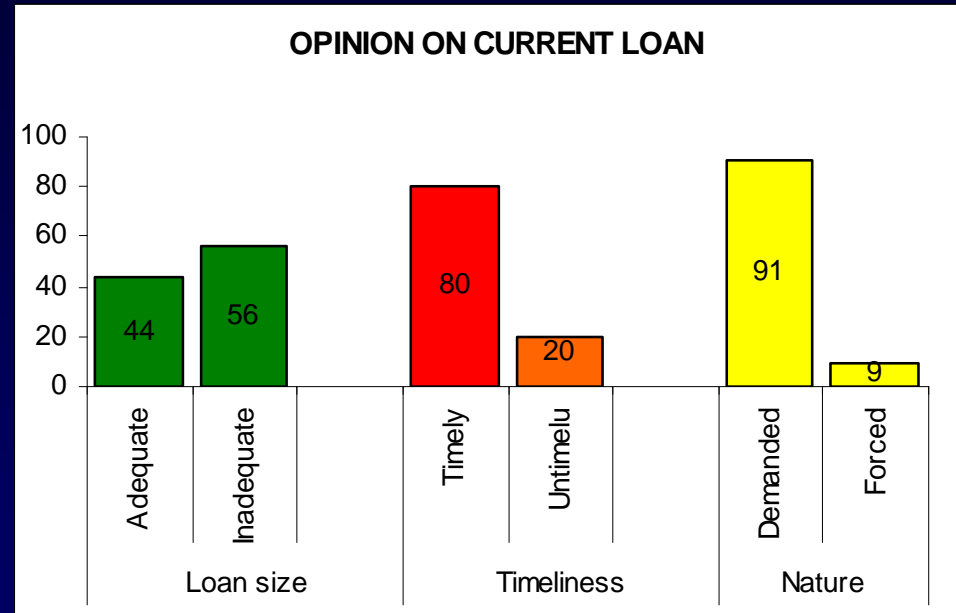


AVERAGE LOAN PER MEMBER





OPINION ON BANK LINKAGE



- No. of visits made – 4.8
- Time taken to sanction the loan-2.94 weeks
- Time taken to release the loan-2.71 weeks



OPINION AND REASONS

Adequate/inadequate amount of loan

- Less savings and inadequate loan
- No repaying capacity
- Loan size is very small
- Enough for purchasing food mat.
- Fee for children education
- Adjusted to old loans
- No space for lending- All the funds borrowed by the leader
- Activities need more investment

Less/more no. of visits

- Good savings pattern
- Repeated visits to MDO office
- Could not loose wages
- Absence of Bank Manager or staff
- Banking procedures take long time
- Less cash in bank
- All the members do not attend to bank at a time

Sanction the loan

- Repeated visits to MDO office
- Priority to wage than document.
- Repeated visits to bank

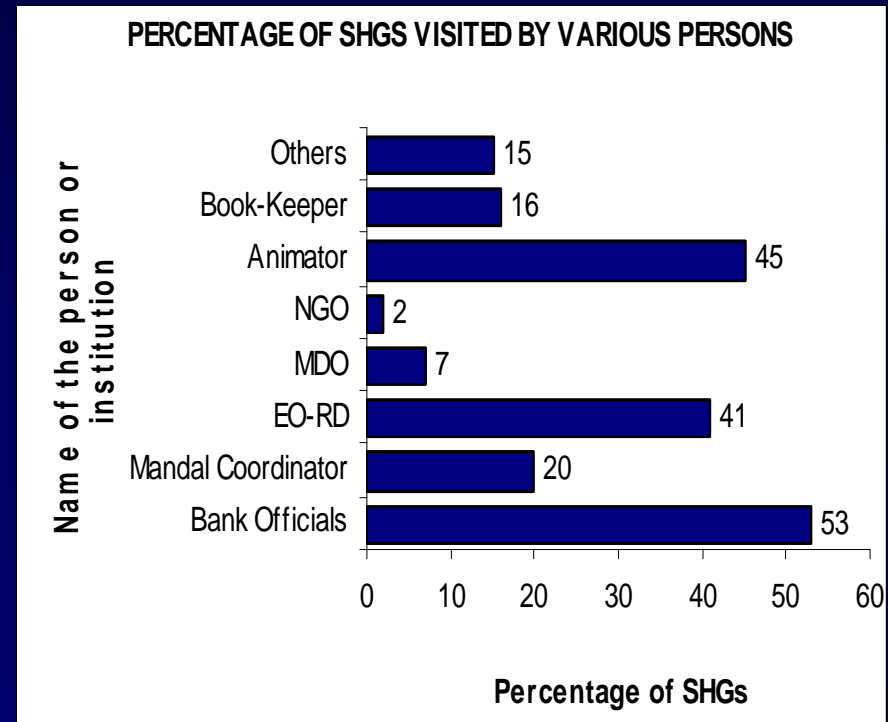
Release the loan

- Absence of Bank Manager
- CM / DRDA/ Velugu meetings



PERSONS AND THEIR VISITS TO SHGs

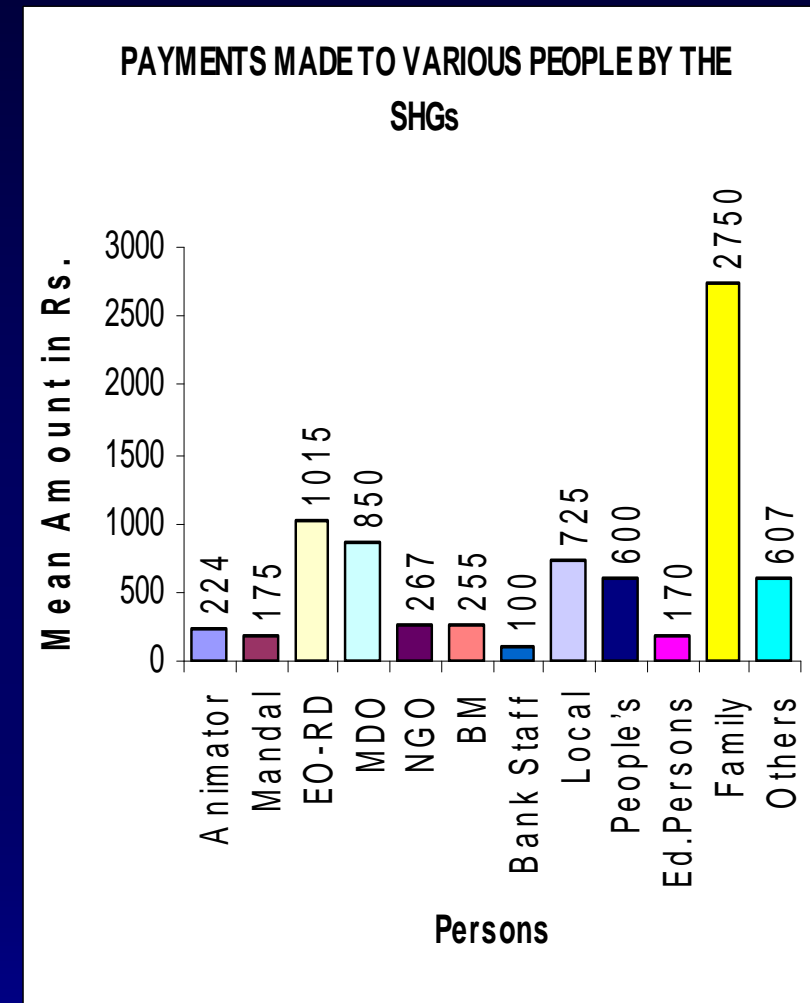
Name of the Personnel	Mean no. of visits	Visits per SHG
• Bank officials	1.8	1.02
• Mandal Coordinator	3.4	0.82
• EO-RD	3.8	1.59
• MDO	2.8	0.27
• NGOs	3	.05
• Animator	4.4	2.03
• Book-keeper	6.4	1.15
• Others	8.3	1.34





PAYMENTS MADE

Designation /Institution	% of SHGs	Per SHG
• Animator	18	41
• Mandal Coordinator	2	3
• EO-RD	43	435
• MDO	2	16
• NGO	3	7
• Bank Manager	2	5
• Bank Staff	2	2
• Local Leaders	4	28
• People's Rep.	2	11
• Educated persons	5	8
• Family members	2	52
• Others	13	81





PURPOSE OF VISITS

Participation	To participate in group meetings To update records
Strengthening	To resolve group conflicts To revive defunct and default SHGs To strengthen SHGs
Formation	To form new groups To form Mandal Samakhya
SHG-Linkage process	To pursue Loan documentation To disburse loan amount to SHGs To recover the over dues To collect bribe from the SHGs



LOAN RECOVERY STRATEGIES

- Formal letters to SHGs
- Information through SHGs in the same village
- Overdue SHGs' List to the MDO and Velugu Personnel
- Formation of Loan Recovery Committee consist of BM, MDO, APO
- Savings in SB A/c transferred to loan instalments – even the group has no over due and regularly paying
- Adjustment of RF to the loan amount at the time of sanction
- Adjustment of FDs both savings and RF to the loan amount
- Renewal of loans by sanctioning repeat linkages
- Personal assets taken into possession



PROBLEMS IN BANK LINKAGE

Group level	<ol style="list-style-type: none">1. Health problems2. Poor book-keeping,3. Conflicts/quarrels in the group4. Internal defaulting,5. Loss of daily wage6. Illiteracy-documentation7. Lack of information
Leaders	<ol style="list-style-type: none">8. Leaders misusing the funds9. Leaders migrated to nearby towns10. Information gap between leader and members11. Death of a leader
Banker's attitude	<ol style="list-style-type: none">12. Ill-treatment in the bank,13. Fear towards bankers14. Less priority or negligence toward SHGs work15. Discouraging membership in MFIs



PROBLEMS IN SHG-BANK LINKAGE

Loan size	<ol style="list-style-type: none">1. Inadequate / small in size2. Based on savings not on corpus,3. Savings-loan ratio4. Banks seeking Fixed Deposits,5. Long time for linkage
Repayment & drought	<ol style="list-style-type: none">6. Repayment postponed due to drought7. Non availability or less work8. Pressure from banks for repayment9. Postponed bank loan instalments to repay other loans10. allowing prepayment of loan instalments
Procedures	<ol style="list-style-type: none">11. Transfers of MDO/EO-RD, BM- postponement of loan12. Presence of all the members at the time of withdrawal13. Adjustment of loan to old loan arrears14. Fewer instalments and large amounts15. High interest rate,16. Bribes/payments
Visits and distance	<ol style="list-style-type: none">17. Long distance to MDO office18. Repeated visits to bank and MDO Office



EXPECTATIONS OF SHGs

- Large loans
- Timely and seasonal loans
- Subsidy loans from banks
- Subsidy from govt.
- Individual loans through SHGs
- Multiple loans to regular SHGs
- Should not take the assets into possession
- Decent behaviour from bank staff
- Provide loans for small scale industries
- Training on livelihood activities
- Awareness campaigns on SHGs-Bank linkage
- Bank should bare the loan of diseased members

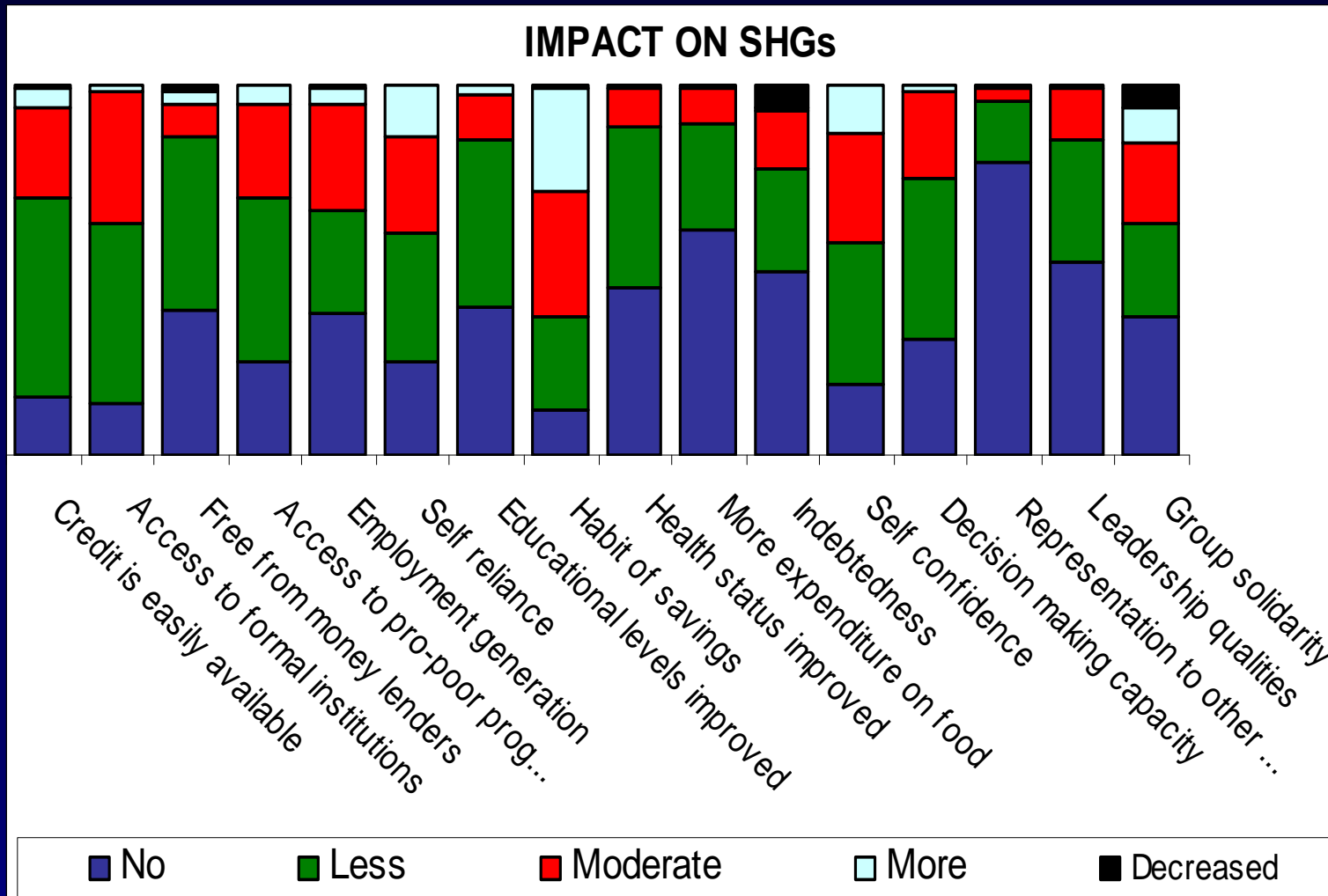


SUGGESTIONS

- Do not adjust loan to old loan arrears
- Yearly mode of loan repayment
- More no. of instalments and payback period
- Govt. should recommend banks large & more loans to SHGs
- Low interest on SHG loans
- Flexibility in loan recovery
- Strict monitoring
- Allocation of loan amount to the members by bank
- Simplify documentation procedures
- Avoid recommendations



IMPACT ON SHGs



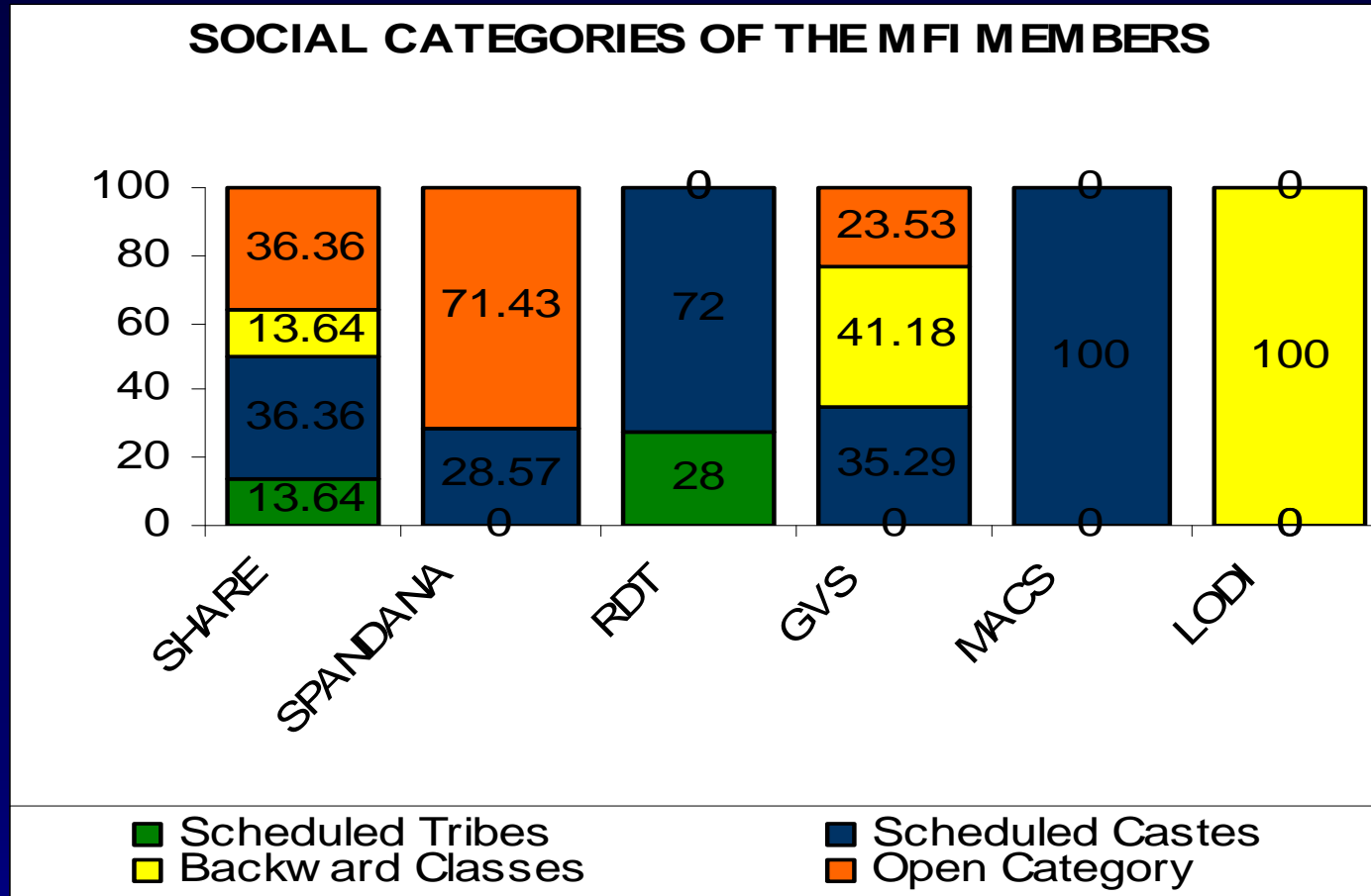


MEMBERSHIP

- 20% of the SHGs have membership with MFIs / NGO promoted MACS / NGO MFI
- 8% of the SHG members have membership in MFIs
- Of the total 111, 11% of the MFI-SHG members have dual membership
- 6 MFIs are located in the study area- SHARE, SPANDANA, RDT, GVS, MACS and LODI
- SHGs of all ages have association with MFIs

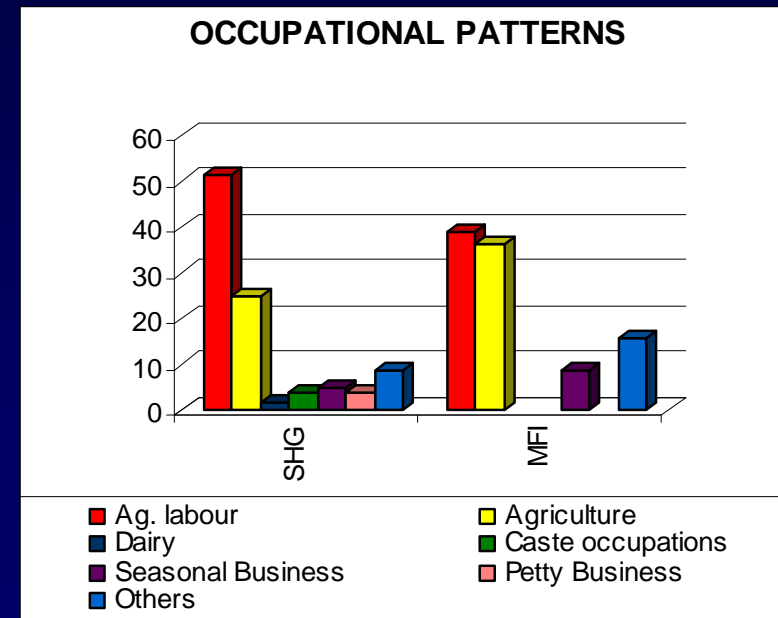
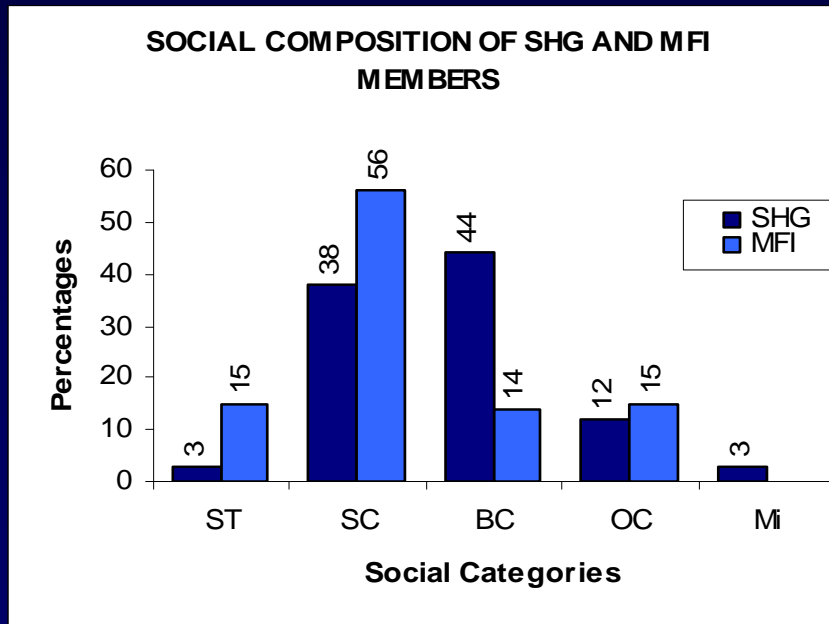


SOCIAL CATEGORIES OF MFI-SHG MEMBERS





SOCIAL CATEGORIES AND OCCUPATION OF SHG AND MFI MEMBERS





MFI- SHG MEMBERS PROFILE

- More than half (55%) of the MFI-SHG members are SCs followed by ST, BC and OC each with 15%.
- None of the Minority SHG member associated with MFIs
- Ag. labour (39%) and Agriculture (36%) are the primary occupations of the MFI-SHG members
- 14% of the MFI-SHG members are SHG leaders.
- 82% are SHG leaders in Guntur district- 68% are with SHARE and the remaining are with SPANDANA



VOLUME OF CURRENT LOAN AND CUMULATIVE LOANS

NAME OF THE MFI	CURRENT LOAN	NO.OF LOANS	CUMULATIVE
SHARE	7,227	2.5	14,636
SPANDANA	7,000	1.6	9,286
RDT	1,856	2.5	4,420
GVS	3,470	1.3	4,059
ALL MAX	2,000	1.0	2,000
LODI	6,000	1.0	6,000

- Loan and cumulative loans are double in SHARE, SPANDANA and LODI when compared to RDT, ALL MAX and GVS.
- Cumulative loan is double compared to current loan in the case of SHARE and RDT
- Cumulative no. of loans are more in SHARE and RDT compared to other MFIs
- Due to loan size, repayment and the long period of association



PURPOSE OF LOAN

- Three quarters borrowed for sheep unit (38%) and business (37%)
- 1/5th of the members borrowed loan for milk animals
- Majority of the members of SHARE borrowed for milk animals (46%) and business (32%)
- Members of SPANDANA borrowed for business (71%) followed by milk animals (29%)
- Members of RDT borrowed for Sheep units (100%) only
- Members of GVS and ALL MACS borrowed loans only for business
- Members from LODI borrowed for both production and consumption
- 82% in Guntur borrowed for business (41%) and milk animals (41%)
- Majority (60%) in Karimnagar borrowed loans for consumption

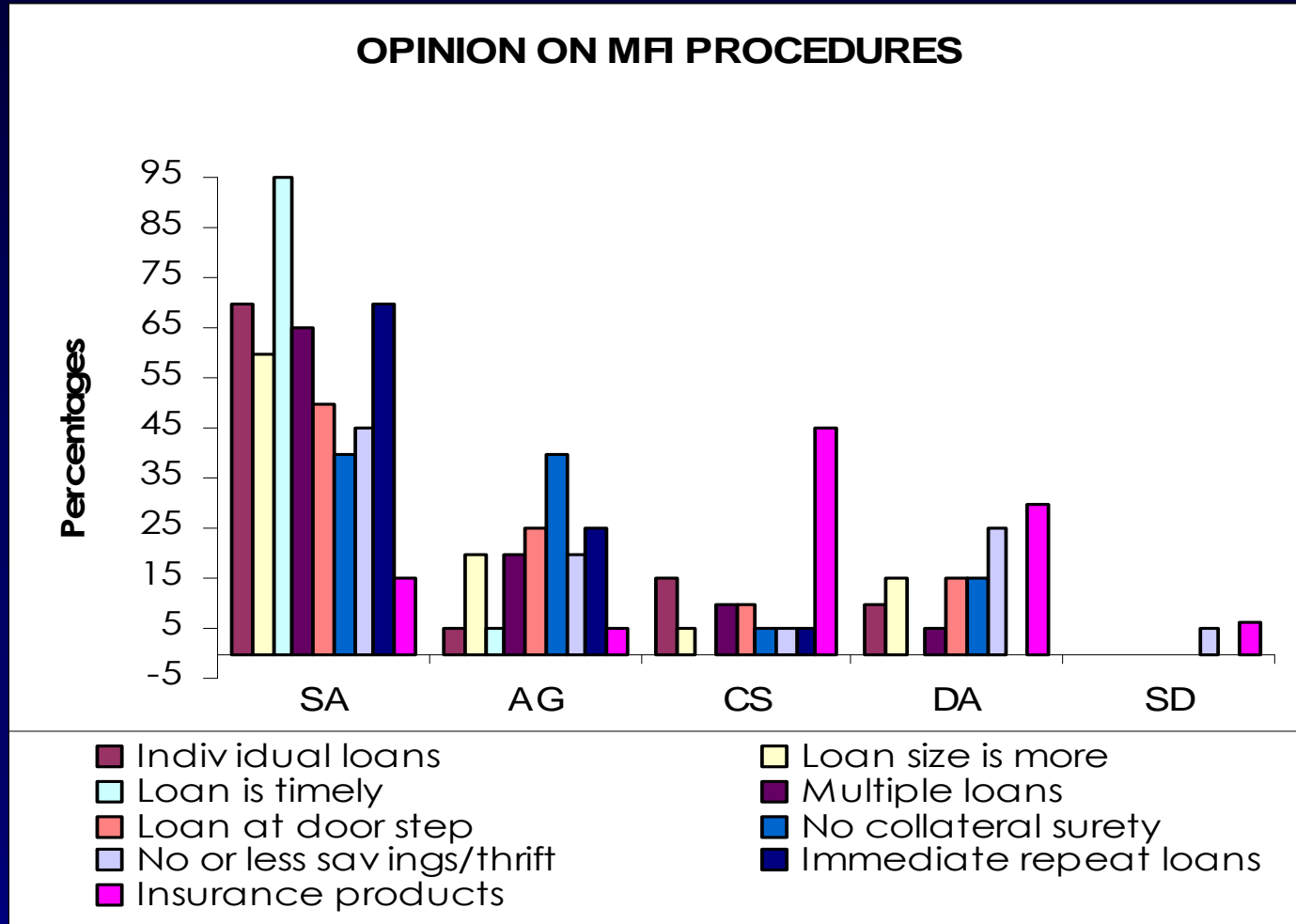


OVER DUES TO SHGs

- 80% of the MFI-SHG members have dues to SHGs
- Rs. 1,580 is the average due to group/bank
- Except 1/3rd of the SHARE and RDT members all the MFI members have dues
- Except 13% in Ananthapur and 28% in Guntur all the members have dues to SHGs
- More than 80% of the STs Members have no dues to the SHGs
- SC, BC, and OC members have dues of 100%, 80% and 18% respectively
- 45% of the agriculture people and 20% of the business people have no dues to SHG

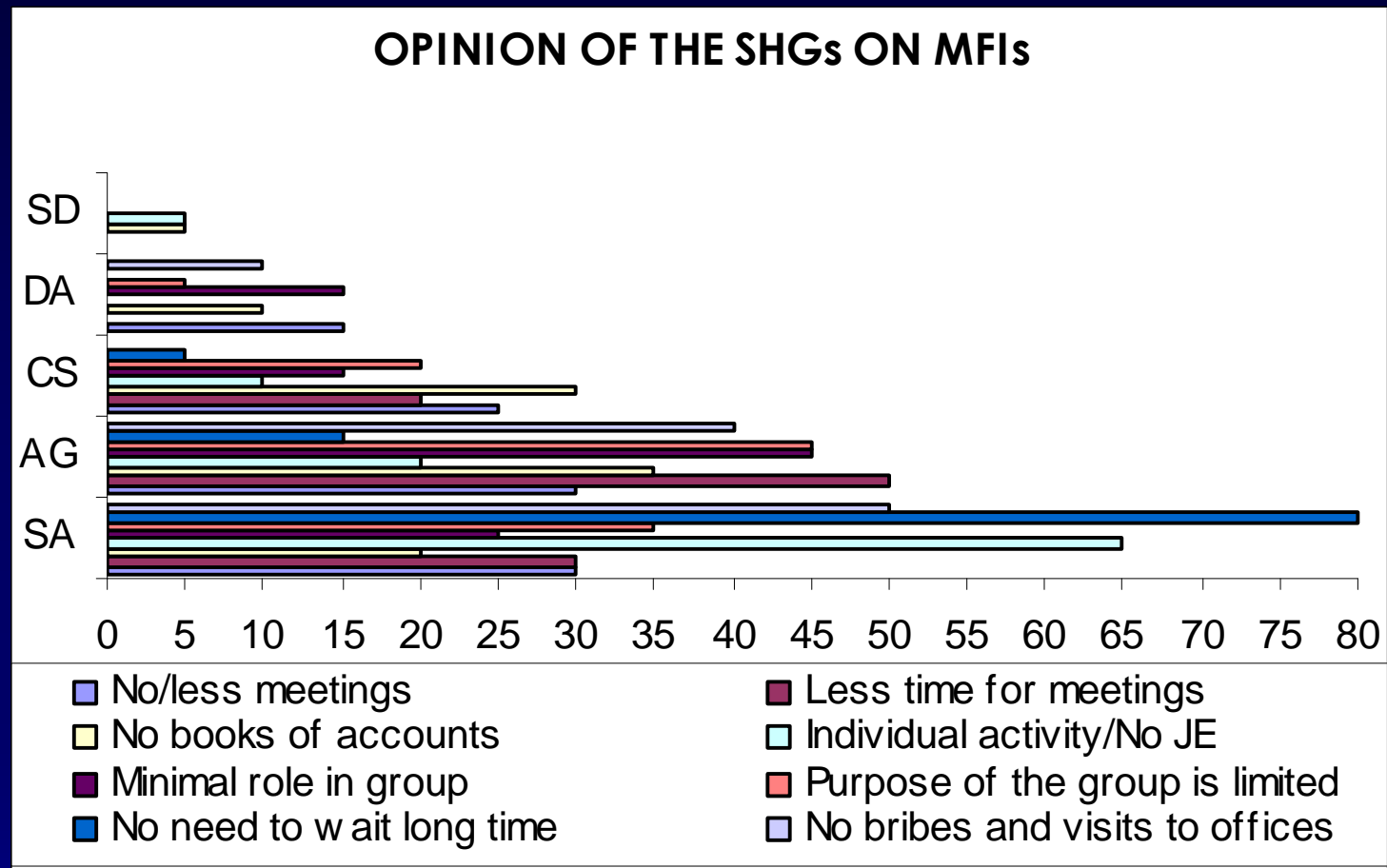


OPINION ON MFI PROCEDURES



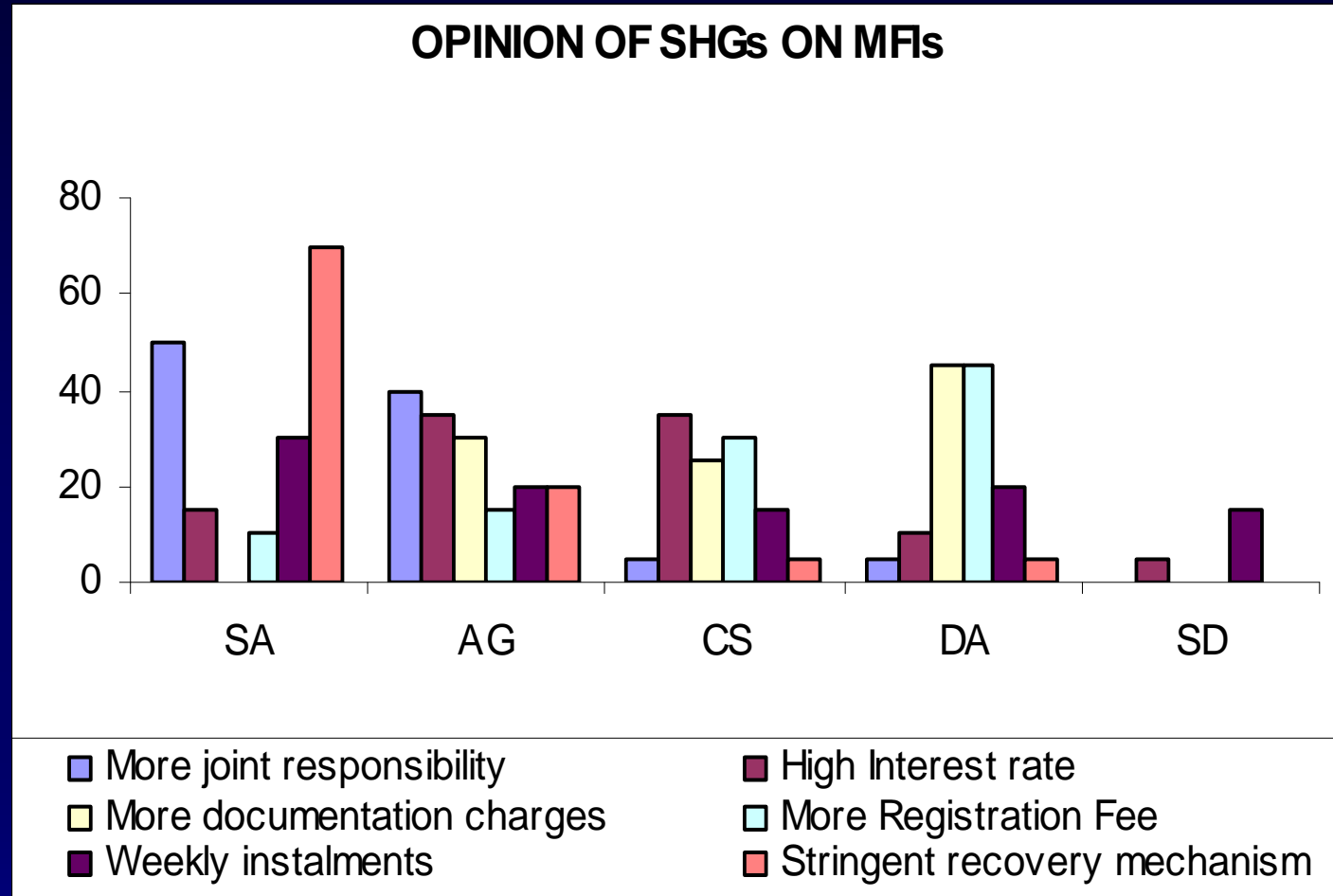


OPINION ON MFI PROCEDURES..





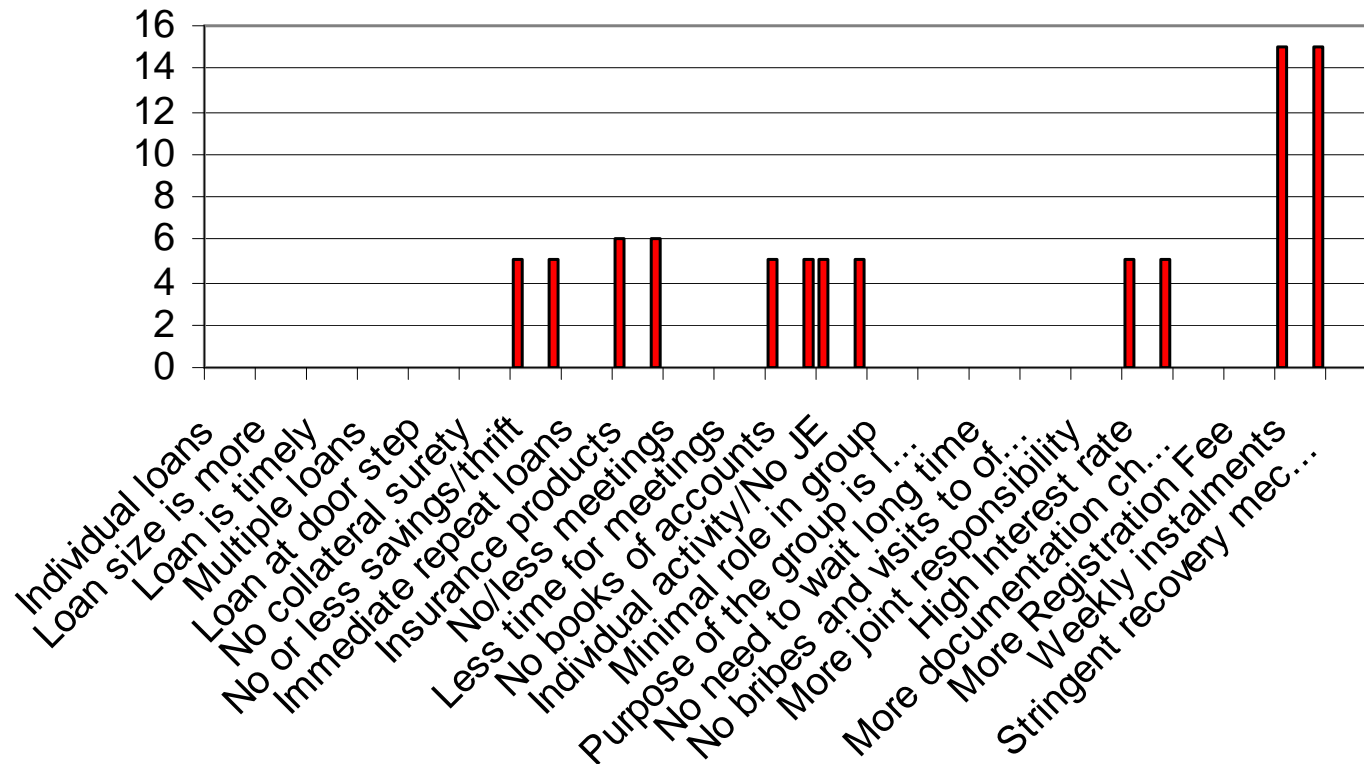
OPINION ON MFI PROCEDURS





OPINION ON MFI PROCEDURES

PERCENTAGE OF SHGs STRONGLY DISAGREED





IMPACT ON MEMBERS

- ‘Decreasing’ trend is reported in employment generation, self reliance and group solidarity
- 100% change reported from ‘less’ to moderate concerning to credit availability and habit of savings.
- Nearly 50% of the SHGs reported ‘no’ change in health status, expenditure patterns on food and indebtedness
- Majority of the SHGs expressed ‘less’ change in free from money lenders, access to pro-poor programmes and decision making
- Majority of the groups expressed ‘moderate’ change in employment generation, self reliance and group solidarity
- ‘More’ change in Access to pro-poor programmes



Thank You