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An Evaluation Of Micro Finance Scheme In Dharwad District Of North Karnataka

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ABSTRACT

Most the previous studies have focussed on the Micro Finance, Key stakeholders of Micro Finance, participation of SHG and NGO's, financial inclusion, risk assessment, rate of interest and loan waiver scheme etc., The previous research needs for this study have been determined based on the available literature evaluation in the subject of microfinance organisations and their governance. Microfinance institutions must be adequately regulated and managed. This governance study looks into the various procedures that may be used to control Micro Finance Institutions in order to improve the sector and provide more advantages to Micro Finance Institutions' stakeholders. In this study researcher investigate the procedural elements of the SHG Microfinance Scheme and assess its development, with a focus on the Dharwad district of North Karnataka and also examine the perspectives and perceptions of various SHG players in order to discover the scheme's strong and weak points in order to improve its efficacy.
Keywords:- microfinance scheme, bankers, SHG, loaning

INTRODUCTION

Microfinance's history dates back to the formation of the private sector- Syndicate Bank in 1921. In its initial years the Syndicate Bank focused on improving upon its micro deposits contribution from the clients. This was done in form of collecting deposits on daily or weekly basis & it also included its initiatives on sanctioning short term loans termed as micro loans to its customers. However, it was the contribution of Dr Yunus's Grameen Bank experiment that brought the microfinance in the limelight and gave it mass movement significance.

Microfinance is a significant approach to providing savings and investment opportunities to the masses and lower income groups. It improves access to and efficiency in the provision of savings, credit, & insurance facilities, allowing the poor to better manage their consumption and risks, gradually strengthen their asset base, & grow their businesses. It also increases income earning capacity & improves quality of life. In India, microfinance is primarily operated by Self Help Groups (SHGs), Non-Governmental Organizations (NGOs), & Credit Agencies. Microfinance improves people's lives by giving them a greater stake in their own success rather than providing them with a one-time donation of food, goods, or money incentives. Even today, as in the past, many government initiatives to alleviate poverty have failed to achieve the desired results.

This could be because they underestimate the poor's ability to solve their own problems. The government's one-time subsidies barely reduce their poverty levels & may not be a long-term solution. If this society is given proper guidance, it can emerge as a successful entrepreneur with guidance, capital, and productive assets. The same can be easily accomplished by providing them with access to microfinance.

In the planning process in India, poverty alleviation has been always one of the most important agenda and it is because of this reason Government has considerably increased the funds/budget allocation for providing quality education improved health services, sanitation and other facilities which promote capacity building, good infrastructure as well as well-being of poor and development of nation. Since independence the Indian government lays strong emphasis on providing financial services to the poor & underprivileged. After the nationalization of the commercial banks in the 1969 & they were directed to lend 40% of their loan at subsidized rates to priority sector. This sector in general included the agriculture, rural activities & weaker section of society. The goal was to provide resources to assist the underprivileged in starting small and micro businesses in order to achieve self sufficiency.

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LITERATURE REVIEW

Anzoategui & Demirgut-Kunt (2011) examined impact of remittances on financial inclusion using data from a four-wave rural household survey in El Salvador. The study investigated how remittances influence households' use of financial services such as deposit accounts & loans. Remittances, according to findings, help to increase financial inclusion by encouraging use of deposit accounts. Furthermore, remittances have no discernible effect on formal lending institutions' credit. As a result, study concludes that remittances may reduce need for external financing among financial institutions while increasing demand for savings instruments.

According to Mahanta (2012), Microcredit lending to the poor is not the solution, but rather the start of a new era. It has the potential to be a miracle in field of poverty alleviation if handled correctly. It must, however, be combined with initiatives aimed at increasing capacity. The government cannot avoid responsibility for social & economic development of oppressed and poor. Because microcredit clients lack special skills, the fund is used for consumption and the acquisition of nonproductive assets.

According to Nikita (2014), For the first time since the launch of SHGs BLP in 2012-13, the number of SHGs with bank-linked savings has decreased. The study also discovers that loan outstanding of SHG increased, which was responsible for increase in NPAs. Finally, when agency-wise loan is issued to MFI, it is discovered that the majority of the share belongs to commercial banks. He proposed that steps be taken to improve performance of regularly launched microfinance programmes.

According to Kumar Vipin's (2015) According to research, SHGs and MFIs play an important role in delivery of microfinance services in India, resulting in the development of poor and low-income people. However, various study findings in various parts of country have also reported slow progress of SHG member graduation, poor quality of group functioning, dropout of members from groups, and other issues that must be considered when designing road map for next phase of SHG programme.

According to Santosh et al. (2016), microfinance in India operates through two main channels: a) SHG – Bank Linkage Programme (SHG-BLP) Microfinance Institutions (MFIs). The Self-Help Group (SHG) Bank Linkage Programme has reached more than 10.01 crore Indian poor households over last two decades, making it world's largest community-based microfinance programme.

Reddy and Muhammed (2017) presented fascinating information about the new paradigm shift & performance of microfinance sector, as well as an examination of the impact of financial technology (Fin Tech) on this sector. They looked into new trends in Indian microfinance, as well as effects of policy changes, financial technology (Fintech), & banking ventures. The Government of India & Reserve Bank of India (RBI) reaffirmed role of Microfinance Institutions (MFIs) in financial inclusion by introducing NBFC-MFI guidelines, Priority Sector Lending (PSL), promoting MFIs as Bank Correspondents (BC), & launching MUDRA bank due to its ease of viability & broad range of beneficiaries across country. As a result of Indian government's recent move toward demonetization (8th November-2016) & 2011 Andhra Pradesh Microfinance Crisis, this sector is losing large collections & experiencing loan defaults due to cash crunch.

Harika and Ramakrishna (2017) Analyze trend data to assess the state of microfinance in India in terms of Saving Amount, Loan Amount, and Outstanding Amount. From 2010-11 to 2015-16, the Compound Annual Growth Rates, Mean, Standard Deviation (SD), Coefficient of Variation (CV), & Instability Index were calculated to assess state of microfinance in India. According to the study, in terms of number of borrowers & loans outstanding, SHG-BLM has emerged as the dominant model. The SHG-BLM is well suited to the Indian context due to the widespread rural bank branch network.

Robert Lensink and others (2018), investigates impact of microfinance "plus" (a coordinated combination of financial & nonfinancial services) on microfinance institution performance (MFIs). Using a global data set of MFIs from 77 countries, we discover that providing nonfinancial services has no effect on financial sustainability & efficiency of MFIs. The findings, however, indicate that the providing social services is associated with higher loan quality & greater depth of outreach.

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Sharif Mohd (2018), Investigate performance & role of microfinance institutions in India's development. According to study, number of the MFIs receiving bank loans increased from 9.8 percent to 257.6 percent between 2015-16 and 2016-17. Banks' total loans to MFIs fell by 7.2% in 2016-17 compared to the previous year. All subsequent years saw an increase in the amount of money owed to MFIs. In 2015-16 and 2016-17, it increased by 13.7% and 14.3%, respectively. It is also discovered that business models of the MFIs in India are becoming more urban centric, as evidenced by fact that share of rural client base of different states/UTs in 2017 versus 2016 has decreased, with exception of Assam, Arunachal Pradesh, Nagaland, Jammu & Kashmir, & Andaman & Nicobar Islands. Andaman experienced greatest increase (267 percent), followed by Jammu and Kashmir (17 percent). In 2015, the proportion of income generation loans remained constant, rising to 94% in 2017. Over this time period, indicators relating to overall financial structure, such as return on assets & return on equity, as well as capital adequacy ratio, have increased, while MFI total assets have decreased sharply.

V. R. Palanivelu, S. Narmada (2019), Framing gatherings is normal among individuals who share something practically speaking. Individuals have consistently attempted to overcome their problems collectively & have proven to be fruitful in their endeavours. Self-improvement Gathering is one such gathering that is dedicated to assisting women in dealing with life's challenges in general in general public where they live. Self-Help Movements have proliferated in India over the last three decades. The poor are born with a limit to their ability to improve their living conditions. Smaller scale acknowledgement is viewed as a viable tool for moving poor into another realm of monetary strengthening. Miniaturized scale credit will be credit given to less fortunate for self-determination employment, monetary administrations like reserve funds, and the limit working in female society. Since a long time, helpful developments have been set up in vast majority of nations to extend money related administrations to its' people.

Vidya Naik.V and C. M. Bhaskar Reddy (2019) investigated role of the social capital in the empowerment of fishing communities that use microfinance institutions. The findings revealed that there were fewer studies on community empowerment through social capital. Finally, this review suggests several directions for future research. Studies can be conducted to investigate difficulties faced by members of self-help groups in fisheries sector in employing knowledge & resources gained from social capital established in their group, as well as resulting changes in their business performance. Aside from the previously mentioned future research opportunity, comprehensive studies on policies to develop social capital of groups of microfinance institution beneficiaries can be conducted.

Belay Mengstie Amanpreet Singh (2019), Examine the impact of microfinance via Amhara credit & savings institutions on women's economic empowerment. To obtain reliable data, qualitative & quantitative research methods were used. According to the regression results, age, marital status, education level, credit amount, & number of trainings all had a significant impact on women's economic empowerment. However, the number of households & prior business experience have no effect on women's economic empowerment in study areas. According to the findings of an independent t-test, Amhara credit & saving institutions have a significant impact on women's economic empowerment as measured by increased participation of women in resource control, improved household income, asset possession levels, and saving.

Dalla Pellegrina, L., Di Maio, G., Landoni, P. (2021), uses a randomized control trial to evaluate the outcome of integrating money management and in India entrepreneurial training is being incorporated into a microcredit programme. We find positive & significant effects on clients' financial management skills & entrepreneurship abilities, particularly for clients with higher human capital, are more diligent, or have an entrepreneurial idea, as well as an increase in initiative & self-confidence. The effects appear to be stronger for clients who are required or interested in attending the training course. We assess the benefits of the provided training as well as the benefits of extending it for the institution, taking into account missed or delayed repayments.

DATA COLLECTION

The requisite data will be obtained from both primary and secondary sources. The secondary sources would include the official records of NABARD, other banks, and SHG's. Data from various governments' websites and related agencies will also be collected for the analysis. The research will be

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carried out in the Dharwad area of India's North Karnataka state. Dharwad boasts a thriving industrial sector, as well as excellent educational institutions and hospitals. The city boasts a well-developed infrastructure, including decent roads, retail malls, and residential neighbourhoods, as well as adequate communication and transportation facilities. Dharwad meets all of the requirements to be designated as one of North Karnataka's fastest-growing districts.

SAMPLING

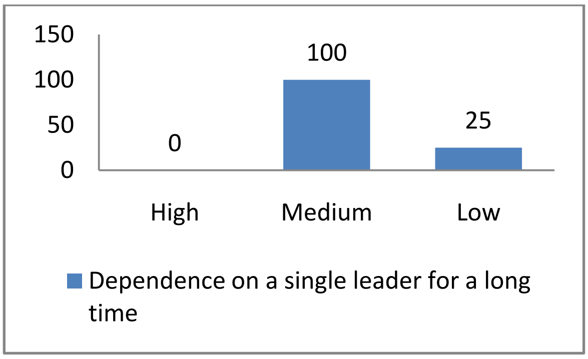
The sample size for this study has been set at 240 SHG beneficiaries from various talukas in the Dharwad district. Questionnaire will be developed to capture the data from the benefactress. The questionnaire will be included questions to capture the basic profile of the beneficiaries, procedural issues faced during availing the schemes, their satisfaction on the support and guidance availed from the various stakeholders involved (included the NABARD officials, NGO's and the bank officials). Questions will also be asked pertaining to how their business performed and what criteria they considered to sell their products. The questionnaire developed to capture the perceptions of bank officials will be a modified version of the questions used by Tamragundi and Ragikallapur (2013) to be used in similar settings to assess risk perceptions of bank officers in context of SHG scheme. Unstructured discussions will be held through personal interactions with NABARD officials of Dharwad district and 100 bank managers of various banks involved in the implementation of the scheme. Questions will be asked relating to the criteria considered for selection of the applicant, imparting of training and various other issues faced by them during the implementation and administration of the scheme. Information will also be collected from various secondary sources like government reports, government agencies, websites, academic journals, industry reports etc. to review the concept and status of unemployment, entrepreneurship and self-employment.

DATA ANALYSIS AND INTERPRETATIONS
DEPENDENCE ON SINGLE SHG LEADER

SHGs are led by a designated leader known as the President or Chairperson.

Risk factor	Risk perception					
	High	%	Medium	%	Low	%
Dependence on a single leader for a long time	-	-	100	80	25	20

TABLE 1 PERCEPTION TOWARDS SHG LEADER



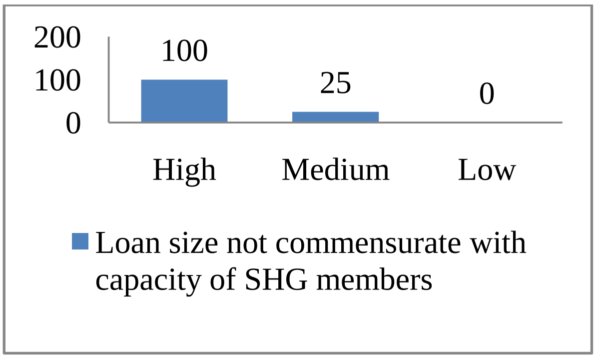


FIGURE 1 PERCEPTION TOWARDS SHG LEADER **FIGURE 2 PERCEPTION TOWARDS LOAN SIZE AND CAPACITY OF SHG**

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According to the above table, 80 percent of branch managers rated this factor as medium risk, despite fact that SHGs only rule on it every two or three years. Their leaders must be replaced. Many SHGs have same leader for many years. As a result, such leaders become autocratic, & members' participation in decision making is reduced. As a result, there is a risk of misuse of bank loan allocation to a select few close to leaders. It is common in the villages for SHG leader, on whom SHG depends in total, to go to her house for a brief period of 3 to 4 months for her child delivery, causing SHG's regular activities (conducting meetings, collecting savings & loan installments) to come to a halt. This type of temporary setback causes members to default permanently.

LOAN SIZE NOT COMMENSURATE WITH SHG CAPACITY

To handle larger loan sizes, SHGs require more management and bookkeeping capabilities. Even ineligible SHGs are subsidized by government under SGSY.

TABLE 2 PERCEPTION TOWARDS LOAN SIZE & CAPACITY OF SHG

Risk factor	Risk perception					
	High	%	Medium	%	Low	%
Loan size commensurate with capacity of SHG members	100	80	25	20	-	-

According to Table 2, 80 percent of branch managers regarded this factor as a high risk category. In case of subsidized loans to SHGs, such as SGSY economic assistance, it has been discovered that SHG loan size is up to 4 lakhs, which is not commensurate with SHG management capacity & low entrepreneurial ability of illiterate members.

POSSIBILITY FOR LOAN DEFAULT V/S LOAN SIZE

When loan amount is increased, likelihood of members defaulting increases because their savings are insufficient to repay the loan principal & required interest.

TABLE 3 PERCEPTION TOWARDS INCREASE IN LOAN SIZE

Risk factor	Risk perception					
	High	%	Medium	%	Low	%
Increase possibilityfor loan default with increase in loan size	35	28	75	60	15	12

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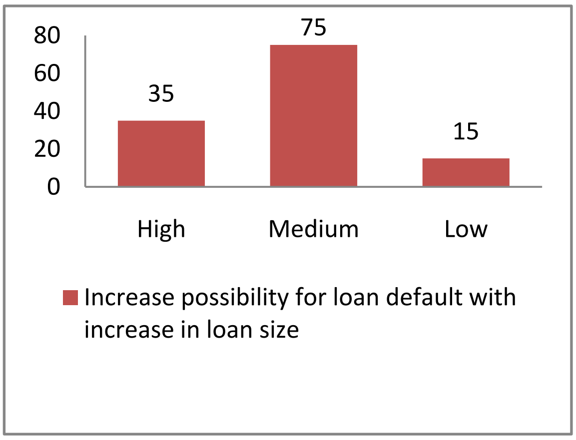

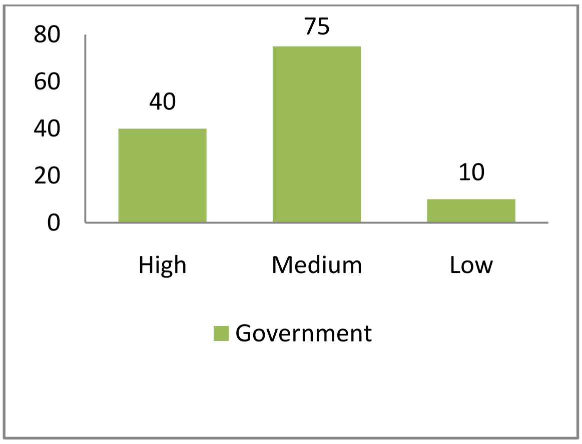

FIGURE 3 PERCEPTION TOWARDS INCREASE IN LOAN SIZE FIGURE 4 PERCEPTION TOWARDS GOVERNMENT PROGRAMS

According to Table 3, 28 percent of the branch managers regarded this factor as a high risk category in SHG lending, where peer pressure serves as collateral. This works well for small loans. Because only the active borrowers are eligible for bank loans, the banker must evaluate loan size based on their regular savings & account balance. The loan is provided in a 1:1 ratio at first, then ratio must be increased to 1:2, 1:3, and so on. In some cases, loan amount per member exceeds Rs.50,000 or more. The likelihood of the loan default rises. It is challenging to mobilize resources among a group of people who see the potential for abuse in any acquisition of power. But it may be people with this sensibility that are best suited to directing local development. If someone is worried about being corrupted by wealth and power, that person is probably less likely to misuse power and more likely to put it to good use. The challenge is making these people comfortable with the idea that one needs to have power in order to get things done. Part of the micro finance provider's power as an institution lies in the fact that their loan fund consists entirely of member deposits, and is, as the administrator describes it, "a completely community-based source of capital" However, while having local depositors makes the institution more self-sufficient, this can work against its ability to engage in micro finance, which tends to be morerisky.

SHG'S SHOULDERING TOO MUCH GOVERNMENT PROGRAM RESPONSIBILITIES BEYOND THEIR CAPACITY

TABLE 4 PERCEPTION TOWARDS GOVERNMENT PROGRAMS

Risk factor	Risk perception					
	High	%	Medium	%	Low	%
Government	40	32	75	60	10	8

According to this table, 32% of branch managers regarded this factor as high risk category. As SHGs have proven to be very effective delivery units, many government departments have stepped forward to contribute to the programme. This has increased the burden on the SHGs and, in some cases, resulted in the groups' dissolution. As a result of the SHG's failure, the bank's loan to the SHG

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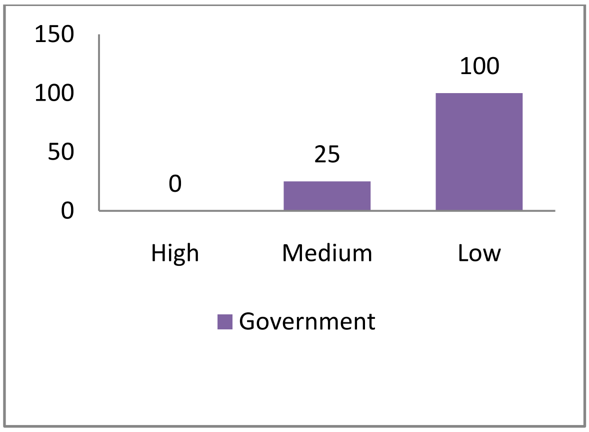
becomes a non-performing asset.

DUAL FINANCING TO MEMBERS

TABLE 5 PERCEPTION TOWARDS DUAL FINANCING

Risk factor	Risk perception					
	High	%	Medium	%	Low	%
Dual financing as members join more than one SHG	-	-	25	20	100	80



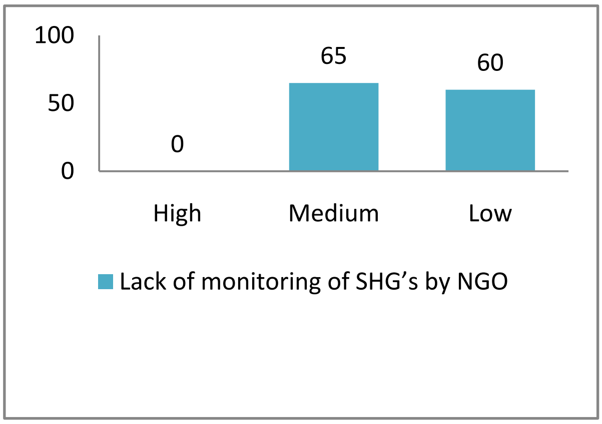


FIG 5 PERCEPTION TOWARDS DUALFINANCING FIG 6 PERCEPTION ON LACK OF MONITORING

According to Table 5, 80 percent of branch managers rated this factor as low risk. Where there is a higher concentration of the SHGs, the SHG members have a greater chance of becoming members of more than one SHG. There is a chance that those members will receive two bank loans through two various SHGs. However, this factor is regarded as low risk because it is considered when providing a loan to a SHG. Each member's photographs and information (ration cards, address proof, etc.) have been collected by the banker. As a result, it eliminates the possibility of dual financing.

LACK OF MONITORING BY NGOS

Monitoring SHGs improves SHG quality as well as banking performance over time.

TABLE 6 PERCEPTION ON LACK OF MONITORING

Risk factor	High	%	Medium	%	Low	%
Lack of monitoring of SHG's by NGO.	-	-	65	52	60	48

According to Table 6, 52 percent of branch managers regarded this factor as a medium-level

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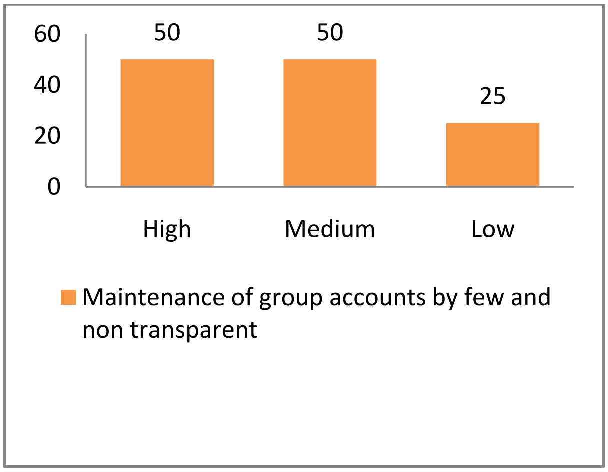
risk. Non-governmental organizations (NGOs) assist banks in monitoring credit-linked SHGs. During early years of the SHG bank linkage program's implementation, an NGO field staff typically supervised 15 to 20 SHGs. As a result, SHGs were closely monitored. However, each field staff member now oversees 50 to 80 SHGs. In most cases, field staff were unable to attend group meetings even once every two or three months. As a result, branch manager who acts on feedback from these field staff may be unaware of SHG problems; poor monitoring will result in non-performing SHGs as well as the non-performing assets in the SHG loan portfolio.

MAINTENANCE OF GROUP ACCOUNTS

NGOs and banks have trained SHG leaders on how to keep their SHG's accounts in order.

TABLE 5.13 PERCEPTION ON MAINTENANCE OF ACCOUNTS

Risk factor	Risk perception					
	High	%	Medium	%	Low	%
Maintenance of group accounts by few and non transparent	50	40	50	40	25	20



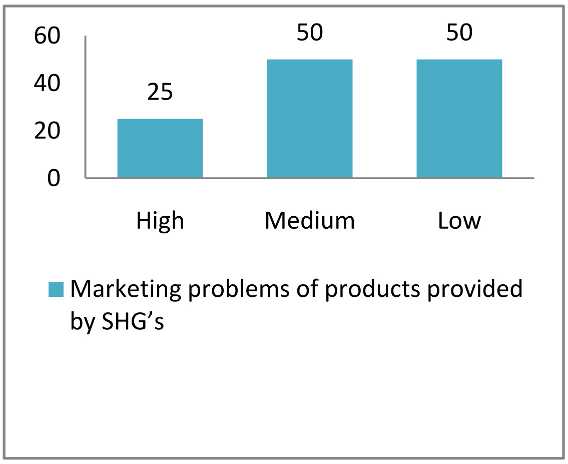


FIG 7 PERCEPTION ON MAINTENANCE OF ACC FIG 8 PERCEPTION TOWARDS MARKET

It was discovered that 40% of branch managers regarded this factor as being in the high risk category. It is always preferable for at least four or five members of the group to be aware of the group accounts maintenance. In most SHGs, only one person keeps the accounts because the majority of the members are illiterate. Such organizations are ripe for deception. Following fraud, SHGs

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become defunct, & bank credit to such SHGs becomes sticky.

PROBLEMS IN MARKETING THE PRODUCTS PRODUCED BY SHG'S

TABLE 8 PERCEPTION TOWARDS MARKETING

Risk factor	Risk perception					
	High	%	Medium	%	Low	%
Marketing problems of products provided by SHG's.	25	20	50	40	50	40

According to the table, 40% of the managers believe that this is a low category risk because there are no longer any difficulties in marketing the products produced by SHGs in the Dharwad district. However, some managers believed that the high risk category, if the SHG members failed to sell their products in the market, would result in a decrease in the group's operational efficiency, leaving them unable to pay the bank installments.

POLITICAL INTERFERENCE IN SHG BANK LINKAGE PROGRAMS

TABLE 9

Risk factor	Risk perception					
	High	%	Medium	%	Low	%
Political	100	80	15	12	10	8

PERCEPTION TOWARDS POLITICAL INFLUENCE

According to the table, 80 percent of branch managers believe this is a high-risk category. Due to political influence in the linkage programmes, loan recovery percentage in Dharwad district has dropped to 60-65 percent. Bankers should be cautious in their work and not allow political parties to manage loan portfolios.

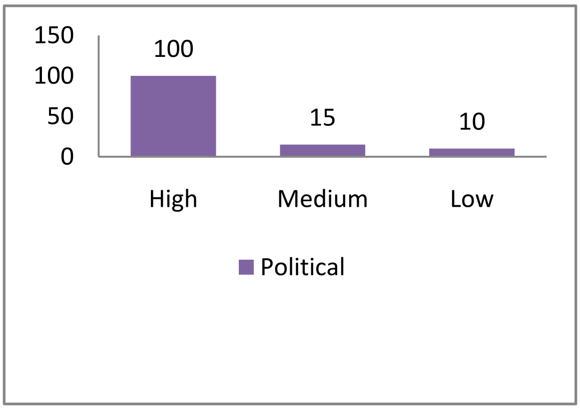

FIG 9 POLITICAL INFLUENCE

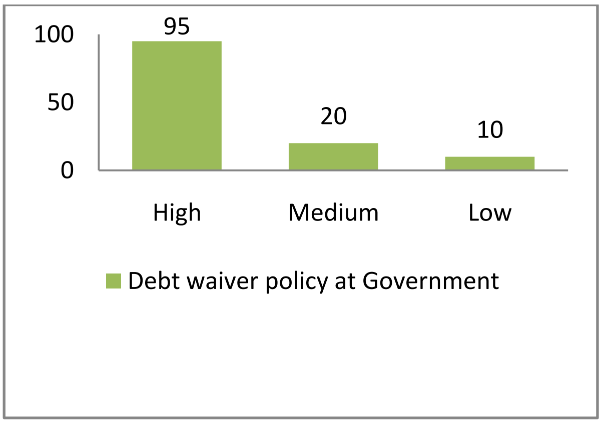

FIG10 GOVERNMENT SCHEMES

DEBT WAIVER POLICY OF GOVERNMENT AND LOAN DISBURSEMENT SCHEME

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TABLE 10 PERCEPTION TOWARDS GOVERNMENT SCHEMES

Risk factor	Risk perception					
	High	**%**	**Medium**	**%**	**Low**	**%**
Debt waiver policy at Government	95	76	20	16	10	8

According to the table, after the government announced a debt waiver policy in 2008, 76 percent of branch managers regarded this factor as a high risk category. This policy benefits some SHG members, but it also causes confusion in the minds of SHG members. Because of the government's frequent changes in policies, members have confidence that unpaid loans will be disbursed by the government. As a result, group members' efficiency decreases, and the loan recovery percentage drops to 60 to 65 percent.

LOANING PROCESS OF BANK

It was required in the study to collect the perception of the bank managers on the loaning process. This helped us to understand on an average how many days it took for the bank to disburse the loan after receiving the applications from the SHG and whether any collateral security were used by the banks for the same. The findings are presented in table no 11.

TABLE 11 LOANING PROCESS OF BANK

Time taken in disbursement of loan after receiving applications from SHG's					
Within 15 days	**16-30 days**	**1-3 Months**	**3-6 months**	**Above 6 months**	**Total**
15(12%)	25(20%)	75(60%)	10(8%)	-	125(100%)

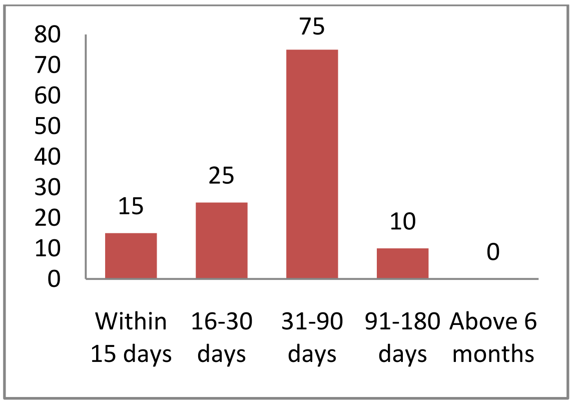

FIG11 LOANING PROCESS OF BANK

The following observations can be made from table 11

- Majority of the loans (92%) were disbursed within three months from the date of receiving the applications. Very few of them (8%) took more time. This was because of the delay in submitting the required documents by the beneficiary and/or directions

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issued by the BANK for non-compliance of the mandatory training attendance put up by the beneficiary.

- No collateral security/guarantee while disbursing the loans were taken.

ADEQUACY OF THE LOAN AMOUNT

It was observed from the discussions with the bank officials that the loan amount was not adequate and hence the maximum limit should be raised. Presently the amount of loan eligibility is upto four times the total savings amount of a SHG and in some cases may be raised upto 8 times. But the managers feel that in most of the cases the total savings of the SHG's are so less that the total loan amount eligibility becomes too less. It was therefore necessary to know what perceptions the bank managers carried on the loan amount disbursed under the scheme. The findings are presented in table 12.

TABLE 12 ADEQUACY OF LOAN AMOUNT

Loan amount disbursed under SHG was adequate			If no, then how much additional loan was required (in Rs.)			
Yes	**No**	**Total**	**Up to 25000**	**25000 to 50000**	**Above 50000**	**Total**
90(72%)	35(28%)	125(100%)	20(16%)	100(80%)	5(4%)	125(100%)

It is observed from table 12, that 72% of the bank managers felt that the loan amount was adequate for starting small entrepreneurial venture. However around 18% of them felt that the amount should had been increased by Rs. 25000-50000/- more so that the same could stimulate more innovative business ideas. These managers felt that smaller loan amount restricted their thinking and forced them to plan very small business ventures (mostly into services).

CONCLUSION

The major findings/conclusions from the study are presented in this section in three categories viz., the NABARD officials, Bank Managers and the beneficiaries.

- The officials were satisfied with the working of their team.
- Fixation of the targets for the disbursements of the loans under the SHG was fixed for the banks in consultation with them on the basis of number of branches in the Dharwad district.
- To create awareness auto-rickshaw with loud speaker giving out information were used for publicity in market places.
- SHG was well received at rural level. Response was good and rapidly helped settled business to grow, gave fresh start to those on the verge of decline or closure and helped aspiring ones to set their new ones. Villages in Dharwad Gramin enjoyed good sustainable progress during SHG scheme.
- All the bank managers (100%) stated that the targets were fixed by the BANK in consultation with the concerned branches in the Dharwad district.
- Majority of the bank managers (72%) felt that their involvement in the beneficiary selection process was minimum and many of them were not consulted while the beneficiaries were selected for award of loan.
- Majority of the loans (92%) were disbursed within three months from the date of receiving the applications. Very few of them (8%) took more time.

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- 72% of the bank managers felt that the loan amount was adequate for starting an entrepreneurial venture. However around 18% of them felt that the amount should had been increased by Rs. 25000-50000/- more so that the same could stimulate more innovative business ideas.
- 8 percent of the officials reported that the repayment of the loans was being done in regular instalments. It can be observed that most of the banks reported that the percentage of SHG's repaying the loans in regular instalments was below 25%.
- 75% of self-employment ventures in Dharwad district have been successful whereas 25% of ventures were reported as ill or had been shut down.
- The responses were favourable with most of the bank officials satisfied with the achievements of the SHG scheme. Very few of them felt that the scheme was not able to achieve proposed objectives for which it was implemented.
- Political pressure was identified as the major problem (perceived by 105 managers). Almost all the bank managers mentioned about the external pressure in sanction and disbursement of loan. However, they denied replying further questions on this issue.
- Non recovery of loan was the second most identified problem (68%). Most of them suggested that there should be revised guidelines and stricter action against the defaulters.
- 48 percent of the bank managers stated misuse of loan as the other issue. They stated that most of the beneficiaries were only interested in the subsidy element of the loan and were not really encouraged to start the business.
- Inexperienced and unskilled entrepreneurs as an issue were reported by 24% of the bank Managers. They believed that the amount of training imparted to the beneficiaries was not sufficient and much more intensive training on the technical and entrepreneurial aspects of business was required.
- Bank officials complained about the concealment of the facts and important information pertaining to family income, age, employment etc. they also mentioned about some cases of fraud wherein the selected beneficiary was already an established businessmen and had turnover in lakhs of rupees.
- Bank officials perceived the SHG as a target based scheme wherein the numbers were decided first and then all the efforts were to convert these numbers in actual disbursements

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