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INTRODUCTION

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CHAPTER I

INTRODUCTION

1.1. INTRODUCTION:

Self-Help Groups (SHGs) is now a well-known concept in all over the world. It is now almost two decade old. It is reported that the SHGs are playing a significant role in hastening country's economic development. SHGs have now evolved as a movement. Mainly, the members of the SHGs are women. Consequently, participation of women in the process of economic development of the countries' is increasing sharply. They also play an important role in elevating the economic status of their families. This has led boost to the process of women's empowerment. Thus SHGs are now emerging as a strong mean of women empowerment and financial inclusion. But at present SHGs are suffering from various critical problems they are facing several problems. Hence need felt to undertake a grass root level study to identify and address these problems. Therefore taken into consideration the above highlighted socio-economic significance of the the SHGs, researcher is intended to study the working, problems and impact of SHGs in Andhali Village which located in Palus Taluka of Sangli District. Before starting the study of SHGs of Andhali Village there is need to present the historical background of SHGs.

1.2. HISTORICAL BACKGROUND:

1.2.1. Micro-Finance Institutes Of Bangladesh:

Bangladesh has been acknowledged as a pioneer in the field of micro-finance. Dr.Mehmud Yunus, Professor of Economics in Chitgaon University of Bangladesh, was an initiator of an action research project 'Grameen Bank'. The project started in 1976 and it was formally recognized as a bank through an ordinance, issued by the government in 1983. Even then it does not have a scheduled status from the Central bank of the country, the Bangladesh Bank. The Grameen Bank provides loans to the landless poor, particularly women, to promote self-employment. At the end of December 2001, it had a membership of 23.78 lakh and cumulative micro-credit disbursements of Tk 14.653 crore.

Bangladesh Rural Advancement Committee (BRAC), Association for Social Advancement (ASA) and PROSHIKA are the other principal Micro-credit Finance Institutions (MFIs) operating for over two decades and their activities are spread in all the Districts of that country. BRAC is the largest NGO of Bangladesh with a total membership of 41.38 lakh. Initially set up in 1972 as a relief organization, it now addresses the issues of poverty alleviation and empowerment of poor, especially women, in the rural areas of the country. This institute also works in the field of literacy, legal education and human rights. BRAC has worked significantly in the fields of education, health, nutrition and other support services. PROSHIKA is also active in the areas of literacy, environment, health and organization building, while ASA and Grameen Bank are pure MFIs.

The micro-finance practices of these institutions revolve around five basic features. Firstly, these institutions primarily have women as their target group. Secondly, they adopt group approach for achieving their targets. The group approach focuses on organizing the people into small groups and then introducing them to the facility of micro-financing. The MFIs of Bangladesh place a great deal of importance to group solidarity and cohesiveness. Thirdly, savings are an essential precondition in all these MFIs for availing credit from them. Fourthly, the officials of the Bangladesh MFIs remain present in the weekly meetings of the groups and collect the savings, update the pass books and even disburse the loans, and lastly, the systems and procedures of the MFIs are quite simple and in tune with the requirements and capabilities of their clients.

1.2.2 Indian Scenario:

India has adopted the Bangladesh's model in a modified form. To alleviate the poverty and to empower the women, the micro-finance has emerged as a powerful instrument in the new economy. With availability of micro-finance, self-help groups and credit management groups have also started in India. And thus the movement of SHG has spread out in India.

In India, banks are the predominant agency for delivery of micro-credit. In 1970, Ilaben Bhat, founder member of 'SEWA' (Self Employed Women's Association) in Ahmadabad, had developed a concept of 'women

and micro-finance'. The Annapurna Mahila Mandal' in Maharashtra and 'Working Women's Forum' in Tamilnadu and many National Banks for Agriculture and Rural Development (NABARD)-sponsored groups have followed the path laid down by 'SEWA'. 'SEWA' is a trade union of poor, self-employed women workers. Since 1987 'Mysore Resettlement and Development Agency' (MYRADA) has promoted Credit Management Groups (CMGs). CMGs are similar to self-help groups. The basic features of this concept promoted by MYRADA are: 1] Affinity, 2] Voluntarism, 3] Homogeneity and 4] Membership should be limited to 15-20 persons. Aim of the CMG is to bestow social empowerment to women.

In '1991-92 NABARD started promoting self-help groups on a large scale and it was the real take-off point for the 'SHG movement. In 1993, the Reserve Bank of India also allowed SHGs to open saving accounts in banks. Facility of availing bank services was a major boost to the movement. The movement of SHG was nourished in the states of Gujarat, Maharashtra, Andhra Pradesh, Rajasthan, Tamilnadu and Kerala.

Now nearly 560 banks like NABARD, Bank of Maharashtra, State Bank of India, Cooperative Banks, Regional rural banks, the Government institutions like Maharashtra Arthik Vikas Mahamandal (MAVIM), District Rural Development Agency (DRDA), Municipal corporations and more than 3,024 NGOs are collectively and actively involved in the promotion of SHG movement.

1.2.3 SHG Model in India:

In India three different models of linkage of SHGs to the financial institutions have emerged. They are:

1. Banks, themselves, form and finance the SHGs.
2. SHGs are formed by NGOs and other agencies but financed by banks.
3. Banks finance SHGs with NGOs and other agencies as financial intermediaries.

The second model is the most popular model. Almost three-fourths of all the SHGs come under this model. Only 20% of the SHGs are covered under the first and 8% under the third model respectively.

1.2.4 The SHG Movement in Maharashtra:

The concept of SHG was not new to Maharashtra. Beginning with a tiny amount of only 25 paise, the women of Maharashtra from Amravati District had established one SHG long back in 1947. Further in 1988, 'Chaitanya' Gramin Mahila Bal Yuvak Sanstha started promoting SHGs in Pune District, informally. In Southern part of India, 'SADHAN', 'DHAN' foundation and 'ASA' worked to promote SHGs, but their thrust was on economic aspects only. Whereas in Maharashtra, the NGOs not only have catered to the economic needs of the participants, but also involved in the process of social development. Aim of 'Chaitanya' is also the same to empower the women in both ways, economically and socially.

1.3 SELF-HELP GROUPS IN SANGLI DISTRICT:

The Sangli District is one of the famous "Deccan plateau" it is bounded on the east by the District of Bijapur in Karnataka State, on the west by Ratnagiri District, on the south by Kolhapur District and on the north it is bounded by Satara and Solapur District.

Table No. 1.1
Sangli District at a Glance

Sr. No	Item	Units	1960-61	1970-71	1980-81	1990-90	2000-01	2011-12
1	Total population	000	1231	1540	1831	2209	2582	2821
2	Sex ratio	Ratio	1000:957	1000:948	1000:967	1000:958	1000:957	1000:966
3	Cultivable land	00	6420	6220	6150	7250	7160	7126
4	Total area under crops	00	6680	6390	6510	6540	7407	8029
5	Total irrigated land	00	610	680	1000	1120	1566	1765
6	Live stock	000	947	916	1065	1146	1438	1492
7	Electricity used	Mnwph	10	97	162	7440	1211	1283
8	Cities electrified	Number	6	6	6	8	8	9
9	Villages electrified	Number	32	353	478	711	723	728
10	Primary schools	Number	965	1282	1428	1543	1824	2097
11	secondary schools	Number	95	202	232	285	384	596
12	Collage	Number	5	20	23	26	55	41
13	Literacy rate	percentage	28.07	37.48	46.86	76.62	76.62	82.62
14	Roads	Km	7517	7517	7517	7864	9673	1970
15	Railways	Km	101	101	174	174	174	174
16	Bank all	Number	36	88	251	394	643	209

Source- Socio-Economic Survey of Sangli District-2012

The east-west length of the District is approximately 205 k.m and north south width of the District is approximately 69 k.m. Total area of the District is 8572 k.m. The District head quarter is located at Sangli. The District covers 10 tehsils. As per 2011 census total population of District is 28, 20,575. Table 1.1 shows the growth of physical resources in Sangli District during the period 1960 to 2011. The District has a sound base of agricultural and industrialization. Besides co-operative movement in Sangli district is also strong. This has generated good network of sugar factories, dairies, spinning

mills, textile industries, M.I.D.C, cooperative banks, and financial institutions. This District is also known for grape production and market of turmeric. The district has made progress in the field of education, sports, politics and cultural activities.

About 36897 SHGs are formed in Sangli District up to March 2013 out of which 6706 SHGs are below poverty line (BPL) and 30191 SHGs are above poverty line (APL).

1.4 SELF-HELP GROUPS IN PALUS TALUKA:

Palus Taluka was established on 1 July 1999. This Taluka is formed by adding some villages from Tasgaon Taluka and some village from Khanapur Taluka. Before establishment of Palus Taluka, Palus is big village or we can say that it is developing small city. Before establishment of Palus Taluka, Palus is part of Tasgaon Taluka. Now there are 34 gram panchayats in Palus Taluka. According to census of 2001 population of Palus is 1, 55,316. And the total geographical Area is 27,445.83 hectares.

Palus Taluka is at north-west direction of Sangli District. Walwa Taluka, Khanapur Taluka and Tasgaon Taluka are besides of Palus Taluka. Palus Taluka is situated on the bank of river Krishna. This Taluka is famous for temple of lord Datta. Another one village named Pundi is also situated on the bank of river Krishna and it's famous for temple of god Hanuman. Palus Taluka also has great era of art and artists. Great actor Balgandharv was born in small village of Palus Taluka named Nagthane.

Palus Taluka also has great era and history of freedom fighters. Palus Taluka is also known as land of freedom fighters. This Taluka gave many freedom fighters for nation before independence of nation. Palus Taluka was center of "PRATISARKAR". Krantisingh Nana Patil, Krantiagrani G.D.bapulad, Ramanandbharti. These great humans gave their great contribution for independence of our nation.

Palus Taluka is aggressive in industrial field. There are 2 industrial parts in Palus. One is in Palus named (M.I.D.C.) and another in Sandgewadi, Kirloskar companies' one branch is in Kirloskarwadi. It contributes in industrial field of Palus Taluka greatly. The industrial development of Palus is

amazing various entrepreneur from private sector. Promoters from cooperative sector have played significantly role in the industrial development of Taluka.

About 1145 SHGs are formed in Palus Taluka up to Dec 2013 out of which 139 SHGs are below poverty line and 1006 SHGs are above poverty line.

1.5 SELF-HELP GROUPS IN ANDHALI VILLAGE:

1.5.1 Introduction:

Andhali village is one of the progressive villages in Palus Taluka. At present Andhali village is pioneer in the field of agriculture, education, politics and sports activities etc., and Andhali village is also pioneer in the field of self-help group's movement. Before 1999 Andhali village was part of Tasgaon Taluka. But on 1 July 1999 Palus Taluka was established by adding some villages of Tasgaon Taluka and some villages of Khanapur Taluka. During this period Andhali village is include in Palus Taluka. Now Andhali is known as one of the developing village of Palus Taluka because of agricultural and cooperative movement.

Andhali village is situated on the bank of river Yerala basin. The co-operatives as well as private lift irrigation schemes have brought green revolution in village. Now a day Andhali village is play very important role in production of sugar cane. In addition the Andhali village is also well known for milk production and early activities in Palus Taluka. Co-operative's leadership has made steady and continuous efforts in education and agriculture filed. It is because of their foresight vision education is wide, and open to all segments of society. There are ZP primary school and high school, which provides very good and qualitative education to children's. But today Andhali village is facing various problems like poor sex ratio and low agriculture development. Though, the movement of SHG is marching towards its good condition and women empowerment.

1.5.2 Profile of Andhali Village:

Andhali village is one of the progressive villages in Palus Taluka. This village is spread in area of 1449 hectores, latitude location area in 59.km.

I] Boundaries:

Andhali village is surrounded another small or big villages than Andhali village. Palus is south of village, at north of Andhali there is Balawadi village, Chikhalgothan village is at east of Andhali village and Kundal village is at west side of Andhali village.

II] Topography:

Andhali village is situated on the bank of river Yerala basin. Yerala River flows from north-south direction. The climate of this village is hot and dry. We come across three season's namely rainy season, winter season and dry season. Dry season also called summer. Rainy season is from mid-spanning of June to end of September. From mid of November to January end the climate is cold and from mid-February to the June the climate is hot, the average rainfall is 600 mm. On the north of Andhali village there is Vita city. On the south is Palus city. On the east of village there is Tasgaon city and Kundal village is at west of Andhali.

III] Soils:

The type and nature of soil is one of the important factors including cropping pattern. Fertility of land is mainly depending up on soils, its depth, slope, its chemical composite and the drain system. Andhali village has black cotton soil capable of yielding satisfying cash crops like wheat, hybrid, sugarcane, grapes, cotton etc.

IV] Connectivity:

The main road of Tasgaon-Palus is passing through this village and total length of this road is 6 km in Andhali village area. Also Satara road which comes from Sangli-Tasgaon and afterword's pass through Andhali village area.

V] Population:

The total population of village according to the 2001 census is 3200. This population is increase afterword's and according to the 2011 cense population of village is 3468. There are 1725 females and 1743 males.

VI] Sex –Ratio:

Sex ratio of village is well balanced which is indication of respect of peoples for females and girl Childs. According to cense 2011 sex ratio of village is 1000:990.

VII] Occupation Rate:

The working population of the Andhali village is 1200 and non - working population is 2268 and the ratio of working population to non - working population is 1:1:89.

1.5.3 Self-Help Groups in Andhali Village:

1st SHG was established at 15 October 1999 having name “Kranti Mahaila Bachat Gut”. At starting of this SHG 16 women’s joined this SHG and mainly this all women’s from occupation filed such anganwadi workers, gram sevika, teachers, ladies sarpanch etc. And this SHG is controlled by bank of India, Palus branch. Bank of India, Palus branch is always plays vital role development of SHGs in Andhali village.

There are 1145 SHGs in Palus Taluka, Out of which 23 SHGs of women were from Andhali village. In Andhali village 2 groups are BPL women’s and 21 groups are APL women’s. Today there are up to 381 SHGs of women are from Andhali village in Palus Taluka. Initially of SHGs there is very less no’s of women’s are included in SHG of society. At starting of SHG majority of women members were from anganwadi workers, gram sevika’s, teachers join SHG. initially response of women’s who is only housewife not interested in joining SHG is working across the village and today now from all fields women’s are member of SHG and this whole network is associate with various banks in Andhali village. Various banks having its own network of SHG in which mainly bank, state bank of India, Hutatma bank this banks are included and Palus is the branch of this banks.

There are total 23 SHGs in Andhali village up to Jan 2014. Out of this 2 SHGs are belong to below poverty line and 21 SHGs are above poverty line.

1.6. SELF HELP GROUP:

1.6.1 Introduction:

SHGs are novel and innovative organizational setup in India for the women upliftment and welfare. All women in India are given chance to join any one of SHGs for training and development, so as to be prospective entrepreneur and skilled worker. The SHGs are promoted by the Government as if women in India may not be resourceful enough to be entrepreneurs. When the SHGs arrange training facilities to carry out certain kind of work which are suitable for women in India, bank must arrange financial assistance to carry out manufacturing and trading activities, arranging marketing facilities while the Governments will procure the product of SHGs, arrange for enhancing the capacity of women in terms of leadership quality and arranging for the management of SHGs by themselves so as to have administrative capacity as a social movement with government support. SHGs become more or less a part and parcel of the society.

1.6.2. Concept of SHG:

Generally Self-Help Group consists of 10 to 20 women. The women save some amount that they can afford. It is small amount ranging from Rs.10 to 200 per month. A monthly meeting is organized, where apart from disbursement and repayment of loan, formal and informal discussions are held. On many social issues also women share their experiences in these groups. The minutes of these meeting are documented and the accounts are written. The President, Secretary and Treasurer are three official posts in any SHG. If the SHGs are connected with some NGOs they take part in other social activities of those NGOs.

Of late, the organizational structure of various micro-financial groups is undergoing significant changes. There are thrift groups, credit management groups, income generating groups, self-help groups and mutual help groups. Sometimes the institute that promotes the SHG, it self provides loan facilities. It is called as Micro-Finance Institute.

1.6.3. Definition of Self-Help Groups:

According To NABARD:

“SHGs are small economical homogeneous affinity groups of rural poor, voluntarily formed to save and mutually contribute to a common fund to be lent to its members as per group decision.”

1.6.4. Objectives of SHGs:

1. Basically the SHGs are economic organization. Small funds are raised for day today needs. The saving groups when transformed to earning groups not only increase the productivity of women but the credibility also.
2. Doors are wide open to women to understand and gain knowledge about banking, Gram Panchayats, Zilla Parishad, Law and Judiciary etc.
3. As economical solutions are available, the family structure is maintained.
4. SHG is a good way to stop the exploitation of consumers.
5. Broadening of view is a major gain. The ascending of family, group, Village, Tahsil, Zilla, Zone, State, Nation, World makes the vision global.
6. Development of self-confidence is achieved.
7. A common platform is available for a dialogue and sharing of views.

1.6.5. Need and Importance of Self Help Group:

Self-help groups are necessary to overcome exploitation, create confidence for the economic self-reliance of rural people, particularly among women who are mostly invisible in the social structure. These groups enable them to come together for common objective and gain strength from each other to deal with exploitation, which they are facing in several forms. A group becomes the basis for action and change. It also helps building of relationship for mutual trust between the promoting organization and the rural poor through constant contact and genuine efforts. Self-help groups plays an important role in differentiating between consumer credit and production credit, analyzing the credit system for its implication and changes in economy, culture and social position of the target groups, providing easy access to credit

and facilitating group/organization for effective control, ensuring repayments and continuity through group dynamics; setting visible norms for interest rates, repayment schedules, gestation period, extension, writing of bad debts; and assisting group members in getting access to the formal credit institutions. Thus, self-help group disburses microcredit to the rural women for the purpose of making them enterprising women and encouraging them to enter into entrepreneurial activities. Credit needs of the rural and urban poor women are fulfilled totally through the SHGs. SHGs enhance equality of status of women as participation, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life.

The rural poor are in-capacitated due to various reasons such as; most of them are socially backward, illiterate, with low motivation and poor economic base. Individually, a poor is not weak in socio-economic term but also lacks access to the knowledge and information, which are the most important components of today's development process. However, in a group, they are empowered to overcome many of these weaknesses, hence there are needs for SHGs which is specific terms are as under:-

1. To mobilize the resources of the individual members for their collective economic development.
2. To uplift the living conditions of the poor.
3. To create a habit of savings, utilization of local resources.
4. To mobilize individual skills for group's interest.
5. To create awareness about right.
6. To assist the members financial at the time of need.
7. Entrepreneurship development.
8. To identify problems, analyzing and finding solutions in the groups.
9. To act as a media for socio-economic development of village.
10. To develop linkage with institution of NGOs.
11. To organize training for skill development.
12. To help in recovery of loans.
13. To gain mutual understanding, develop trust and self-confidence.
14. To build up teamwork.
15. To develop leadership qualities.

16. To use it as an effective delivery channel for rural credit.

1.6.6. Characteristics of SHGs:

The important characteristics of self-help groups are as follows:

1. They usually create a common fund by contributing their small savings on a regular basis.
2. The groups evolve a flexible system of operations often with the help of the non-governmental organizations (NGOs) and manage their common pooled resource in a democratic manner.
3. Groups consider loan requests in periodical meetings, with competing claims on limited resources being settled by consensus regarding greater needs.
4. Loaning is mainly on the basis of mutual need and trust with minimum documentation and without any tangible security.
5. The amounts loaned are small, frequent and for short duration.
6. Rates of interest vary from group to group depending upon the purpose of loans and are often higher than those of banks but lower than those of moneylenders.
7. At periodical meetings, besides collecting money, emerging rural, social and economic issues are discussed.
8. Defaulters are rare due to group pressure and intimate knowledge of the end use of the credit as also the borrower's economic resources.

1.6.7. The Features of Self Help Groups:

According to D'Souza the SHGs are basically small informal groups, characterized by voluntary memberships, a democratic and consultative structure of governance, economic participation of members, autonomy, education and training and concerns for the poor. Apart from a number of things, the members do as a group, they pool their savings and lend within the group to meet the credit needs of the members. Creation of a common fund by regular contribution of members and insurance of loan with minimum documents and often without any security are, in fact, the key features of SHGs.

Fund generation in the initial stages may be substantially low in these groups. Such funds though meager, will be supplemented by external

resources mainly, loans from banks or grants given by NGOs, which promote them. SHGs offer to member's preliminary banking services characterized by cost effectiveness, flexibility and freedom from defaults. Assessment of the credit needs of members is done periodically at group meetings. The claims for credit are settling within the group by consensus. In case of any surplus, the amount is deposited in the bank or post offices. Defaulters are subjected to severe penalties but such occurrences are unusual. There is always peer group pressure on those who avail loans which to a large extent prevent defaults. The influence of the group on members is very powerful because it can put actions against defaulters and monitor the behavior of members in order to forestall default.

1.6.8. Functions of SHGs:

The important functions of SHG are the following:-

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

1.6.9. Norms of SHGs:

Any self-help group will have certain norms: help to function properly for sustainability of SHGs. It is mandatory for any SHG to have certain byelaws pertaining to-

- i) Objectives of the group
- ii) Meetings - time, periodicity

- iii) Savings - amount, periodicity, rate of interest.
- iv) Credit - procedure for sanction, ceiling amount, purposes, rate of interest to be charged, repayment period.
- v) Fines - defaulters in attending meetings, savings and credit repayment
- vi) Leadership - election or nomination of leaders, rotation of leaders etc.
- vii) Personal / Social improvement - minimum literacy to be achieved, social work to be done, convergence of facilities etc.

The norms are further elaborated as follows.

I] Meetings:-

The group decides the periodicity of the meetings and regular monitoring, attendance of the meeting, punctuality of the members, disciplinary action on errant members etc. Generally, each group meets at least once in a month at a fixed time, some groups meet twice a month to transact their business. The meeting place may be the house of a leader, a common place, panchayat building etc. Absentee member are liable for fine, which becomes the part of corpus funds of the group.

II] Maintenance of registers:-

Each SHG maintain certain basic register for effective monitoring, accountability and transparency. The register of SHGs includes minute book, attendance register, ledger book, cash book, bank pass book etc. These registers are suggested - promoter (banker, NGO), which may vary from place to place. The details of meetings, proceedings, attendance, member wise savings and credit, bank transactions etc. are verifiable from these registers. The registers are maintained by a book keeper (President/treasurer/literate members), who is paid monthly honorarium for maintaining these registers.

III] Pattern of leadership:-

Each group shall have leaders, who represent the group matters in various platforms. The nomenclature of leaders varies from region to region and state to state. The leaders are elected from the members on rotation. Leaders aid to democratic function of the group. The purpose of rotation is to see that the leadership qualities are developed among the members of the group.

IV] Awareness of group:-

The group will create awareness among the members and empowerment of members take place. The members will have to know the purpose of group formation, activities and operations, savings, credits etc. The members are expected to participate actively in the group discussion and decision making process. SHG helps to work as a cohesive group and will have transparency in the transactions.

V] Group activities:-

Savings and credit are the two important dimensions of SHG movement. Regularity in savings and method of dealing with defaulters are the important features of savings. The credit function of SHGs is judged by decision making process adopted credit requirement and quantum of loans sanctioned, system of monitoring credit repayment pattern etc. The group has to monitor their performance regularly.

VI] Revolving of fund:-

The SHGs to become eligible for sanction of revolving fund, community investment fund etc. they need to pass through certain stages.

i) Stage - 1 (Grading of SHG):-

The formation stage lasts for 6 months. It is necessary to test whether it has evolved into a good group or not. This helps to understand the weakness of the group and to overcome such deficiencies. Members also evaluate their own performance through a participatory approach.

ii) Stage - 2 (Capacity Building of SHG):-

It is a crucial stage to enhance the capacity of groups and enables to receive the revolving fund, which become a part of corpus fund of the group. The external fund received enhances the group capacity to extend loans to the maximum. The expectation of the group during this stage include -

- (1) Gradual improvement of per capita loan.
- (2) Shift from consumption to production loans.
- (3) Understanding the training requirements.
- (4) Assessing and ascertaining the reasons for poverty.
- (5) Meeting the credit needs of the members.

(6) Understanding the participatory monitoring of assets created through loans extended to its members.

(7) Capable of understanding community action programmes and continuing to do so independently.

(8) Reducing dependently on outside facilitating agency.

iii) Final stage (Taking up the economic activities):-

After the above two stages, the group is eligible to receive assistance for economic activities in the form of revolving fund or subsidy extended to the members and or group, some members are given loan and subsidy with the assurance of group as guarantor, which monitors the repayment, under SGSY, the subsidy component is about 50% or Rs.1, 25,000/-.

1.6.10. Rules and Regulations of SHGs:

(a) Memberships:-

1. Only one responsible person from a family aged around 21-60 years can become member in the groups.
2. The members who are involved in any party politics activities or involved in any type of antisocial activities or the willful defaulters are not eligible for membership in the group.
3. The size of the group shall be around 10 to 20 members.

(b) Group Meeting:-

1. The group members meetings should be held once a week or month regularly on a convenient day, place and time as decided by the group.
2. The members should attend all the meetings in time without fail.
3. The member who unable to attend the meeting for genuine reasons, the same has to be intimated to the group in person or through a messenger in advance or at least informed at the same meeting. If fails the member is liable to pay fine for the absence as decided by the group.
4. The latecomers for the meeting and those who walk out in the middle without intimating the chairpersons are liable to pay fine as decided by the group.
5. If a member was absent for three consecutive meetings without genuine reasons such person's membership shall be suspended or cancelled with or without notice.

(d) Duties and Responsibility of the Members:-

1. All the members should promote co-operation and unity in the group.
2. The members should create equal opportunities and the give encouragement to all the members in the groups.
3. The member should mobilize, use and manage the needy resources properly / judicially.
4. It is the responsibility of all the members to take necessary collective action against the willful defaulters and recovers the loan amount.
5. The members should take responsibility carefully for their all-round development and should also take leadership responsibility in the group with service motive.
6. All the members should involve in planning, implementing, monitoring and evaluate the development programmes of the family, village and environment time to time and to give attention for the results of evaluations with proper actions.
7. The member should promote and protect the unity and integrity of the group and the village.

(e) Executive Committee:-

1. An executive committee consisting three representatives selected unanimously in the group should take overall responsibility of the smooth functioning of the group.
2. The period of the executive committee shall be six months or one year as group decides and the new committee should be selected three months in advance and trained to take over the position of their representatives.
3. The above three position of the representatives shall be called as (a) President, (b) Secretary (c) Treasurer. Two out of the above three shall jointly operate the Group's bank account. This committee is responsible for the group's cash at hand, cash at bank or post office.
4. The executive committee members should ensure remitting the cash at hand immediately to the group's bank account. The cash in hand should not be kept more than two days for emergencies, if kept, the concern member should pay fine plus interest as decided by the group.

5. The active member/cashier/treasurer should ensure proper maintenance of books of accounts of the group on day to day basis regularly up to date. They are also responsible for getting the accounts inspected once a month and audited once in six months or year and to submit the accounts statements and reports to the group meeting for appraisal.
6. The executive committee should facilitate the programme planning, timely implementation, monitoring, evaluation and actions.
7. The executive committee should facilitate the regular group meetings and smooth functioning of the group.
8. The executive committee members should have good contact with the Govt. Departments, credit institutions, voluntary organizations and other related institutions and mobilize resources for the improvement of group and village
9. The executive committee members can execute any agreement/deeds/contact on half of the group with prior discussions and resolutions in the group each time for each subject.

(f) Members Savings in the Group:-

1. Each and every member should save at least minimum or maximum as per members wish per week or per month in the group which should be maintained in each individual member's name.
2. Savings account may be withdrawn by the members only at critical circumstances with prior approval of the group. However, the member should maintain a minimum balance of Rs. 1000/- in their savings account.
3. No interest will be paid for the members' savings with group. But 12 percent interest shall be paid for the amount kept in the group as fixed deposit for a minimum period of six months.
4. The members should save from the family income earned only, but not the borrowed money for interest.
5. The members will not be encouraged to adjust their savings amount against their loans due to the group. Only at extreme circumstances, the group shall consider to adjust.

(g) The Credit Management:-

1. The credit can be given to the needy members of the group for the purposes such as consumption, income generation, asset creation, clearing the old burden loans, socio-religious and any other appropriate purposes.
2. The credit shall be given to the needy person of the group only after careful study, through discussion and unanimous decision on the quantum of credit, rate of interest and the repayment schedule for each loan.
3. All SHG members regularly save a small amount. The amount may be small have to be regular and continuous habit with the members.
4. Savings first credit later should be the motto of every SHG member.
5. The loaner should give a written agreement to the group for the loan amount as the official procedures in the presence of the witness to the group at the time of taking credit. The loaner should give a guarantor within the group if necessary.
6. The loan amount should be utilized for the agreed purpose only. In case of any change of purpose, it should be approved by the group in advance. The violators are liable to pay fine/penal rate of service charge.
7. The loaner should repay the credit/loan amount with service charge as per repayment schedule agreed upon. If failed such member is liable to pay fine or penal rate of service charge Rs. 12 percent annum in addition to the normal rate of service charge from the date of overdue or as decided by the group.
8. The members those who are irregular for the SHG meetings or irregular in savings are not eligible for credit/loan from the group.
9. All the members shall have equal opportunity for loan from the group on eligibility/priority basis.
10. The funds of the group should be revolved to the optimum extent for the benefit of all the members.
11. The group can avail loan from the bank and other credit institutions, NGOs, other groups and other available sources for its activities and the same has to repay in time as per the terms and conditions agreed upon.

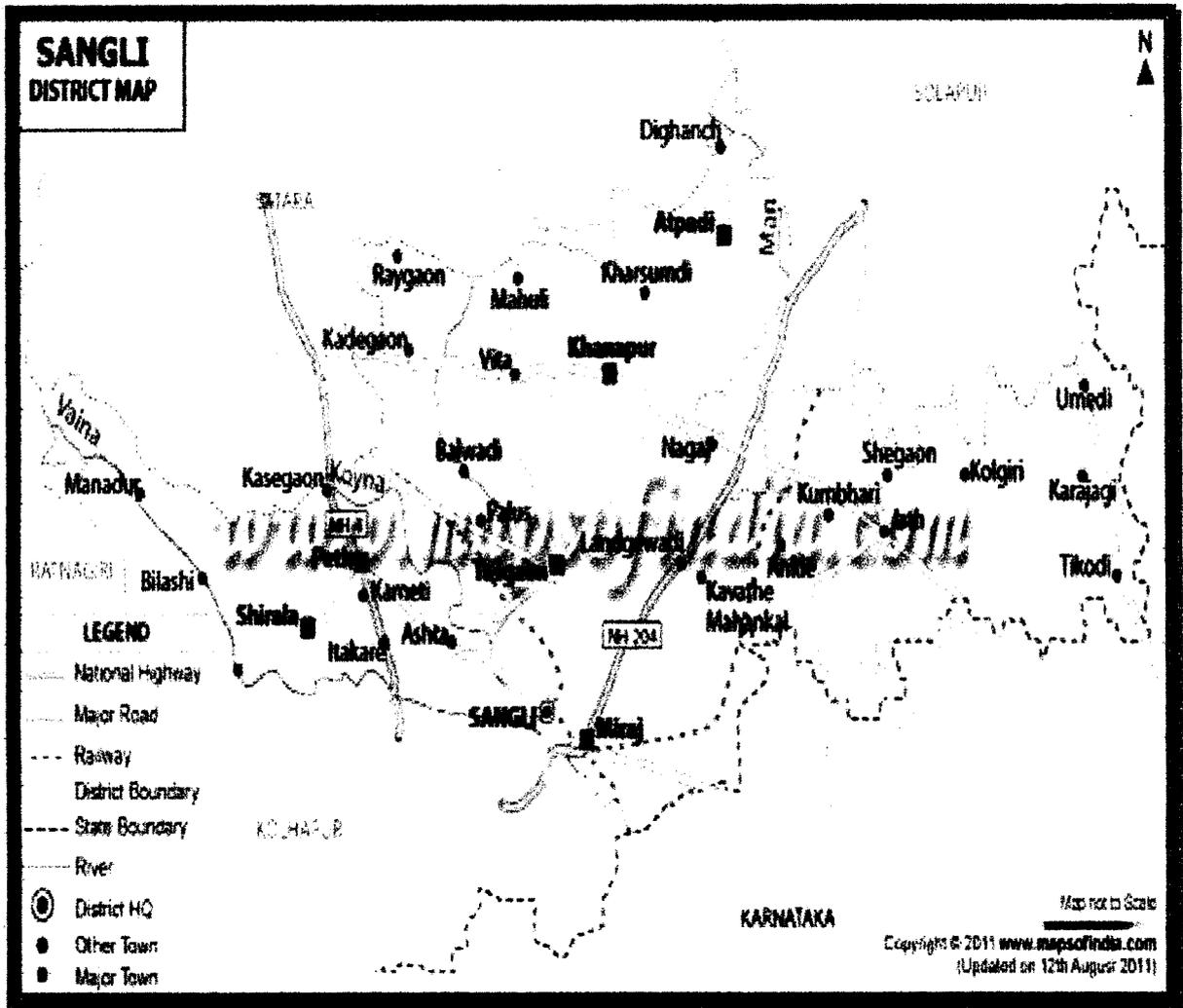
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MAP OF SANGLI



MAP OF PALUS

