

Self-Help Group Banking Linkage Programmes in Komaram Bheem Asifabad District: An Analysis of Implementation Efficacy and Financial Inclusion Outcomes (2014–Present)

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Abstract:

The paper under study explores the establishment and the performance of Self-Help Group (SHG) Banking Linkage Programmes in Komaram Bheem Asifabad District in Telangana between 2014 and the current situation. Being one of the poorest districts in India with a mostly tribal demographic (68.47 percent), Komaram Bheem Asifabad is a special case of challenges and opportunities of financial inclusion with interventions of microfinance. This study is based on a mixed-method measurement that involves a quantitative analysis of banking data and government records with qualitative fieldwork to assess the effectiveness of the programme in increasing financial access, women's empowerment, and livelihoods. The analysis is based on the data on 8,742 SHGs with 104,904 members, the majority of whom are women belonging to the scheduled tribes and other marginalized groups. The main results suggest that there have been tremendous improvements in the credit disbursement (₹347.52 crores), savings mobilization (₹89.34 crores), and institutional capacity building. Nevertheless, there are still obstacles, such as poor geographical coverage in remote locations, non-uniform recovery success (73.2%), and insufficient infrastructure in capacity-building. The study shows that, although SHG-Bank Linkage has yielded significant contributions to the issue of financial inclusion, this would need to be sustained through better coordination with implementing agencies, dual interventions in tribal communities, and increased monitoring measures. The present research paper has added to the body of knowledge regarding the efficacy of microfinance in tribal-dominated areas and provided a policy guideline to promote inclusive development.

Keywords: Self-Help Groups, Banking Malleability, Financial Inclusion, Komaram Bheem Asifabad, Tribal Development, Microfinance, Women Empowerment, NABARD, Rural credit, Telangana.

1. INTRODUCTION

Financial inclusion has become a burning developmental issue in the quest to achieve inclusive and sustainable economic growth in India. Self-Help Group (SHG) Banking Linkage Programme, in its turn, was an initiative launched by the National Bank of Agriculture and Rural Development (NABARD) in 1992, which became the largest microfinance program in the world, reaching more than 102 million households in India (NABARD, 2022). The basic assumption behind this programme is that poor people, and especially women, can be grouped into self-managed teams that can mobilize savings, access institutional credit, and also perform income-generating activities (Puhazhendhi & Badatya, 2002).

Komaram Bheem Asifabad District, which was formed out of the former Adilabad District in 2016, is the most interesting background to study the implementation of SHG-Bank Linkage. The district was named after the legendary tribal freedom fighter of Gond, Komaram Bheem, with an unfriendly terrain, a geographic area of 4,576 square kilometers, and a long-term socio-economic backwardness (Government

of Telangana, 2016). The district has a population of 5,17,698 people, spread over 664 settlements, which means that the developmental pressure is high because of the lack of banking facilities, low literacy levels (especially among women, at 46.3%), and poverty levels are very high (Planning Commission, 2014). The time after 2014 can be described as a critical stage in the developmental path of the district, which is connected with the establishment of the Telangana state in 2014 and the further administrative restructuring in 2016. The focus on financial inclusion by the state government in the form of the Mission Kakatiya program, the Rythu Bandhu program, and enhanced SHG networks via the District Rural Development Agency (DRDA) has opened new opportunities for the growth of microfinance (Telangana State Development Planning Society, 2020). At the same time, SHG creation and linkage processes have been accelerated by increased attention to tribal regions by NABARD in terms of special schemes and increased subsidies.

The study explores the effectiveness of SHG-Bank Linkage Programmes in terms of implementation and financial inclusion in Komaram Bheem Asifabad District between 2014 and now. The research has three major research questions, namely: (1) How has the SHG-Bank Linkage Programme increased financial inclusion among the marginalized communities, especially the tribal groups? (2) What are the most important challenges of implementation and institutional constraints on programme effectiveness? (3) What role have SHG interventions played in the economic empowerment and diversification of the livelihoods of women?

This research is important because it is concerned with the geographically remote and tribal controlled area where the penetration of conventional banks is low. The current literature that has been written on SHG-Bank Linkage has largely dwelled on agrarian plains or general rural situations, and little has been said about tribal ecosystems (Fernandez, 2006; Tankha, 2012). The research has added value by providing empirical data on the effectiveness of microfinance in difficult socio-cultural and geographical situations that are applicable in other tribal-controlled regions of India.

Theoretically, the study interacts with the financial inclusion paradigm, which involves investigating the role of microfinance institutions in closing the divide between the formal banking institutions and the economically marginalized groups (Sarma & Pais, 2011). It is also related to gender and development theories in the sense that SHGs' involvement can be discussed as the means of women's empowerment and social capital creation (Kabeer, 2001; Mayoux, 2001). The research has used an institutional analysis framework to appraise coordination between NABARD, commercial banks, Regional Rural Banks (RRBs), cooperative societies, and government agencies.

2. LITERATURE REVIEW

2.1 Evolution and Theoretical Foundations of SHG-Bank Linkage

The SHG-Bank Linkage model was developed as a new model to combat the two twin issues of financial exclusion and sustainability of microfinance (Srinivasan, 2009). It is also different from the Grameen Bank model that focuses on the external credit delivery and aims at providing credit to the poor: the Indian SHG strategy focuses on group savings, internal lending, and the slow absorption of formal banking systems (Tankha, 2002). Cost-efficiency in the programme has been emphasized by academics, with transaction costs greatly reduced compared to personal lending without compromising on the same or better repayment rates (Harper, 2002; Puhazhendhi and Satyasai, 2001).

In a study conducted by Swain and Wallentin (2009), the authors established that there is a positive relationship between SHG participation and household income, asset accumulation, and decision-making authority by women. Nonetheless, skeptics have cast doubt on the completeness of the financial inclusion process by pointing to the fact that access to credit does not necessarily lead to productive asset generation

or reduction in poverty (Bateman and Chang, 2012; Karim, 2011). Research in tribal settings indicates the existence of other complications, such as cultural obstacles to group formation, the presence of seasonal migration flows that interfere with frequent sittings, and the presence of underdeveloped entrepreneurial ecosystems that limit the ability to make money (Mahajan & Gupta, 2003).

2.2 Financial Inclusion in Tribal Areas

In India, tribal communities have unique problems trying to access formal financial services due to geographical isolation, poor banking infrastructure, cultural variations, and past marginalization (Reserve Bank of India, 2008). A study conducted by Thorat and Sadana (2009) reported systematic banking exclusion of Scheduled Tribes, with 43 percent and 58 percent of tribal households having bank accounts, respectively, as against 58 percent in the country. The unavailability of conventional collateral and the Forest Rights Act, 2006, further exacerbate the issue of credit accessibility among the tribal people who rely on forest-based livelihoods (Sarin & Springate-Baginski, 2010).

The tribally-specific studies show inconsistent results of SHG intervention. Fernandez's (2006) study in Madhya Pradesh showed that though SHG formation was effective in promoting savings behaviour, credit use was discouraged as skill development and market connection were insufficient. In like manner, a study conducted in the tribal districts of Odisha showed that SHG-Bank Linkage was effective in developing financial literacy, but having poor institutional support coupled with intermediary exploitation led to poor sustainability (Galab et al., 2008).

2.3 Women through Microfinance Empowerment

The feminine aspect of SHG-Bank Linkage has been the focus of a large amount of academic literature, and researchers have explored the question of whether microfinance engagement leads to real empowerment or only microfinance participants adding more work to their existing tasks, but with no corresponding increase in decision-making powers (Goetz & Sen Gupta, 1996; Rao, M. K. P. (2018; Mayoux, 2001). The analytical scaffold would be Kabeer's (2001) framework, which conceptualizes empowerment as the expansion of choices using resources, agency, and achievements.

There are subtle results in empirical studies. A study conducted by Garikipati (2008) in Andhra Pradesh showed that SHG membership would greatly improve the ability of women to control household resources and involvement in community activities. However, other researchers like Rahman (1999) objected to the romanticization of microfinance, noting that the credit burden augmented domestic violence and stress on women. The outcomes of empowerment are mediated by context-specific aspects such as caste, class, education, and power dynamics within the household (Sanyal, 2009).

2.4 Institutional Mechanisms and Challenges to Implementation

Effectiveness of SHG-Bank Linkage requires coordination among several stakeholders: NABARD with policy guidance and refinance, commercial and rural banks, and Self-Help Promoting Institutions (SHPIs) with the formation and capacity building of groups, and government agencies with the management of the developmental programmes (Srinivasan, 2009). The studies have found that some of the implementation challenges are the lack of staff training in partner banks, a mechanistic process of credit appraisal with no evaluation of real productive potential, a lack of linkages between SHGs and value chains, and inadequate follow-up support (Kropp and Suran, 2002).

The research on the role of NABARD focuses on the significance of microfinance cells in banks, periodic grading of SHGs to maintain quality, and financial literacy programmes that go beyond basic bookkeeping (Tankha, 2012). Nevertheless, studies also indicate that there are institutional loopholes, especially with

reference to monitoring systems and redressing grievances, and this compromises the sustainability of the programmes (Microfinance India, 2011).

3. RESEARCH METHODOLOGY

3.1 Study Area Profile

Komaram Bheem Asifabad District is a district in Telangana, which is located in the North of our country and borders Maharashtra and Chhattisgarh, covering 4,576 square kilometers with a population of 5,17,698 (Census 2011). This district has seven mandals, namely, Asifabad, Kagnosticar, Jainoor, Kerameri, Tiryani, Sirpur (T), and Rebbena. Scheduled Tribes represent the largest population demographic (68.47%) of mostly Gonds, Kolams, and Pardhans, with Scheduled Castes coming in as the second largest group (11.20) (Government of Telangana, 2016). The literacy rate in the district is 56.3, and there is a great gap in the level of literacy between men (66.8) and women (46.3).

The district has a low per capita income (3.81 79340 in 2019-20, which is lower than that of the state, 2.15328), and more than three-quarters of households depend on agriculture and forest-based livelihoods (Directorate of Economics and Statistics, Telangana, 2020). Banking facilities are still decentralized, and there are 47 bank branches that cater to 664 habitations, which is a population-to-bank ratio of 11, 014:1, which is significantly higher in comparison to the national average of 7, 500:1 (SLBC Telangana, 2021).
Data collection and sampling: The sampling will be systematic.

The research design used in this study is a mixed-method research design that involves quantitative data analysis by secondary sources and a qualitative field study. There were several sources of secondary data:

1. NABARD Hyderabad Regional Office: SHGs statistical information, credit linkage, and subsidy payments by district (2014-2023).
2. District Rural Development Agency (DRDA), Asifabad: SHG membership information, savings list, and livelihood programme implementation information.
3. 3Branch Manager Office: Bank-wise credit disbursement amounts, recoveries, and NPA amounts.
4. State Level Bankers Committee (SLBC), Telangana: District-based comparative and banking infrastructure information.
5. Census 2011 and SECC 2011: Socio-economic and demographic base statistics.

Semi-structured interviews with 120 SHG members chosen using stratified random sampling in three mandals (Asifabad, Jainoor, Kaghaznagar) were used to collect primary data; it ensured that representatives of the different tribal groups, credit status (linked/unlinked), and geographical places (accessible/remote) were represented. Key informant interviews with 15 bank officials, 8 DRDA functionaries, 12 SHG animators, and 6 NABARD representatives were also held.

3.3 Analytical Framework

The descriptive statistics, trend analysis, and comparative evaluation along the time and space dimensions were used in the quantitative data analysis. Financial inclusion indicators that were observed were:

- SHG penetration rate (SHGs per 1000 rural households)
- The credit-deposit ratio of SHGs.
- Average saving and loan size per member.
- Repeat loan percentage
- Recovery rate and NPA levels

Interpreted qualitative data collected through interviews and focus group discussions were analyzed using thematic analysis that revealed common patterns in regard to implementation issues, outcomes of

empowerment, and effectiveness of the institution. Analytical validity was enhanced through the triangulation of quantitative and qualitative data.

3.4 Limitations

This paper has a number of limitations. To begin with, depending on administrative data can give outdated information on informal SHG activities that do not rely on formal mechanisms of linkage. Second, time constraints restricted the sample size of primary fieldwork. Third, the representation of findings to SHG involvement is quite difficult due to the presence of various developmental interventions at the same time. Lastly, longitudinal tracking is a long-term evaluation that cannot be determined in the present study.

4. SHG-BANK LINKAGE PROGRAMME: FRAMEWORK IMPLEMENTATION IN KOMARAM BHEEM ASIFABAD.

4.1 Institutional Architecture

The SHG-Bank Linkage that is being implemented in Komaram Bheem Asifabad has a multi-layered institutional structure. At the top is the Hyderabad Regional Office of NABARD, which gives policy guidelines, refinance facilities, and capacity-building support. The District Rural Development Agency (DRDA) is the main Self-Help Promoting Institution (SHPI), which is the organizer of SHGs, their training, and relationships with banking organizations (Government of Telangana, 2018).

The banking infrastructure includes commercial banks (State Bank of India, Andhra Bank merged with Union Bank of India), Telangana Grameena Bank (RRB), and District Cooperative Central Bank (DCCB). All mandals are assigned a lead bank that addresses the targets to be linked by SHG credit and tracked. Also, the District Collector conducts quarterly review meetings where all stakeholders, banks, DRDA, revenue officials, and NABARD representatives are integrated to evaluate the progress and detect bottlenecks.

Under the National Rural Livelihoods Mission (NRLM), since renamed as Telangana State Rural Livelihoods Mission (TGSRLM), better budgetary allocations were made to each district in SHG promotion, with community resource persons (CRPs) being trained as grassroots facilitators (Ministry of Rural Development, 2020). The institutional structure also includes Village Organizations (VOs) of 10-15 SHGs at the gram panchayat level and Mandal Samakhya at the mandal level that develop a three-level structure, which enables collective action and economies of scale.

4.2 SHG Development and ability-building procedure

SHG in Komaram Bheem Asifabad is based on the methodology suggested by NABARD, but it is adjusted to the context of tribal cultures. Community mobilization is the first step where DRDA animators and CRPs identify homogeneous groups of 10-20 women based on similar socio-economic status. Since the district is tribal in its demographic, language, and cultural sensitivity, training of the animators has been given a priority in order to conquer the initial reluctance and establish trust (TGSRLM, 2019).

SHG operates under the Panchasutra principles, which include regular meetings, regular savings, internal lending, timely repayment, and books of accounts (NABARD, 2007). In practice, however, there are adaptations: some tribal SHGs meet bi-weekly rather than weekly because of seasonal migration and forest-collection; amounts of savings are also varied with the seasonal distributions of income; and more basic vernacular record-keeping in response to low levels of literacy.

Capacity-building has several stages:

1. Preliminary Training (7 days): Team building, fundamental accounting, and management training.
2. Advanced Training (5 days) Credit management, enterprise development, market linkages.
3. Special Training: Skill training on tailoring, goat-rearing, value addition of non- timber forest produce (NTFP).

Statistical evidence shows that only 42 percent of SHGs have gone through a comprehensive training after orientation, which has no capacity-building gaps (DRDA Asifabad, 2022).

4.3 Credit Linkage Process and Products

The phases of credit linkage are in line with the maturity of SHG. The bank credit is granted to groups that exhibit regular savings (minimum 6 months), internal lending habits, and appropriate record management according to the grading norms of NABARD (NABARD, 2018). Some of the credit products offered are:

1. Income Generation Loans: For livelihood (agriculture, animal husbandry, small trade) activities.
2. Working Capital Loans: To current businesses.
3. Housing Loans: According to government programs (PMAY-G, Indiramma Housing).
4. Emergency Loans: In the case of medical and education costs.

The average loan amounts are also on an upward trend, as ₹45,000 per SHG in 2014-15 has risen to ₹125,000 in 2022-23, both due to the maturity of the groups and improved banking confidence (SLBC Telangana, 2023). Interest rates are 6-9% per annum, which are very low compared to informal moneylenders who charge 36-60% per annum.

Special provisions that the district is making to tribal SHGs include:

- Increased subsidy through NRLM (40% towards SC/ST as opposed to 30% general)
- Relaxed collateral norms
- More credit by way of revolving funds and community investment funds.
- Priority in loan processing

5. DATA ANALYSIS AND FINDINGS

5.1 Growth and Outreach of SHGs

The SHGs' growth in terms of quantitative expansion in the Komaram Bheem Asifabad District shows a great improvement within the scope of the study. Table 1 shows the trends in SHG formation and membership with time.

Table 1: Growth of SHGs in Komaram Bheem Asifabad District (2014-2023)

Year	Number of SHGs	Total Members	Female Members	SC Members	ST Members	Credit-Linked SHGs
2014-15	3,847	46,164	44,256 (95.9%)	5,178 (11.2%)	31,594 (68.4%)	1,342 (34.9%)
2016-17	5,234	62,808	60,692 (96.6%)	7,047 (11.2%)	42,991 (68.5%)	2,156 (41.2%)
2018-19	6,892	82,704	80,203 (97.0%)	9,263 (11.2%)	56,612 (68.5%)	3,284 (47.6%)
2020-21	7,956	95,472	92,757 (97.2%)	10,693 (11.2%)	65,373 (68.5%)	4,127 (51.9%)
2022-23	8,742	104,904	102,159 (97.4%)	11,749 (11.2%)	71,859 (68.5%)	4,896 (56.0%)

Source: District Rural Development Agency, Asifabad (2023); NABARD Hyderabad Regional Office (2023)

The data shows that the number of SHG increased by 127.2 percent and membership grew by 127.3 percent in 2014-15 to 2022-23. The gendered targeting of the programme is manifested in the participation of females, as it is above 95 percent. The percentage of the members of the tribe (68.5) is a close reflection

of the demographic balance of the district and makes it appear that there was inclusive outreach. The growth in credit linkage (34.9% to 56.0%), however, falls behind SHG formation, and this would indicate that there are institutional bottlenecks in the bank linkage processes.

Analysis of spatial distribution shows geographical inequalities. Table 2 shows SHG coverage mandal-wise.

Table 2: Mandal-wise SHG Distribution and Coverage (2022-23)

Mandal	Rural Households	Number of SHGs	Members	SHG Penetration Rate*	Credit Linked (%)
Asifabad	18,426	1,687	20,244	91.6	62.4%
Kaghaznagar	16,834	1,523	18,276	90.5	59.7%
Jainoor	14,267	1,246	14,952	87.3	54.2%
Kerameri	11,892	978	11,736	82.2	51.8%
Tiryani	10,534	841	10,092	79.8	48.3%
Sirpur (T)	13,648	1,134	13,608	83.1	52.7%
Rebbena	9,823	803	9,636	81.7	50.6%
District Total	95,424	8,212	98,544	86.1	54.2%

Penetration Rate = (Number of SHGs × 12 average members) / Rural Households × 100

Source: DRDA Asifabad (2023); Census 2011

The differences between the mandal levels are associated with the accessibility and banking infrastructure. Asifabad and Kaghaznagar are more connected through roads and more bank branches, and therefore, they have better coverage and credit linkage. Tiryani and Rebbena, which are remote mandals, show less penetration, which is an indicator of infrastructure limitations.

5.2 Financial Performance and Flows of Credit

Table 3 presents the trends of credit disbursement and savings mobilization that show the financial deepening of SHG-Bank Linkage.

Table 3: Credit Disbursement and Savings Mobilization (2014-2023)

Year	Loans Disbursed (₹ Crores)	Number of SHGs Receiving Loans	Average Loan per SHG (₹)	Total Savings (₹ Crores)	Average Savings per Member (₹)
2014-15	16.47	1,342	45,127	8.34	1,806
2016-17	34.82	2,156	61,539	15.67	2,495
2018-19	58.94	3,284	89,452	26.43	3,195
2020-21	76.28	4,127	1,02,367	38.76	4,059
2022-23	96.73	4,896	1,24,653	51.24	4,884
Cumulative	347.52	-	-	89.34	-

Source: Lead District Manager Office, Asifabad (2023); SLBC Telangana (2023)

The credit disbursement rose with a rise of 487.3 percent when compared to 201415 (₹16.47 crores to ₹96.73 crores). The average loan size rose by 176.2 percent (₹45127 to ₹124653). This growth is an indicator of several factors: greater bank confidence, greater SHG maturity that allows higher credit absorption and repayment ability of members. The savings mobilization rose by 514.4 per cent, and the per-member savings rose by ₹1806 to ₹4884, signifying better household incomes and savings discipline. It can be seen that there are institutional differences in bank-wise credit linkage performance (Table 4).

Table 4: Bank-wise Credit Linkage Performance (2022-23)

Bank	SHGs Credit-Linked	Total Disbursed (Crores)	Credit (₹)	Average Loan Size (₹)	Recovery Rate (%)	NPAs (₹ Lakhs)
Telangana Grameena Bank	2,347	47.82		1,20,366	78.4%	342.67
State Bank of India	1,124	26.34		1,34,256	75.2%	198.42
Union Bank of India	687	13.47		98,234	69.8%	156.23
DCCB Asifabad	738	9.10		61,789	71.3%	89.47
Total	4,896	96.73		1,24,653	73.2%	786.79

Source: Lead District Manager Office, Asifabad (2023)

Telangana Grameena Bank is the dominant credit linkage (47.9 per cent of total SHGs) and has taken advantage of its rural network and assigned NRLM partner status. The recovery rates are 73.2 as compared to the national average of SHGs, which is 85-90%. The recovery is lower due to drought years (2018-19), the COVID-19 effect (2020-21), and the lack of follow-up support on income-generating activities. NPA build-up (₹7.87 crores or 8.1 per cent of outstanding credit) creates issues of sustainability that need to be monitored better.

5.3 Lifestyle Effects and Revenue Generation

SHG credit utilization analysis through DRDA records and field interviews shows that people have various applications of livelihood (Table 5).

Table 5: Sectoral Distribution of SHG Credit Utilization (2022-23)

Sector	Number of SHGs	Credit Amount (₹ Crores)	Percentage	Average Return on Investment (%)
Agriculture & Allied	1,847	38.24	39.5%	18-24%
Animal Husbandry	1,272	24.67	25.5%	22-28%
Small Trade/Retail	896	16.84	17.4%	15-20%
NTFP Processing	534	9.47	9.8%	12-18%
Manufacturing/Services	347	7.51	7.8%	10-15%
Total	4,896	96.73	100%	-

Source: DRDA Asifabad (2022); Field Surveys (2023)

The highest category of credit utilization (39.5%), however, is agriculture and related activities, namely, paddy cultivation, vegetable farming, and horticulture. The animal rearing industry, especially goats and poultry farming, which has been adjusted to tribal lifestyles, comes to 25.5. Processing of non-timber forest produce (NTFP) such as tamarind, mahua flowers, and tendu leaves comprises 9.8 percent, which is important considering that tribal forests rely on timber. There is evidence in the field that diversified income portfolios with the combination of agriculture, livestock, and forest-based activity are more sustainable than mono-activity enterprises.

Household survey instruments (n=120) indicate an increase in income. The annual income per household has risen by 58.8 percent, from ₹42,340 to ₹67,240 between 2011 (before SHG participation) and 2016 (after SHG participation). Nevertheless, income gains are mixed: 34% of surveyed households said they experience income gain more than 70, 48% experience moderate income gain (30-70%), and 18

experienced little change (below 30%), indicating that the effectiveness of the different programmes depends on the entrepreneurial capability, market access, and household resource endowments.

5.4. Outcomes of the empowerment of women.

Focus group discussions and semi-structured interviews give qualitative data that demonstrate another aspect of empowerment other than economic indicators. The three-dimensional model utilized in the analysis is based on Kabeer's (2001) model, namely resources (access to economic assets), agency (decision-making capacity), and achievements (well-being outcomes).

Resources: 76 per cent of interviewed SHG members have independent access to savings accounts, and 68 per cent have a say in household economic decision making, which are great improvements compared to tribal settings where men are known to restrict women in terms of their access to financial autonomy. Nonetheless, 42% of them revealed that men in their families have a say in loan use, which implies partial economic independence.

Agency: SHG involvement increased social capital and the ability to act collectively. 83 percent of the members said they had more confidence in their ability to engage the bank staff and the government functionaries. The involvement of Village Organization and Mandal Samakhya gave an avenue of a voice into the community; several cases came up where SHG federations were able to jointly negotiate with forest departments in order to secure NTFP procurement rights and better road infrastructure.

Achievements: Self-reported improvements were in the area of improved nutrition (64%), continuity of education among the children (71%), and healthcare-seeking behavior (58%). It is important to note that 47 percent of members indicated having become less reliant on informal moneylenders, which relieved them of debt cycles. Nevertheless, empowerment is not an unchallenged process; 31 percent cited heightened tension in the household as the result of credit pressures and the need to work harder, which scholarly criticisms of microfinance have highlighted about uneven empowerment effects.

6. CHALLENGES AND CONSTRAINTS OF IMPLEMENTATION

6.1 Geographical and Infrastructure Barriers.

The uneasy topography of Komaram Bheem Asifabad is a major hindrance to the effectiveness of SHG-Bank Linkage. About 38% of the habitats are not connected with all-weather roads, thus becoming inaccessible during monsoon months (June-September). Field visits showed that SHG members in remote habitations of Jainoor and Tiryani mandals have to travel 15-25 kilometers back to the bank branches, which results in costs of transportation (200-400 per visit) and loss of time, which creates a barrier to transaction costs, especially where small amounts of savings are involved.

Geographical issues are enhanced by inadequate banking infrastructure. The 47 bank branches in the district represent 14.1 branches per 14.1 habitation as opposed to 1 per 7.8 habitation in the country (RBI, 2021). There are bank correspondents (BCs) available only in 23 villages, and these are limiting door steps. In 68 per cent of the district area, Internet connectivity is still erratic, and this eliminates any possibilities of expansion of digital financial services.

6.2 Constraints in capacity building and human resources.

Capacity-building infrastructure uncovers some huge gaps. RSETI (Rural Self Employment Training Institute) has a single district, that is, in Asifabad town, but its annual training capacity is 1, 200 people, which is grossly insufficient in the case of 104, 904 SHG members who need to be imparted new skills continuously. DRDA uses 34 animators on 8,742 SHGs, and on average, 257 SHGs per animator compared to the suggested norm of 100-150 (NRLM, 2018).

The training of bank personnel on SHG lending is not adequate. The interviews with bank officials found that a minor proportion of 38% have specialized in microfinance and participatory appraisal methods. More often than not, the transfers of personnel disrupt relationship-based lending that is vital in the SHG-Bank interface; 67 percent of the surveyed SHGs said that they had to deal with new bank officials in less than a year, which forced them to undergo orientation again and again with regard to group operation. Capacity is complicated by language barriers. The majority of state officials and bank employees are not fluent in the Gondi and Kolami that are used by tribal people. Low-literacy tribal women are shunned by training materials in either Telugu or English, and they need vernacular translations and audio-visual materials that are not easily accessible.

6.3 Issues under Productive Utilization and Absorption of Credit.

Credit availability is limited, but there is not much productive use. The gaps in the market linkage restrain the viability of SHG enterprises; the NTFP processing groups are challenged with unstable prices and intrusive middlemen who grasp the procurement chains. Agricultural SHGs do not have any storage facilities or any joint marketing strategies, and as a result, the produce is sold at a low price every time there is a glut of harvest.

Integration in the value chain is poor. Linking with government marketing outlets (SHGs) (RytuBazar, TRIFED) is established by only 12 percent of SHGs, and there is no corporate sourcing arrangement at all. Enterprise development is insufficiently supported with technical means; livestock SHGs have a gap in veterinary services, and agricultural groups have no access to extension support to have better cultivation practices.

Difficulty in repaying credit is partly due to the risk of income from rain-fed agriculture and forest-based livelihoods. Agricultural SHGs suffered hard due to drought years (2017-18, 2018-19), as the recovery rates decreased to 61.3% in 2018-19. Poor credit restructuring processes push SHGs to the NPA levels, which hurts subsequent credit availability.

6.4 Institutional Co-ordination Voids.

Nevertheless, there are still coordination gaps even with the recommended multi-agency framework. The bandwidth of quarterly review meetings is low; out of 12 planned meetings, only 6 meetings were held in 2022-23. There are also information asymmetries between the data that DRDA keeps on SHG formation and banks on credit linkage that leads to discrepancies in official statistics.

The integration of SHG programmes with other developmental programs (MGNREGS, agricultural missions, skill development programs) is poor. Sharing opportunities of SHG livelihood activities with MGNREGS-established assets or connecting SHG production to government purchase is yet to be exploited. The institutional structure does not have special cadres to SHG handhold after credit linkage; 78% of surveyed SHGs did not have any common contact with promoting agencies after bank linkage.

7. RELATIVE PERFORMANCE: NATIONAL AND STATE ENVIRONMENT.

Placing the performance of Komaram Bheem Asifabad in wider contexts enlightens us about relative achievements and leaves. Table 6 contains indicators of comparison.

Table 6: Comparative Performance Indicators (2022-23)

Indicator	Komaram Asifabad	Bheem Telangana State	National Average
SHG Penetration Rate (per 1,000 rural HHs)	86.1	128.4	115.7
Credit Linkage Ratio (%)	56.0%	68.3%	71.2%
Average Loan Size (₹)	1,24,653	1,67,340	1,45,280

Average Savings per Member (₹)	4,884	6,247	5,630
Recovery Rate (%)	73.2%	84.7%	87.3%
Women Members (%)	97.4%	96.8%	89.2%

Sources: NABARD (2023); SLBC Telangana (2023); Ministry of Rural Development (2023)

The SHG penetration (86.1/1000 households) of Komaram Bheem Asifabad is lower than that of the state (128.4) and national (115.7) averages, which implies the difficult environment in the district to operate. Credit linkage ratio (56.0) is significantly lower than the state (68.3) and country (71.2) averages, which is a sign of institutional constraints in the transformation of SHG creation into banking ties. The smaller average size of loans and savings indicates the poverty rate and low economic prospects in the area. Nevertheless, the district has strong indicators of gendered participation (97.4% women members, which is above the national average of 89.2%), which implies that the district targets women well in financial inclusion. The achievement difference compared to the state and national level highlights the necessity of the alternative approaches to tribal dominated, geographically disadvantaged areas as opposed to the homogenous program implementation.

8. SUGGESTIONS FOR THE IMPROVED IMPLEMENTATION

8.1 Enhancement of Banking Infrastructure and Delivery of Services.

Geographical barriers need to be tackled with new ways of banking. By increasing the Business Correspondent networks to all 664 habitations, the cost of transactions would go down, and savings mobilization would be enhanced. Vans of mobile banking that go around on a set schedule can offer doorstep services in remote clusters. App transactions with the help of digital literacy programs and smartphone penetration would reduce the physical visits to the banks.

More branches in the bank should be deployed in the district with more focus on underserved mandals (Tiryani, Kerameri, Rebbena). Alternatively, the introduction of SHG-controlled savings and credit cooperatives in the remote areas may serve as an intermediate financial service, which would then be connected to mainstream banks. The fact that NABARD assists in developing select VOs into savings cooperatives is worth giving priority.

8.2. Improving Capacity Building and Human Resources

The skill development would be decentralized by scaling up RSETI capacity by creating satellite training centers in every Mandal. Relevance in training Curriculum adjustment with the addition of tribe-relevant livelihood skills (NTFP value addition, bamboo crafts, sericulture) that suit the ecosystems in the area improves the relevance of training. The participation of successful SHG entrepreneurs as trainers will capitalise on peer learning and familiarity with the culture.

Improving handholding quality with an augmented DRDA with animator cadres giving 100-150 SHGs per animator ratio would enhance the standard of handholding. Employment of tribal animators who speak the language overcomes the communication obstacle. Enforced capacity-Capacity ensured by instituting annual refresher training on SHG lending, participatory appraisal, and cultural sensitivity among the bank staff.

The capacity building is democratised by creating vernacular training materials in the Gondi and Kolami languages, which use audio-visual formats that are available to the low-literacy members. Cooperation with schools and universities in forming contextualized programs is worth considering.

8.3. Enhancing linkages and value chains on the market.

Production can be aggregated, bargaining power increased, and exploitation of middlemen can be minimized through the establishment of Mandal-level SHG Product Marketing Centers. The direct connections with the government procurement systems (TRIFED: NTFP, Civil Supplies: food grains)

guarantee the remunerative prices. Market visibility is achieved through facilitating SHG's participation in RytuBazar and government exhibitions.

The development of value chains needs sectoral interventions: the creation of mini cold storage facilities of agricultural SHGs, mobile veterinary services, and cattle insurance of livestock groupings, and technical support of NTFP processing (mechanized de-seeding, packaging). Sustainable demand can be developed through public-privatized partnerships between SHG production and corporate procurement (e.g., Walmart Direct Farm, e-Choupal model of ITC).

SHG products that are brand-based on tribal heritage and organic production (GI tagging of select NTFP products) have the potential to seize the high-end markets. E-marketplace (Government e-Marketplace, Amazon Saheli) has unlimited market access because of geographical restrictions.

8.4 Enhancing the Institution Coordination and monitoring.

Giving quarterly review meetings with specific action points and accountability mechanisms is also better to operationalize inter-agency coordination. Building an in-built MIS (Management Information System) for all stakeholders (DRDA, banks, NABARD) will minimize information asymmetries and facilitate real-time monitoring.

The greatest synergy of resources is achieved through convergence planning involving SHGs' activities and MGNREGS alongside agricultural missions, as well as skill development schemes. As an example, SHG pisciculture can be supported with farm ponds created under MGNREGS. Enterprise development aid may be offered by the National Rural Economic Transformation Project (NRETP).

The establishment of special SHG support units within the banks dealing with post-credit handholding, enterprise surveillance, and grievances redressal will make sure that the support is not just offered to the borrowers after loan delivery. The proposal by NABARD to establish SHG resource centers in mandal level, where they offer bookkeeping, credit counseling, and market information, should be implemented.

8.5 Policy Interventions when working with tribals.

Some of the tribal-specific policy adaptations are: longer gestation periods to repay credit based on seasonal income patterns; increased subsidy elements based on poor asset base; flexibility in collateral norms based on the complexities of tenure of forest land under the FRA; and incorporation of traditional livelihood knowledge (shifting cultivation, harvesting of forest products) in credit appraisal.

Understanding the seasonal migration patterns that influence SHG regularity, flexibility in scheduling of meetings, and flexibility in savings variation will avert group disintegration. Products that are tied to tribal festivals and agricultural seasons (pre-harvest working capital, festival consumption loans) make them more relevant.

Tribal SHG federations are enabled by policy frameworks that support community rights over the NTFP procurement, processing, and marketing. The combination of FRA implementation and SHG formation allows the implementation of land titles that would permit formal access to credit, which would mitigate tribal credit problems.

9. CONCLUSION

The SHG-Bank Linkage Programme in the Komaram Bheem Asifabad District shows remarkable successes of financial inclusion, women empowerment, and livelihood improvement in a very difficult environment that is typified by a tribal population, geographical isolation, and endemic poverty. The quantitative growth of 8742 SHGs that comprise 104904 members and have a cumulative credit disbursement of 347.52 crores depicts a significant institutional penetration in an underserved area. The



programme has managed to establish institutional financial connections amongst communities that have traditionally been out of the mainstream banking system, to mobilize domestic savings (₹89.34 crores) and to direct institutional credit into productive use.

The gendered aspect of implementation, where 97.4 percent of the membership is women, highlights that SHG-Bank Linkage is an effective tool in the financial inclusion of women. According to qualitative evidence, the benefits of empowerment go beyond economic access to include agency, the ability to build social capital, and the ability to take collective actions. In the case of tribal women who experience an intersecting marginalization by gender, ethnicity, and geography, SHGs have brought new possibilities to women to gain economic independence and social voice as never before.

Nonetheless, the transformative potential of the programme is limited by major gaps during implementation. The credit linkage ratios (56.0) are below the state and national averages, recovery rates (73.2) expose issues of sustainability, and the unequal outreach exists in the geographical disparities in the district. Infrastructure in terms of capacity building is insufficient; there is poor market connectivity, and institutional coordination is inconsistent. These issues are an indication of wider systemic limitations, such as ineffective banking facilities, human resource shortages, and failure to adjust to the tribal livelihood environment.

The results of the study add to the empirical research on the effectiveness of microfinance in tribal-majority areas, which is a little-studied field in Indian development literature. It shows that the SHG-Bank Linkage model can be effectively scaled to ensuing difficult conditions, but that substantive financial inclusion and sustainable livelihoods cannot be achieved without more than the mechanical recreation of the standard operations. Local adjustments to cultural expectations of tribal communities, patterns of livelihoods in the season, forest-based economies, and language differences are necessary. Moreover, financial access cannot be sufficient without other interventions in skills building, market connection, market infrastructures, and convergence with other developmental programmes.

Possible future research directions that have arisen out of this study would be longitudinal follow-up of SHGs to determine the sustainability and implications of such groups over time, cross tabular study across tribal-dominated districts with different ecological and cultural backgrounds, and a greater delve into the aspects of power within the SHGs that would explain whether collective action truly democratizes them or merely recreates hierarchies.

The SHG-Bank Linkage Programme is a very important financial inclusion channel for the marginalized tribal communities. Its potential will only be achieved through long-term investment by various stakeholders- better resource mobilization by the government, creative product development by the banks, aggressive handholding by the promoting institution, and involvement with the tribal people. In Komaram Bheem Asifabad, the programme has established the groundwork of inclusive finance; the next step of establishing the groundwork is to fill the gaps identified with the recommended interventions, focusing on the efforts of strengthening infrastructure, capacity building, market integration, and tribal-specific policy adjustments.

The lessons of Komaram Bheem Asifabad can be learnt as India tries to achieve inclusive development goals as defined in the Sustainable Development Goals and national missions. The model of financial inclusion in tribal areas cannot be normalized but requires a local approach that takes into account cultural backgrounds, ecological limitations, and traditional marginalization. When applied with sensitivity to these realities and accompanied by accompanying developmental interventions, the SHG-Bank Linkage Programme can be an effective tool of inclusive and equitable development.



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