CHAPTER-V
PERFORMANCE OF MICRO FINANCE IN JALNA DISTRICT

5.1. Introduction.

This chapter aims at understand the performance of micro finance through government organization i.e. D.R.D.A. and MAVIM in Jalna district. This chapter mainly focuses on SYSG scheme promoted by DRDA and MAVIM in Jalna district. Government organization plays praise worthy role in devolvement of SHGs. There are two government agencies (DRDA and MAVIM) which are engaged in promotion and development of SHGs in the Jalna district. An SHG is a small affinity group of 10-20 members from homogenous class. It is formed and developed by an NGO, bank or a government agency called self help promoting institution (SHPI). A Self Help Group (SHG) is a registered or unregistered group of micro entrepreneurs with homogeneous social and economic background, voluntarily coming together with an average size of about 15 people. They come together particularly for addressing their common problems. They are encouraged to make voluntary thrift on a regular basis. They use this pooled resources to make small interest bearing loans to improve their socio-economic status.

It is very necessary for development of SHGs to provide sufficient finance by the government organization. Therefore, this chapter mainly focuses on role of government organization for development of SGHs to achieve objectives of socio-economic Development of women in the Jalna district.

5.2. Role of Government Organization

Government organizations are as follows:

1) District Rural Development Agency (DRDA)
2) Mahila Arthik Vikas Mahamandal (MAVIM)

5.2.1. District Rural Development Agency (DRDA) :-

A new self-employment programme namely ‘Swarnajayanti Gram Swarozgar Yojana’ (SGSY) was launched with effect from 1.4.1999, for the rural poor in all over India. The Swarnajayanti Gram Swarozgar Yojana (SGSY) is being implemented by the District Rural Development Agency
(DRDA) through the Block Development Office. The SGSY programme replaces the self-employment and allied programmes - Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self-employment (TRYSEM), Development of Women and Children in Rural Area (DWCRA), the Ganga Kalyan Yojana (GKY) as well as Million Scheme (MWS) are no longer in operation. It may be pointed out that ‘Swarnajayanti Gram Swarojgar Yojana’ has been devised keeping in view the positive aspects and deficiencies of the earlier programmes. The earlier programmes where originally viewed as complimentary to each other to achieve the ultimate goal of poverty alleviation.

5.2.2 The Role of Swarnajayanti Gram Swarojgar Yojana

A life of dignity is the right of every citizen of India. But Poverty is an obstacle to a dignified life. Self-employment is a significant way to have sustained incomes and eradication of poverty. The earlier programmes like IRDP were good but were not fulfilled all the requirements. Obviously, the concern was more for achieving individual programmes target. The desired linkages among the programmes and the much needed focus on the substantive issue of sustainable income generation were missing SGSY accordingly come into being after restructuring of these entire programme. Programme for self-employment of the poor has been an important component of the antipoverty programmes implemented through government initiatives in the rural areas of India. Government has introduced an effective Self-Employment programme called ‘Swarnajayanti Gram Swarojgar Yojana’, (SGSY). With the coming into force of SGSY, the earlier programmes IRDP, TRYSEM, DWCRA, SITRA, GKY and MWS are no longer in operation. This is a holistic programme covering all aspects of self employment such as organisation of the poor into self help groups, training, credit, technology, infrastructure and marketing. SGSY is funded by the centre and the states in the ratio of 75 : 25.

5.2.3 Objective of the ‘Swarnajayanti Gram Swarojgar Yojana’

The objective of the ‘Swarnajayanti Gram Swarojgar Yojana’ is to bring the assisted poor families (Swarozgaris) above the Poverty Line by
providing them income-generating assets through a mix of Bank Credit and Governmental Subsidy and eradication of poverty in all over India. The programme aims at establishing a large number of micro enterprises in rural areas based on the ability of the poor and potential of each area.

5.2.4. Strategy of the ‘Swarnajayanti Gram Swarozgar Yojana’

The SGSY is different from earlier Programmes, in terms of the strategy envisaged for its implementation. It has been conceived as a holistic Programme of self-employment. It covers all aspects of self-employment of the rural poor viz. organization of the poor into Self Help Groups (SHGs) and their capacity building, training, selection of key activities and planning of activity clusters, infrastructure build up, technology and marketing support.

5.2.5. Social Mobilization of the Poor

A major shift of the SGSY, from the erstwhile programmes, is its emphasis on the social mobilization of the poor. The programme focuses on organization of the poor at grassroots level through a process of social mobilization for poverty eradication. Social mobilization enables the poor to build their own organizations {Self-Help Groups (SHGs) } in which they fully and directly participate and take decisions on all issues that will help them in coming above the poverty line. A SHG may consist of 10-20 persons belonging to families below the Poverty Line and a person should not be a member of more than one group. In the case of minor irrigation schemes and in the case of disabled persons, this number may be a minimum of five (5). Efforts have to be made to involve women members in each SHG and 50 percent of Self-Help Groups in each block should be exclusively of women. Group activities are to be given preference and progressively, majority of the funding should be for Self-Help Groups.

5.2.6. Activity Clusters – Planning and Selection of ‘Swarnajayanti Gram Swarozgar Yojana’

The objective of ‘Swarnajayanti Gram Swarozgar Yojana’ (SGSY) is to bring every assisted family above poverty line with three years, through sufficient provision of micro finance. The SGSY also
emphasizes assistance to the Swarozgaris only for those activities which have
been identified and selected as key activity in terms of their economic viability
in the area. Each Block has to concentrate on 4-5 Key Activities based on local
resources, occupational skills of the people and availability of markets so that
the Swarozgaris can draw sustainable incomes from their investments. The
SGSY adopts a Project approach for each Key Activity and Project Reports are
to be prepared in respect of each identified Key Activity. The Banks and other
financial institutions have to be closely associated and involved in preparing
these Project Reports, so as to avoid delays in sanctioning of loans and ensure
adequacy of financing. Selection of the activities has to be done with the
approval of the Panchayat Samitis at the Block level and District Rural
Development Agency/Zilla Parishad at the District. A major share of the
assistance to be provided under the SGSY should also be for Activity Clusters.

5.2.7. Clusters of ‘Swarnajayanti Gram Swarozgar Yojana’

The key activities may be taken up for implementation
preferable in clusters. It must be noted that the clusters are not mere geographic
agglomerations but units where the backward and forward linkages can be
effectively established. This will facilitate greater control of the progress of the
programme, including setting up infrastructure, raw material distribution,
technology transfer as well as quality control. It is not essential that
‘Swarnajayanti Gram Swarozgar Yojana’ should be implemented in each and
every village of the Block Advantage may be taken of the infrastructure already
built up so that the results may be more definite. At the same time care must be
taken to see that maximum number of villages is covered under one or other of
the activity clusters.

5.2.8. Target Group of the (SGSY) Scheme

Families below the Poverty Line (BPL) in rural areas constitute the target
group of the SGSY. Within the target group, special safeguards have been
provided to vulnerable sections, by way of reserving 50 percent benefits for
SCs/STs, 40 percent for women and 3 percent for disabled persons.
5.2.9. Financing through ‘Swarnajayanti Gram Swarozgar Yojana’

The scheme is sponsored by the Ministry of Rural development of the Union government; determines the amount of funds that each district in each state is to receive every year on the basis of its assessment of the dimensions of poverty there as well as its capacity to utilize the funds. It undertakes to provide 75 percent of those funds into a pool of resources earmarked for the scheme. State governments are to contribute the remaining 25 percent on a matching basis to make up the total allocated amount for each district. Central funds for the scheme are to be released directly to the DRDAs in two installments during each year, one at the beginning of the financial year and the other after 60 percent of the initial funds are utilized. As soon as central funds are released, the state government has to send to the DRDAs its 25 Percent. The funds from this pool are for all expenses for organizing and facilitating the formation and running of the SHGs, to supplement its core revolving fund through a subsidy of Rs. 10,000 per group as well as to provide them with other stipulated subsidies. 30 percent of the pooled resources are meant for expenses of the organizing department and of the organizations (GOs as well as NGOs) which act as facilitators of each group. A part of the pool is to be set aside in a fund for training the beneficiaries in all the skills required for organizing, operating and managing the activities of the SHGs. SGSY funds are not meant for infrastructure building for which the DRDAs are to seek help from other line departments; but they can be used for some small but crucial investments of that kind. Voluntary Operation in Community Planning Commission and Environment (VOICE) Government of India

5.2.10. Training of Swarozgaris under the Scheme (SGSY)

The SGSY seeks to lay emphasis on skill development through well-designed training courses. Those, who have been sanctioned loans, are to be assessed and given necessary training. The design, duration and the training curriculum is tailored to meet the needs of the identified Key Activities. DRDAs are allowed to set apart up to 10 percent of the SGSY allocation on training. This may be maintained as ‘SGSY – Training Fund’.
5.2.11. Infrastructure Development

SGSY provides for review of existing infrastructure for the cluster of activities and identification of gaps. Under SGSY, critical gaps in investments have to be made up, subject to a ceiling of 20 percent (25 percent in the case of North Eastern States) of the total allocation made under the SGSY for each District. This amount is maintained by the DRDAs as ‘SGSY – Infrastructure Fund’.

5.2.12. Marketing and Technology Support by the Scheme (SGSY).

SGSY attempts to ensure upgradation of technology in the identified key activity. The technology intervention seeks to add value to the local resources, including processing of the locally available material from natural and other resources for the local and non-local market. SGSY also provides for promotion of marketing of the goods produced by the Swarozgaris, which involves organization and participation in exhibitions / melas at Local/ District / State / National / International levels to display and sell goods produced by the Swarozgaris, provision of sufficient market information, development of markets and consultancy services, as well as institutional arrangements for marketing of the goods including exports.

5.2.13. Key Stakeholders of the Scheme (SGSY).

The scheme requires active participation of various agencies. SGSY is being implemented by the District Rural Development Agencies (DRDAs), with the active involvement of Panchayati Raj Institutions (PRIs), the Banks, the Line Departments and the Non-Government Organisations (NGOs). The District Rural Development Cell in each place (DRDC) is to do the coordination. Panchayat Raj institutions are to help in selecting the potential beneficiaries; they are also to participate in selection of the income activities. Voluntary Operation in Community Planning Commission and Environment (VOICE) Government of India.


The salient features of the Swarnjayanti Gram Swarozgar Yojana (SGSY) are given below:
1. The Swarnjayanti Gram Swarozgar Yojana aims at establishing a large number of micro enterprises in the rural areas, building upon the potential of the rural poor. It is rooted the belief that rural poor in India have competence and, given the right support can be successful of valuable goods/services.

2. The assisted families (known as swarojgeris) may be individual or groups (self help group) Emphasis is, however, on the group approach.

3. The objective under ‘Swarnjayanti Gram Swarozgar Yojana’ is to bring every assisted family before the poverty line three years.

4. Towards this end, ‘Swarnjayanti Gram Swarozgar Yojana’ is conceived as holistic programme of micro-enterprises covering all aspects of self employment, viz. organization of the rural poor in to self help group their capacity building, planning of activities clusters, infrastructure buildup, technology, micro-finance credit and marketing.

5. In establishing the micro-enterprises, the ‘Swarnjayanti Gram Swarozgar Yojana’ emphases on the cluster approach for this, 4-5 Key Activities have to be identified in each block based on the resources, occupational skills of the people and availability of markets. The key activities are to be selected with the approval of the panchayat samities at the block level and the District Rural Development Agency (DRDA),Zilla Parishad (Z.P.) at the district level. The major share of the ‘Swarnjayanti Gram Swarozgar Yojana’ assistance will be in activity clusters.

6. The ‘Swarnjayanti Gram Swarozgar Yojana’ adopts a Project approach for each Key activity. Project reports are to be prepared in respect of each of the identified key activities. The Banks and other financial institutions are closely associated and involved in preparing these project reports, so as to avoid delays in sanctioning of loans and to ensure adequacy of financing.
7. The existing infrastructure for the cluster of activities is reviewed and gaps identified. Critical gaps in investments have to be made up under the ‘Swarnjayanti Gram Swarozgar Yojana’, subject to a ceiling of 20 percent (25 percent in the case of North Eastern States) of the total allocation made under the ‘Swarnjayanti Gram Swarozgar Yojana’ for each District. The amount is maintained by the DRDAs as ‘Swarnjayanti Gram Swarozgar Yojana’ Infrastructure Fund and which can be also utilized to generate additional funding from other sources.

8. The effort under ‘Swarnjayanti Gram Swarozgar Yojana’ is to cover 30 percent of the poor in each block in the next five years through an efficient programme. In the planning of the key activities, care is to be taken to ensure that the maximum number of Panchayats is covered without jeopardizing the quality of the Programme.

9. The ‘Swarnjayanti Gram Swarozgar Yojana’ also focuses on the group approach. This involves organization of the poor into self help group and their capacity building efforts are made to involve women members in each self help group capital. Besides, exclusive women groups continue to be formed. At the level of the block, at least half of the groups are exclusively women groups. Group activity is given preference and progressively, majority of the funding will be for Self-Help Groups.

10. The Gram Sabha authenticates the list of Below the Poverty Line families identified in the BPL Census. Identification of individual families suitable for each Key Activity is to be made through a participatory process.

11. The ‘Swarnjayanti Gram Swarozgar Yojana’ is a credit-cum-subsidy Programme. However, Credit is the critical component of the ‘Swarnjayanti Gram Swarozgar Yojana’, subsidy being a minor and enabling element. Accordingly, the ‘Swarnjayanti Gram Swarozgar Yojana’ envisages greater
involvement of the Banks. They are involved closely in the Planning and preparation of Project Reports, identification of activity clusters, infrastructure planning as well as capacity building and choice of activity of the SHGs, selection of individual Swarozgaris, pre-credit activities and postcredit monitoring including loan recovery.

12. The ‘Swarnjayanti Gram Swarozgar Yojana’ seeks to promote multiple credits rather than a one-time credit ‘injection’. The credit requirements of the Swarozgaris need to be carefully assessed; the Swarozgaris are allowed and, in fact, encouraged to increase credit intake, over the years.

13. The ‘Swarnjayanti Gram Swarozgar Yojana’ seeks total emphasis on skill development through well-designed training courses. Those, who have been sanctioned loans, are to be assessed and given necessary training. The design, duration of training and the training curriculum is tailored to meet the needs of the identified Key Activities. DRDAs are allowed to set apart up to 10 percent of the ‘Swarnjayanti Gram Swarozgar Yojana’ allocation on training. This may be maintained as ‘Swarnjayanti Gram Swarozgar Yojana’ Training Fund’.

14. The ‘Swarnjayanti Gram Swarozgar Yojana’ attempts to ensure upgradation of technology in the identified activity clusters. The technology intervention seeks to add value to the local resources, including processing of the locally available material from natural and other resources for local and nonlocal market.

15. The ‘Swarnjayanti Gram Swarozgar Yojana’ provides for promotion of marketing of the goods produced by the ‘Swarnjayanti Gram Swarozgar Yojana’ Swarozgaris, which involves provision of market intelligence, development of markets and consultancy services, as well as institutional arrangements for marketing of the goods including exports. Subsidy under
'Swarnjayanti Gram Swarozgar Yojana' is uniform at 30 percent of the project, subject to a maximum of Rs. 7,500. In respect of SC’s/ST’s however, these are 50 percent and Rs.10,000/- respectfully for groups of Swarozgaris the subsidy is at 50 percent of the cost of scheme, subject to a ceiling of Rs 1.25 lakh.

16. Subsidy under is uniform at 30 percent of the project, subject to a maximum of Rs. 7,500. In respect of SC’s/ST’s however, these are 50 percent and Rs.10,000/- respect fully for groups Swarozgaris the subsidy is at 50 percent of the cost of scheme, subject to a ceiling of Rs 1.25 lakh. There is no monetary limit on subsidy for irrigation project subsidy will be back ended.

17. The ‘Swarnjayanti Gram Swarozgar Yojana’ has a special focus on the vulnerable groups among the rural poor. Accordingly, the SC’s/ST’s would account for at least 50 percent of the Swarozgaris, women for 40 percent and the disabled for 3 percent.

18. The ‘Swarnjayanti Gram Swarozgar Yojana’ is implemented by the DRDAs through the Panchayat Samitis. The process of planning, implementation and monitoring integrate the Banks and other financial institutions in the direct DRDA’s are being suitably revamped and strengthened.

19. Fifteen percent of the funds under the ‘Swarn jayanti Gram Swarozgar Yojana’ are set apart at the national level for project of far reaching significance and which can also Act as indications of possible alternative strategies to be taken up in conjunction with other Departments or Semi-Government and International Organizations, which includes initiatives to be taken in individual’s Districts or across the Districts.

20. Fund under the ‘Swarn jayanti Gram Swarozgar Yojana’ shared by the central and State Government in the ratio of 75:25 percent respectively.
The central allocation earmarked for the states is distributed in relation to the incidence of poverty in the states. However, additional parameters like absorption capacity and special requirements will also be taken into consideration during the course of the year.

1.3 SHGs established Under the scheme of S.G.S.Y in Jalna district

Table 5.1. SHGs established Under the scheme of S.G.S.Y in Jalna district (Dec. 2012)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Taluka</th>
<th>Total No. of SHGs*</th>
<th>Total No. of members</th>
<th>Total No. of SHGs**</th>
<th>Total No. of members</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Ambad</td>
<td>534</td>
<td>7094</td>
<td>685</td>
<td>8562</td>
</tr>
<tr>
<td>2.</td>
<td>Badnapur</td>
<td>305</td>
<td>2978</td>
<td>460</td>
<td>5520</td>
</tr>
<tr>
<td>3.</td>
<td>Bhokardan</td>
<td>588</td>
<td>6287</td>
<td>753</td>
<td>9156</td>
</tr>
<tr>
<td>4.</td>
<td>Ghansawangi</td>
<td>324</td>
<td>3339</td>
<td>475</td>
<td>5702</td>
</tr>
<tr>
<td>5.</td>
<td>Jafrabad</td>
<td>423</td>
<td>4412</td>
<td>578</td>
<td>6936</td>
</tr>
<tr>
<td>6.</td>
<td>Jalna</td>
<td>516</td>
<td>6386</td>
<td>643</td>
<td>7073</td>
</tr>
<tr>
<td>7.</td>
<td>Mantha</td>
<td>403</td>
<td>4089</td>
<td>362</td>
<td>4525</td>
</tr>
<tr>
<td>8.</td>
<td>Partur</td>
<td>431</td>
<td>4879</td>
<td>551</td>
<td>6887</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3524</strong></td>
<td><strong>39464</strong></td>
<td><strong>4507</strong></td>
<td><strong>54361</strong></td>
<td><strong>54361</strong></td>
</tr>
</tbody>
</table>

Source: * - District statistical bulletins (2008-2009)
The table indicates that the highest numbers of SHGs registered in Bhokardan taluka were 588 and lowest 305 in Badnapur. However the highest number of SHGs member recorded 7097 in Ambad as against lowest 2978 in Badnapur. The progress of the SHGs in end of Dec. 2012 with highest number of SHGs recorded i.e. 753 in Bhokardan and lowest number of SHGs recorded 362 in Mantha taluka. The highest number of SHGs members registered in Bhokardan was 9,156 and the lowest number of SHGs members were registered in Mantha i.e. 4525.

5.4. Financial Progress of the SGSY Programme in the Jalna District.
Table 5.2. Financial Progress of the SGSY Programme in the Jalna District.

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Particulars</th>
<th>Year 2001-02</th>
<th>Year 2012-13</th>
<th>Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Total Fund Allocation</td>
<td>192.91</td>
<td>437.90</td>
<td>226.94</td>
</tr>
<tr>
<td>02</td>
<td>Central Fund Allocation</td>
<td>144.68</td>
<td>290.52</td>
<td>200.68</td>
</tr>
<tr>
<td>03</td>
<td>State Fund Allocation</td>
<td>48.23</td>
<td>147.38</td>
<td>306.25</td>
</tr>
<tr>
<td>04</td>
<td>Revolving Fund</td>
<td>12.10</td>
<td>46.00</td>
<td>383.33</td>
</tr>
<tr>
<td>05</td>
<td>Skill Training</td>
<td>3.70</td>
<td>14.61</td>
<td>375.00</td>
</tr>
<tr>
<td>06</td>
<td>Subsidy</td>
<td>265.28</td>
<td>342.65</td>
<td>129.43</td>
</tr>
<tr>
<td>07</td>
<td>Infrastructure Development</td>
<td>36.50</td>
<td>47.94</td>
<td>129.72</td>
</tr>
<tr>
<td>08</td>
<td>Total Expenditure</td>
<td>317.58</td>
<td>476.44</td>
<td>149.68</td>
</tr>
</tbody>
</table>


From the table 5.2, it can be depicted that Total Fund Allocation in the Jalna District steadily augmented reaching to 437.90 lakh in 2012-13 with an increase of 226.94 percent as compared to 192.91 lakh Total Fund Allocation in 2001-02.

It can be conceived from the table that Revolving Fund to SHGs enhanced from Rs 12.10 in 2001-02 to Rs 46.00 lakh in 2012-13 with an increase of 383.33 per cent as compared the year 2001-02. Similarly, Central Fund Allocation, State Fund Allocation, Revolving Fund, Skill Training, Subsidy, Infrastructure Development, and Total Expenditure recorded better financial progress as compared to the year 2001-02.
Fig. 5.2. Financial Progress of the SGSY Programme in the Jalna District

- Total Fund Allocation
  - 2001-02: 192.91
  - 2012-13: 437.9

- Central Fund Allocation
  - 2001-02: 144.68
  - 2012-13: 290.52

- State Fund Allocation
  - 2001-02: 48.23
  - 2012-13: 147.38

- Revolving Fund
  - 2001-02: 12.1
  - 2012-13: 46

- Skill Training
  - 2001-02: 3.7
  - 2012-13: 14.61

- Subsidy
  - 2001-02: 265.28
  - 2012-13: 342.65

- Infrastructure Development
  - 2001-02: 36.5
  - 2012-13: 47.94

- Total Expenditure
  - 2001-02: 317.58
  - 2012-13: 476.44
The overall observation of the study that the financial progress of the SGSY programme for development of SHGs during the period is satisfactory but not up to mark. The study also indicate that the growth and performance of the SGSY Scheme are advancing in the right direction to their main motive provide credit to unbanked poor households, through SHGs in Jalna district.

5.5. Physical Category wise Progress of the SGSY Programme in the Jalna District.

Table 5.3. Physical Category wise Progress of the SGSY Programme in the Jalna District.

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Particulars</th>
<th>Year 2001-02</th>
<th>Year 2012-13</th>
<th>Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>No. of SHGs formed</td>
<td>611</td>
<td>3489</td>
<td>571.03</td>
</tr>
<tr>
<td>02</td>
<td>No. of Women SHGs formed</td>
<td>443</td>
<td>3380</td>
<td>762.97</td>
</tr>
<tr>
<td>03</td>
<td>No. of Women SHGs taken up Economic Activity</td>
<td>61</td>
<td>268</td>
<td>439.34</td>
</tr>
<tr>
<td>04</td>
<td>Total Swarojgaris Assisted</td>
<td>435</td>
<td>3900</td>
<td>896.88</td>
</tr>
<tr>
<td>05</td>
<td>SC Swarojgaris Assisted</td>
<td>170</td>
<td>894</td>
<td>525.88</td>
</tr>
<tr>
<td>06</td>
<td>ST Swarojgaris Assisted</td>
<td>15</td>
<td>226</td>
<td>1506.66</td>
</tr>
<tr>
<td>07</td>
<td>Disabled Swarojgaris Assisted</td>
<td>Nil</td>
<td>35</td>
<td>3500.00</td>
</tr>
<tr>
<td>08</td>
<td>Minorities Swarojgaris Assisted</td>
<td>Nil</td>
<td>414</td>
<td>41400.00</td>
</tr>
</tbody>
</table>


From the table 5.3 it can be proclaimed that total number of SHGs formed in the Jalna District during 2001 to 2002 were 611 of which 72.50 percent i.e. 443 were women SHGs in the Jalna District. From the table 5.3, it can be retrieved that no. of women SHGs formed in the Jalna District steadily augmented reaching to 3380 in 2012-13 with an increase of 571.03 percent as compared to 443 number of women SHGs formed in 2001-02.
It can be conceived from the table that No. of Women SHGs taken up Economic Activity enhanced from 61 in 2001-02 to 268 in 2012-13 with an increase of 439.34 per cent as compared the year 2001-02. Similarly Total Swarojgaris Assisted 435, SC Swarojgaris Assisted 170, ST Swarojgaris Assisted 15 registered better financial progress as compared to the year 2001-02. With an increasing percentage of Total Swarojgaris Assisted 3900 (896.55 Percent) SC Swarojgaris Assisted 894 (525.88 Percent), ST Swarojgaris Assisted 226 (1506.66 Percent), Disabled Swarojgaris Assisted 35 (3500.00 Percent), Minorities Swarojgaris Assisted 414 (41400.00 Percent).

The overall observation of the study that the Physical category wise progress of the SGSY programme for development of SHGs during the period has achieved satisfactory attention to their main motive provide credit to unbanked poor households, through SHGs in Jalna district.

5.6) Mahila Arthik Vikas Mahamandal (MAVIM) :-

MAVIM is the state women's development cooperation of Maharashtra, established on the 24th February, 1975 for Socio-economic development of women on the occasion of International Women's year. Mahila Arthik Vikas Mahamandal (MAVIM) plays very significant role in the development of Self Help Group. The ultimate objective of the MAVIM is socio-economic empowerment of women.

The mission of the MAVIM is "To bring about gender justice and equality for women, investing in human capital and the capacity building of women, thus making them economically and socially empowered and enabling them to access sustainable livelihood." The MAVIM has the objective of bring about women's empowering by mobilizing women and building organization of women, enhancing their abilities by training, increasing their self confidence, self awareness, and strengthening entrepreneurship among women and making credit and market accessible to women. The corporation also seeks to improve women's access to education, and increase their participation in decision making and governance.
MAVIM's head office is situated in Mumbai and the corporation has 34 district offices across the state of Maharashtra. MAVIM has professionally qualified personnel trained in social science in its head office and in district offices. MAVIM promotes 12,431 self help group in villages with the help of 1,960 field workers known as Sahayoginies and through its 03 contracted NGOs. Reorganization of MAVIM from a commercial company under the company Act 1956 to being registered in September 2005 under section 25 of the company's Act as a not for profit company. In Jalna district MAVIM has formed 12,431 SHG up to January-2014, under various schemes (‘SWARNJAYANTI GRAM SWAROZGAR YOJANA’, SCP Special Component Plant, Ramai Mahila Sakshamikaran, TSP (Tribal Development Project), Swayamsidha, Krushi Saptak and Maharashtra Rural Credit Programme (MRCP). The commitment is ensured for women empowerment through SHG. They worked under various schemes and completed training of SHG. Jalna is one of the districts, which has implemented number of schemes for socio-economic development of women through Self Help Groups (SHGs). In Jalna district, MAVIM has associated for women access to credit, under this broad objective MAVIM has decided to work for following five components they are:

1) Formation of SHG 2) Entrepreneurship development
3) Gender sensitization 4) Functional literacy
5) Social awareness

For fulfillment of above component MAVIM has appointed qualified and experienced staff and work doing with NGO for the fast mobilization and also achieving objective of socio-economic empowerment of women through Self Help group. The table 5.2 shows the cumulative progress under MAVIM up to Dec.2013.
Table 5.4. Self Help Groups cumulative progress under MAVIM up to Dec. 2013

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Year</th>
<th>No. of SHGs</th>
<th>Total No. of SHGs members</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>2003-04</td>
<td>355</td>
<td>3900</td>
</tr>
<tr>
<td>2.</td>
<td>2004-05</td>
<td>778</td>
<td>8926</td>
</tr>
<tr>
<td>3.</td>
<td>2005-06</td>
<td>906</td>
<td>10379</td>
</tr>
<tr>
<td>4.</td>
<td>2006-07</td>
<td>1041</td>
<td>12059</td>
</tr>
<tr>
<td>5.</td>
<td>2007-08</td>
<td>1154</td>
<td>12170</td>
</tr>
<tr>
<td>6.</td>
<td>2008-09</td>
<td>1267</td>
<td>13304</td>
</tr>
<tr>
<td>7.</td>
<td>2009-10</td>
<td>1369</td>
<td>14375</td>
</tr>
<tr>
<td>8.</td>
<td>2010-11</td>
<td>1581</td>
<td>17391</td>
</tr>
<tr>
<td>9.</td>
<td>2011-12</td>
<td>1820</td>
<td>19110</td>
</tr>
<tr>
<td>10.</td>
<td>2012-13</td>
<td>2160</td>
<td>22680</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>12431</td>
<td>134294</td>
</tr>
</tbody>
</table>

The table 5.4 reveals that the year wise recorded 355 in 2003-04, which increased to 2160 in 2012-13 with a rise of 508.45 percent. Same time yearly SHGs member increased from 3900 to 22680 with an increase of 48.54 percent. The cumulative growth of SHGs in Jalna district during 2003-04 recorded 12431 with the total member of 134294, confession to some extent satisfaction position in the Jalna district.

### 5.6.1 Financial Progress of MAVIM SHGs in Jalna District.

#### Table 5.5. Financial Progress of MAVIM SHGs in Jalna District.

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Particulars</th>
<th>Year 2013-14</th>
<th>Year 2014-15</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Total Cumulative. SHGs Formed</td>
<td>107</td>
<td>257</td>
<td>240.18</td>
</tr>
<tr>
<td>02</td>
<td>Total SHGs Members</td>
<td>1235</td>
<td>2960</td>
<td>239.67</td>
</tr>
<tr>
<td>03</td>
<td>Total Saving</td>
<td>5505780</td>
<td>10843269</td>
<td>196.94</td>
</tr>
<tr>
<td>04</td>
<td>No. of SHGs Started internal lending</td>
<td>219</td>
<td>354</td>
<td>161.64</td>
</tr>
<tr>
<td>05</td>
<td>No. of Women SHGs Started internal lending</td>
<td>390</td>
<td>678</td>
<td>173.84</td>
</tr>
<tr>
<td>06</td>
<td>Amt. of Internal Lending</td>
<td>14644760</td>
<td>27401558</td>
<td>187.10</td>
</tr>
<tr>
<td>07</td>
<td>Repayment of internal lending</td>
<td>8887804</td>
<td>18338093</td>
<td>206.32</td>
</tr>
<tr>
<td>08</td>
<td>No. of SHGs Taken Loan/Linked with Bank</td>
<td>86</td>
<td>201</td>
<td>233.72</td>
</tr>
<tr>
<td>09</td>
<td>No. of Women Taken Loan/Linked with Bank</td>
<td>818</td>
<td>1982</td>
<td>242.29</td>
</tr>
<tr>
<td>10</td>
<td>Amount of Loan Taken from Bank</td>
<td>23688000</td>
<td>40727600</td>
<td>171.93</td>
</tr>
<tr>
<td>11</td>
<td>Average Bank Loan per SHG</td>
<td>275441.86</td>
<td>202625</td>
<td>73.56</td>
</tr>
</tbody>
</table>

It was disclosed from the table 5.5 that 107 SHGs recorded in the year 2013-14, which increase to 257 SHGs in the year 2014-15, with an increase of 240.18 percent. Total SHGs members recorded 1235 in the year 2013-14, which increase to 2960, with an increase 239.67 percent, followed by Total Saving 196.94 percent, No. of SHGs Started internal lending 161.64 percent, No. of Women SHGs Started internal lending 173.84 percent, Amt. of Internal Lending 187.10 percent, Repayment of internal lending 206.32 percent, No. of SHGs Taken Loan/Linked with Bank 233.72 percent, No. of Women Taken Loan/Linked with Bank 242.29 percent, Amount of Loan Taken from Bank 171.93 percent and Average Bank Loan per SHG 73.56 percent consistently increased in the year 2014-15, as compare the year 2013-14, confess to extent satisfy position in the Jalna district.

5.6.2 Physical Category wise Progress of MAVIM SHGs in Jalna District.

Table 5.6. Physical Category wise Progress of MAVIM SHGs in Jalna District.

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Particulars</th>
<th>Year 2013-14</th>
<th>Year 2014-15</th>
<th>Increase %</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Total SHGs formed</td>
<td>194</td>
<td>426</td>
<td>219.58</td>
</tr>
<tr>
<td>02</td>
<td>BPL members</td>
<td>1790</td>
<td>4817</td>
<td>269.10</td>
</tr>
<tr>
<td>03</td>
<td>APL membres</td>
<td>185</td>
<td>233</td>
<td>125.94</td>
</tr>
<tr>
<td>04</td>
<td>S.C.</td>
<td>1712</td>
<td>4309</td>
<td>251.69</td>
</tr>
<tr>
<td>05</td>
<td>S.T.</td>
<td>24</td>
<td>57</td>
<td>237.5</td>
</tr>
<tr>
<td>06</td>
<td>OBC</td>
<td>110</td>
<td>273</td>
<td>248.18</td>
</tr>
<tr>
<td>07</td>
<td>Minorities</td>
<td>19</td>
<td>59</td>
<td>310.52</td>
</tr>
<tr>
<td>08</td>
<td>N.T.</td>
<td>17</td>
<td>119</td>
<td>700.00</td>
</tr>
<tr>
<td>09</td>
<td>Other/Open</td>
<td>70</td>
<td>233</td>
<td>332.85</td>
</tr>
<tr>
<td>10</td>
<td>Total SHGs</td>
<td>2012</td>
<td>5050</td>
<td>250.99</td>
</tr>
</tbody>
</table>

From the table 5.6, it can be depicted that 194 Total SHGs recorded in the year 2013-14, which increase to 426 SHGs in the year 2014-15, with an increase of 219.58 percent. BPL SHGs members recorded 1790 in the year 2013-14, which increase to 4817, with an increase 269.10 percent. APL SHGs members recorded 185 in the year 2013-14, which increase to 233, with an increase 125.94 percent, followed by S.C.SHGs members 251.69 percent, S.T.SHGs members 237.5 percent, O.B.C SHGs members 248.18 percent, Minorities SHGs members 310.52 percent, N.T.SHGs members 700.00 percent, Other/Open. SHGs members 332.85 percent, and Total SHGs 250.99 percent, consistently increased in the year 2014-15, as compare the year 2013-14, confess to extent satisfy position in the Jalna district.
Fig. 5.4. Physical Category wise Progress of MAVIM SHGs in Jalna District
It is observed that, there are two Government agencies (DRDA and MAVIM) are engaged in promoting and development of SHGs in the Jalna district, as well as NGOs are also play an important role in development and promotion of SHGs, in the Jalna district.

5.7. **SHORT DESCRIPTION SWARNJAYANTI GRAM SWAROZGAR YOJANA (SGSY).**

The Ministry of Rural Development Govt. of India have launched a new programme, Swarnjayanti Gram Swarozgar Yojana (SGSY) and discontinued IRDP, TRYSEM, GKY, MWS with effect from 01.04.1999 in all over India.

1. **The Scheme**-The SGSY is operative in the rural areas of the country and covers all aspect of self employment such as organization of the poor into SHG training, credit, technology and infrastructure and marketing. The scheme will be implemented by commercial Banks, Regional Rural Banks, Co-Operative Bank, other financial institutions, Panchayat Raj institution, DRDA, NGOs; Technical institutions have to be part of planning, implementation and monitoring of the scheme.

   Swarnjayanti Gram Swarozgar Yojana (SGSY) aims at establishing large number of micro enterprises in the rural areas by the BPL families. The objective of the scheme is to bring assisted family above the BPL within three year by providing them income generating assets through credit and subsidy coupled with training and technology.

   The assisted family is known as Swarojgari can be either individual of group to be selected by a team of BDO, Bank and Sarpanch. There is minimum target of 50 percent, SC/ST, 40 percent of women, and 5 percent disabled. The overall target is to bring 30 percent BPL families to APL in five years.
2. **Skill up Gradation:** Once the person or group of persons (proposed Swarojgaries) has been identified, their training need also is to be ascertained with to MSR (Minimum Skill Requirement). The technical skill requirements are to be assessed by the departments will be assessed by the line department and that of marginal skill be assessed by the line banker. This training programme includes book keeping knowledge of market, identification and appraisal product costing and pricing etc., the training experience to be done by DRDA for a week duration.

The Swarojgaries needing more training that MSR appropriate training would be arranged by DRDA and the cost for that have to be borne by Swarojgaries for this purpose.

3. **Activities Clusters:**

Key-activities, Major share of assistance i.e.75 percent to be for key activities and they should take up in the clusters. 4/5 four and five activities are to be indentified for each block duly approved by Panchayat Samiti and Dist SGSY Committee. The selection of activities should be such that it would create additional assets and skill to the Swarojgaries so as to enable him a net income of Rs.2, 000/-p.m. in the third year of assistance.

4. **Self Help Groups:**

The scheme provides that 75 percent funding should be in groups (on SHG Pattern). The scheme for organization and narrating of the SHG through DRDA and there linkage with banks. The group (SHG) may consist of 10 to 20 persons of BPL families. 20 percent non BPL members in case of need can be added in the group. However, for minor irrigation and disabled persons, this numbers may be a minimum of 5 members.

A person should not be a member of more than one and the group shall not comprise more than one member from one family. The assistance may be
extended to individual in a group to all members of the group for taking up
income generation activities.

5. **Revolving Fund:-**

SHGs that are in existence for about six month and have demonstrated the
potential of a viable group enters in third stage, wherein it receives the Revolving
Fund from DRDA and Banks as cash credit facility. The DRDAs may release
subsidy which is equal to the group corpus with a minimum of Rs 5,000/-and
maximum of Rs.10,000/-linked with bank credit. The Bank would sanction credit
which would be in multiple of the group corpus and could go up to four times of
the group. Subsequently, if it is found that group has not been able to reach the
micro enterprise stage and requires further financial support to continue in the
micro finance stage for some more time, performance of such groups may be got
evaluated in the evaluation if it is observed that the group has been successfully
utilizing the revolving fund they could be considered for sanction of further doses
linked with the bank.

The Group corpus would be defined as the total amount available with the
group inclusive of cash with the group, amount in the Saving Bank account of the
group, loan outstanding against members of the group and interest earned on the
loans as well as deposits.

The subsidy of Rs.20,000/-released by DRDA to be adjusted against the
loan at the end of cash credit period on the request of the group. In case of default
in the payment of loan or the group becoming defunct dissolution of the group
and in case the Bank fails to recover the entire dues in spite of all possible
measure i.e. personal contact, organization of joint recovery campus with district
administration, legal action etc., the process of forfeiture of subsidy for
adjustment against dues may be taken up. After getting the approval of District
SGSY Committee the concerned bank may adjust the subsidy against the
Swarojgaries dues, if the Bank is able to realize any amount subsequently over and above the amount due to it, the same may be returned to the DRDA.

6. **Lending Norms:**
   A. The size of loan will be decided by the nature of the project.
   B. The loan will be composite loan i.e. term loan and working capital.
   C. Under financing is to be avoided.
   D. Disbursement up to Rs.10,000/-under I & B Sector may be made in cash.
   E. Multiple doses of assistance can be considered providing the banks are satisfied about the financial discipline of the earlier finance.
   F. The rate of interest will be as per the directives of RBI.
   G. All loans will be priority sector loans.
   H. Credit under SGSY to non willful defaulter owing dues upto Rs.5, 000/- under IRDP can be considered.

7. **Security Norms:**
   For individual loans up to Rs.50,000/-and group loans up to Rs.5.00 lacks. The assets create out or bank loan could be hypothecated to the bank as primary security. In case where movable assets are not created mortgage of loan may be obtained. Where mortgage of loan is not possible third party guarantee may be obtained at the discretion of bank. For the loan exceeding above norms. In additional to the primary security, suitable margin money/other collateral security may be obtained.

8. **Subsidy:**
   Subsidy under SGSY will be uniform at the rate of 30 percent of project cost. Subject to maximum Rs.7,500/-.For SC/ST Swarojgaries it will 50 percent of the project cost subject to maximum Rs.10,000/-.For groups of Swarojgaries (SHGs) the subsidy would be 50 percent of cost or @ Rs.10,000/- per month subject to a ceiling of Rs.1.25 lacks. There is no monetary limit of subsidy for irrigation projects. Subsidy will be back ended.
9. **Follow-up :-**

A) Bank should issue pass book in local language to all Swarojgarsies. Bank should ensure that assets have been procured through proper monitoring and verification.

B) Necessary document of acquisition of assets should be kept on record. In case of non procurement of assets the banks may cancel the loan and recover the money. Legal proceeding may be initiating against the Swarojgarsies.

10. **Risk Fund :-**

   The scheme provided from creation of the fund at district level. Consumption loan up to Rs.2,000/- per Swarojgari would be financed. Out of the risk fund DRDA will provide assistance to the extent of Rs.10,000/- of the total consumption loan disbursed by the banks to the Swarojgarsies during the year.

11. **Repayment of Loan :-**

   The installment of repayment of loan will be minimum 5 years. There will be moratorium period depending upon the repaying capacity of the Swarojgari.

   Swarojgari will not be entitled for subsidy, if the loan is repaid before lock in period. Lock in period will be three, four and five years for loan repayments period of five, seven and nine years respectively.

12. **Recovery:-**

   The Banks would take all possible measures i.e. personal contact, organization of joint recovery camps with District Administration, legal action, etc., In case , even after this, the bank fails to recover the entire dues, the process of forfeiture of subsidy for adjustment against dues to be taken up. For this purpose, a notice will be issued to the Swarojgarsies and he/she will be provided reasonable opportunity to show why his/her subsidy should not be forfeited.
Thereafter, the concerned banks will place before the District SGSY Committee a complete report on action taken and a proposal for forfeiture and adjustment of subsidy. After getting the approval of the committee. The concerned bank will adjust the subsidy (Including interest earned) against the Swarojgaries dues. However, if the bank is able to realize any amount from the Swarojgaries subsequently over and above the amount due to it, the amount returned to the DRDA.

13. **Role of Bank and State Agencies:**

Banks are to be involved with the Govt. agencies in implementing planning and preparation of product, identification of key activities, clusters, SHGs individual Swarojgaries, infrastructure planning as well as capacity building of Swarojgaries. The bank has the final say in the selection of Swarojgaries. After the sanction of loan, Line department must ensure technical guidance to the Swarojgaries apart from follow up for starting the activities and prompt repayment of bank loan installments.

Hence success of SGSY depends upon the wholehearted involvement of banks and other agencies involves in development process.

14. **Back end Subsidy:**

From 1996-97 as per the recommendations of Expert Committee on IRDP, it has been decided to introduce back end subsidy. As per the scheme the full project cost including subsidy would be sanctioned and disbursed to borrower as loan by banks. This system is continued for SGSY also.

The subsidy admissible to the borrower under SGSY should be kept in a separate account titled ‘Subsidy Reserve Fund Account’. No interest should be paid on the subsidy amount. In view of this for the purpose of charging interest on loan subsidy amount should be excluded.
5.8 Financial Assistance to Self Help Groups (SHGs).

Despite massive branch expansion of Commercial Banks, RRBs and Co-operative Banks in rural areas, hardly 30% percent for rural population have been covered by these credit institutions. The assistance is in fact restricted to the cultivator households. SHGs are an emerging area including access to the rural poor who have been benefited by various Governments Supported Poverty Alleviation Programmed. Hence SHG’s commence its heath, education of children, social function etc. The members of the Group Consist of Marginal farmers, petty rural artisans, agricultural laboureres etc. Mostly belonging to socially and economically backward strata of village population. Such group emerge out of their genuine need and works on the principle of helping each other.

Initially about 15 to 20 poor rural villages come together and form an informal group. They save small amount regularly on weekly or monthly basis. The corpus fund thus collected id used for financial among themselves for urgent domestic or consumption needs. The group members discuss among themselves credit worthiness, need and requirement of extent amount, urgency and possibility of income and the repayment of the loan passage of time and after the members gain confidence, they shift towards production needs income generating activity like crop loans, purchase of milch animals, sheep, goats, silk worm or backyard poultry etc. At this stage bank to be finance to SHGs augment their funds need.
Table 5.7  Physical and Financial Progress of SHGs under the Scheme of S.G.S.Y.(Duration from 1999-2000 up to Dec. 2012) in Jalna District.

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Particulars</th>
<th>Recent/position</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Total number of established SHGs</td>
<td>3,525</td>
</tr>
<tr>
<td>2.</td>
<td>Out of them women SHGs</td>
<td>2,714</td>
</tr>
<tr>
<td>3.</td>
<td>Total number of SHGs, started business activity</td>
<td>874</td>
</tr>
<tr>
<td>4.</td>
<td>Out of them women SHGs, started business activity</td>
<td>742</td>
</tr>
<tr>
<td>5.</td>
<td>Total Fund Allocation</td>
<td>437.90</td>
</tr>
<tr>
<td>6.</td>
<td>Central Fund Allocation</td>
<td>290.52</td>
</tr>
<tr>
<td>7.</td>
<td>State Fund Allocation</td>
<td>147.38</td>
</tr>
<tr>
<td>8.</td>
<td>Revolving Fund</td>
<td>46.00</td>
</tr>
<tr>
<td>9.</td>
<td>Skill Training</td>
<td>14.61</td>
</tr>
<tr>
<td>10.</td>
<td>Subsidy</td>
<td>342.65</td>
</tr>
<tr>
<td>11.</td>
<td>Infrastructure Development</td>
<td>47.94</td>
</tr>
<tr>
<td>12.</td>
<td>Total Expenditure</td>
<td>476.44</td>
</tr>
</tbody>
</table>

From the table 1.5 it can be retrieved that total number of SHGs established in the Jalna district under the scheme S.G.S.Y. during 1999-2000 up to Dec.2012 were 3,525 of which 2,714 were women SHGs. It can be depicted that total number of SHGs, started business activity were 874 of which 742 were Out of them women SHGs, started business activity.

It can be observed that merely 27.33 percent of the total women SHGs entered in business activities acknowledge severe financial problem before them. Therefore, Government should make arrangement to render substantial credit supply for overall development of SHGs in the Jalna District.

From the table 5.2, it can be depicted that Total Fund Allocation in the Jalna District steadily augmented reaching to 437.90 lakh in 2012-13 with an increase of 226.94 percent as compared to 192.91 lakh Total Fund Allocation in 2001-02.

It can be conceived from the table that Revolving Fund to SHGs enhanced to Rs 46.00 lakh in 2012-13 with an increase of 383.33 per cent as compared the year 2001-02. Similarly Central Fund Allocation, State Fund Allocation,
Revolving Fund, Skill Training, Subsidy, Infrastructure Development, and Total Expenditure recorded better financial progress as compared to the year 2001-02*.

(* Data given of 2001-02 form Table 5.2)

• **While financing SHGs, Banks to be confirm that :**
  
  A) The group formed should be of rural poor, marginal farmers, landless labours etc, and preferably of women households.
  
  B) SHGs members should preferably have homogenous background and interest.
  
  C) The group size should not be more than 20.
  
  D) The members should have been in active existence for at least six month before financing.
  
  E) The members should build their corpus fund through their regular savings, should be decided by the members themselves. The group should have been maintaining proper records and books of accounts.
  
  F) The group should have opened saving banks A/C with the branch name of SHG with proper instruction about operation of the A/C.
  
  G) The members of SHG should not have willful default of any financial institution.
  
  H) The group should have its own laws. The rate of interest to be charged SHG group as per RBI norms.

• **Advantages/Importance of financing to SHGs :**

  01. Transaction cost of the bank is reduced considerably, as it has to maintain single account.
  
  02. Since it is a homogeneous group, due to group pressure, the utilization of loan I proper. Further there will be follow up on the part of other group members for proper utilization of loan and its repayment. Hence repayment in SHG loan account is almost 100 % percent.
03. Due to involvement of NGOs, Sahayoginies etc., the SHG members are meeting regularly and discussing their local problems and there is lot of social awareness among the rural women folk.

04. While forming the SHGs care should be taken to select the group leader only after the group is formed. Any reverse process is likely to create vested interest in the leader in selecting members of his choice with sole idea of converting the benefits of bank credit at a later date. The leader should be from the same village to have local feeling. The group leader should be a link between bank and SHG.

05. The rate of interest to be charged to the members for availing loans from the SHG not to be decided by the group as per by-law framed by them. However it should not be excessive and loans should be taken to endure that the members do not borrow from outside source to meet the contribution to group fund or repayment of loan availed the group.

5.9 Reference: