

**PROBLEMS AND PROSPECTS OF VIKAS CREDIT AND INFORMAL BANKING  
SERVICE (VICIB) WITH SPECIAL REFERENCE TO MICROFINANCE PROJECTS  
TO SHG IN MEENACHIL TALUK, KERALA, INDIA**

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## **Introduction**

India is a nation which majority of the population from rural area, and still the backbone of Indian rural economy is agriculture. It is clear that, the development of India means the development of rural sector and agriculture industry (Nashi S K,2004). But the serious problem faced by the above sectors is related with unavailability of funds. Indigenous savings and credit system are the major source of credit to the rural poor in India. Nongovernmental organizations have actively promoted informal groups of the rural poor to encourage with a view to helping them in financing their needs and wear them away from the money lenders ( Agarwal, 1988)

Self help groups are self managed groups of poor men and women which primarily came into existence to mobilize financial resources their own saving and lend that amount to meet the needs of their member's credit (Kothari,2000). Women constitute half the total population and play a vital role in the development of the family, the community and the nation. But in rural areas the women have low economic strength because of low economic status, lack of access to education, training, credit and business (Bhagya Lakshmi,2004). Being the unorganized sector of

the economy, the women restricted mobility and lack of opportunities, to express their abilities and leadership qualities. Thus, because of women's economic position is weak, women are viewed more as liabilities than assets. Hence the empowerment of rural women is the need of the hour (Rangarajan, C 1998).

For the empowerment of rural women it is imperative that their access to the available extension services be improved. Women's socio-economic development requires integrating their concerns, special needs and priorities into the policies and Programmers meant for development (Rangarajan, 1998). In 1976, the Government forms a national plan of action for women with an objective of the empowerment of women. One of the most important policies in the plan of action was the formation of self help groups in rural areas for the development of rural women. The Vikas credit and informal banking service is the sedative of self help groups. VICIB is now one of the most important micro finance institutions in Kadanad panchayath. VICIB make arrangements to move with the activities of NABARD with the help of Indian Bank Pala. It is the aim of VICIB to provide loans to SHG's at a reasonable rate of interest (Kulkarni, 1981)

Empowerment of rural people is one of the major issues faced by the country and SHG is a best tool for solving this problem. VICIB is the financial institution which plays an important role in the development of SHG's in Meenachil Taluk through this SHG. VICIB is providing micro finance service to its member's. Presently more than 103 Gramapanchayaths get benefit from VICIB. So the effectiveness of the activities of VICIB is very much related with the development of villages in Cental Travancore. If any shortcomings the performance of VICIB may create serious issues in the long run. So analyzing the pattern of performance of VICIB may helpful for similar organizations for better performance. So evaluating the performance of VICIB is relevant study for the social development (Prakash, 1982, Krishnaswami ,1993).

VICIB play a vital role in the development of SHG in Meenachil Taluk. VICIB pooled the small savings from poor women through SHG's and use these pooled savings to give small loans to members for emergencies, the group have successfully driven away the money lenders from the village. This study is so important because VICIB and similar institutions are facing lot of problems in the present scenario. This may lead to serious issues in the rural economies. So identifying these problems and prospects are now becoming a social requirement. This study is

helpful to identifying the problems and prospects of VICIB. The study aims to a. To evaluate the activities of VICIB and the facilities rendered by VICIB to the public, b. Identify the problems faced by VICIB. c. To find out the economic progress achieved by the members of VICIB through its micro finance. d. To study and analyze the effectiveness of lending facilities of the micro finance project promoted by VICIB. The main limitations of the study are a. The respondents view may be biased. b. The sample size was restricted to 50 as the time duration for the study was limited. c. Sampling method is used for this research. d. Sampling method has its own limitations. Details regarding sensitive area are lacking in this report.

### **Methodology**

The study is exploratory in nature. Both primary and secondary data are used in the study. Primary data is collected from the members of SHG of VICIB, officials of VICIB. Secondary data is collected from published records of VICIB, magazine etc. The relevant data are collected with the help of an interview schedule. 50 respondents are selected through simple random sampling. A sample frame is designed for the purpose of the study. For this study all VICIB members are the population. The population is identified from the VICIB head office's group register. This is mainly because of the convenience of the study, and from the population are selected using simple random sampling techniques. The secondary data is collected from VICIB's journals and various pamphlets from VICIB and other magazines. Primary data is collected through schedules. The study was conducted in Meenachil Taluk in the kottayam district with an area having 692.87 square kilometers. Majority of the people living in the Meenachil Taluk are agriculturists. VICIB is the federation of SHG in Meenachil Taluk. It is the local banks for the SHG's supported by Sandhya Farmer's club has organized by sandhya sporting club. The study covered a period of one year from 2019-2020. The collected data were analyzed with the help of simple percentage scale analysis.

### **Origin and History**

Sandhya development was registered in 1981 under Travancore Charitable Society Act with register no.85/81. On 1981 a few young people come together to form a club with the aim to develop the cultural and physical abilities of the people of their little village called Elivali in kadanad panchayath, started the sandhya sporting club with the objective of physical, cultural and artistic development of youth in the area. It was intended for bringing about a change in

education, agricultural and financial aims as well as cooperating with various projects of the Government with an aim to find self-employment for rural unemployed.

A Federation of the SHG's with aim to cooperate the functioning of SHG's and to pool the funds. This was resulted in the development of an informal banking service "Vikas credit informal banking service" (VICIB). VICIB is an informal bank at the door steps a bank of the women. This was later registered as Vikas credit and informal service Society. But the people of the area call it fondly VICIB. Today VICIB has 17 offices functioning in various villages of Kottayam and Idukki Districts catering to the needs of more than 400 SHG's. The VICIB has a deposit of 15 lakhs belonging to the SHG's and credit union members an equal amount is given loan too. The VICIB is now a very important development bank working informatory in Kadanad Panchayath (Binish.2015).

### **VICIB-In the Field Of Micro Finance**

Sandhya entered into the field of micro finance with the establishment of VICIB – Vikas credit and informal banking. VICIB was setup in 1996 for meeting the credit needs of poor women. They provide financial assistance of rs.25.74 crores. These measures have made women economically independent and self reliant.

Sandhya formed VICIB (Vikas credit and informal service society) as a federation of SHG's. The VICIB is designed as a bank of the women for the women and by the women. The funds for the SHG's are deposited in VICIB and loans are issued to the groups. Today, VICIB has 46 branches offices in Kottayam and Idukki and more than 1500 SHG's are affiliated to Sandhya. Elected bodies of various levels do the administration of VICIB and the chairperson heads the syndicate, the apex body. The loan committee at area level sanctions loan applications of the SHG's.

VICIB believes that women have to play an important role in the promotion of family welfare. It provides opportunities for poor women to start self-employment programmes, to arrange credit facilities for them and to assist them to play an active role in the poverty eradication programme. They also help them to develop saving habits among them. Financial assistance is given to its members and save them from the hands of moneylenders and debt traps(Reji (2013)).

### **Democratic Way of Functioning**

The specialty of VICIB lies in its democratic set up and election of hierarchy consisting of sectors made of different groups, branch representatives, central senate and central syndicate. Training is given to the members on how to maintain records and accounts so as to ensure transparency. This will be of use to the people while working in other offices and even at home. The excellent training given to the women members ensures their easy access to and active participation in the panchayath Raj, Grama Sabhas so that they can freely voice their ideas.

The practical ideas and guidelines contained in the vision and mission of VICIB, once imbibed by the members, paves way for their contribution in national development too. The pioneers of VICIB self help groups have carried forward their high levels of dedication beyond vested interests, and have inspired the future members in carving a bright future for the organization.

The VICIB groups functions beyond religion, caste, and political barriers. Offer guidelines to the groups to become fully sufficient, offer leadership training to empower women's groups. Create awareness on the citizen's role in contributing to national development, create opportunities for employment and job training, arrange for loan and marketing schemes, and sensitize the members on consumer exploitation and interest rates (Joseph, Regeenamma. 2017).

### **The Objectives of Vikas Credit and Informal Banking Service**

1. Develop feeling of unity and self reliance among the women and work with mutual trust for the betterment of the society.
2. Establishment of training centers to help the unemployed member's.
3. Provide necessary service to ensure the welfare of families and engage in health activities.
4. Do necessary help in order to ensure the welfare of finance security of the member's.
5. Cooperate with the activities of Gramanikedhan, kodumpidy.
6. Cooperate fund from profit or through member's by way of donation for the functioning of the society.
7. Organize for the welfare of children.

8. Organize training programs for women and children in order to create interest in developmental activities.
9. Conduct free medical camps various other family welfare activities.
10. Organize women to put an end to social evils.
11. To distribute among members short term loans for various purpose.

### **Achievement of VICIB**

The achievement is to make the people especially women self reliant in every sphere of life with the support and guidance from NABARD. The society has organized in 400 modern SHG's. The groups are working effectively in different parts of Meenachil Taluk. They also provide different type of programs for kids and teenage groups. It has also a Swasraya marketing service. Sandhya Development Society conducted a meet and match programme for SHG members (Joseph,Regeenamma. 2017).

### **Swasraya Marketing Service**

VICIB, the self help promotion agency of Sandhya Development Society has conceived and organized a novel marketing system. The main aim of this system is to free the common people from the clutches of scruples business man traders who trend to exploit the helpless consumers. In this system the middlemen where avoided. The society gathered all the goods at the least available price; deliver them to the consumers at their door steps. Now the marketing service has already become a people movement. VICIB are adding more and more items to this catalogue. At present more than 4500 families are beneficiary for the scheme.

The production, distribution centers of rural folk become at leading developmental destination in South India. The admirable success on Swasraya is grounded in its brave and bold in initiative active Swasraya is now taking steps to gear up to the stature of rural micro entrepreneurship development institution (Nair, 2012).

### **Mediclaim Insurance**

It is just like other insurance policies. It provided to the SHG member's. This policy is provides money at the time of accident, illness or any other emergencies incurred. As far as poor

people are considered it is very useful. There are different policies under this scheme. These schemes are:-

### **1. Bhagyasree Children's Policy**

It is usually provided for women having the age limit of 18 years. The annual premium amount is only Rs.15/-. If the guardian or parents is died then the children have get a relief by providing Rs.1200 to 2400 annually for education and other needs.

### **2. Rajarajeswary Women's Welfare Society**

This policy is provided to women having the age limit of 10-75. If a women number paying Rs.15/- as premium, if she fully handicapped or blind, she may be able to get Rs.25000/- as insurance premium. If she is partly handicapped or partly blind, she may be able to get only Rs.12500/- as insurance premium.

### **3. Family Medical Schemes.**

This grand is provided under the control of health Minister. Under this scheme a person can get Rs.20000/- for her medical treatment.

### **4. VICIB Medical Insurance.**

Under this scheme the member of SHG and her family and neighbors can also participate for it. Under this scheme certain rules are followed:

Every week Rs.5/- paid as premium.

If a person makes four payments in a month he/she may able to applied for medi -claim.

Under the recommendation of the VICIB board, all the diseases have got insurance claim.

One family can get only Rs.5000/- as insurance premium for one year.

Under this scheme above 60 years and below 5 years persons are not get eligible for joining it.

### **5. Education policy**

This policy is provided by the member's children only.

1. Eligible children's can get textbook, uniform, fees etc.

2. This scheme will examine by the education board.
3. Teenage and kids club members are also the members in this scheme.

### **Programs for Kids and Teenage Group**

VICIB is also provided service to the child. It organized for the welfare of the children. It organized training programmers for children, in order to create interest in developmental activities. They provide training in light music, workshops, group games, draft work, painting, drawing, project works, study tours arts and sport meets, film shows, quiz programs, yoga, personality development programs, training for self employment, cooking activities, setting up of libraries, are programs developed and functioning for kids and teenage groups.

During the summer holidays, VICIB conducted moral schools for the kids and teenage groups. Moral schools were organized in cooperative with world vision, kottayam who provide the study material and training to the functionaries. Training to the self helping members who volunteered to be teachers were given by the Sandhyas Developmental Society. Each moral school programme was for a period of 5 days (Joseph, Regeenamma. 2017).

### **Loans**

Loans are issued to the group members for various purposes for a period of one year are repayable in weekly installments. Thousands of members have availed loans are used the amount to better their lives. Another effect of the loan schemes is that many families have been freed from the money lenders, who locally called “the blades”.

The loan scheme of the VICIB has made a healthy trend among the poorest section in the society. As not only the distribution but also the utilization and repayment are closely scrutinized by the groups, those who avail the loan learn the lessons of financial management and discipline.

There are different types of loans provided by the VICIB to SHG's, such loan is:-

#### ***1. Group loan***

The loan can avail only to group: - members of VICIB. The loan must be passed firstly within the group and then in the VICIB committee. After 15 days passing the loan, these loans are given to the members. Before applying any loan the group members must fulfilled the rules and

regulations. After six months of acquiring membership in the group one can apply for loan. After receiving the loan repayment is made in weekly installment without making any default. VICIB provide this loan out of its own fund.

## ***2. Linkage loan***

Group got this from other banks; VICIB is the agencies which link the group with the bank. The maximum period of the loan is one and a half year. The rate of interest is 18%. Now more than 60 groups have been linked to Canara Bank.

## ***3. Credit loan***

The VICIB avail this loan to individual members not belonging to any group. The members can get loan from their deposits. For Rs.500/-, share of Rs.10/- and person availing loan beyond Rs.500/-, share equivalent to 5% of the loan availed is compulsory the maximum period is one year. The rate of interest is 24% reducing. The animators make necessary arrangements for avail the loan.

## ***4. Business loan***

This loan is provided to the members for their business needs. This loan is given on the basis of their deposits. The interest rate is 12.50%. As far as other loan is considered the interest rate is low. The maximum period of the loan is one and half year.

## ***5. Tailoring loan***

It is provided to the members to purchase tailoring machine. The interest rate is only 12.50%. The maximum period of the loan is 18 months and the maximum amount of loan that can be given to member shall not exceed one fourth of her total deposit.

## ***6. Gold loan***

People gold loan is the scheme to issue loans against the pledging of gold ornaments. The interest rate is moderate and facilities are provided for repay the loan in installments. The gold loans are issued not only to the members of the SHG's, but also to the other people who become associate members.

### ***7. Animal loan***

The VICIB help the members to purchase animals through this loan. The period of loan is one and half year. The rate of interest is 12.50% and the maximum amount of loan that given to the members shall not exceed one fourth of her total deposit.

### **Credit Card**

The VICIB has a scheme to help the members to buy readymade cloth items at lower price from swasraya readymade under VICIB. The credit card is allowed during Onam, Christmas, and New Year seasons. A minimum amount of Rs.50/- is deposited in VICIB to get the credit card. Only the group members can allow this facility. The payment is made on weekly installments. Credit card is allowed to buy items for a maximum amount of Rs.500/-. The period of this loan is 6 months and no interest is charged (Binish.2015).

### **Problem Faced By the VICIB**

#### ***1. MARKETING PROBLEM***

Marketing makes goods and service more useful to the society by creating place, time and possession utilities. It gain begin before production and even after the sales has been affected. The marketing side many problems are faced in the 'SWASRAYA' units as these are follows.

##### ***a) Transportation Problem***

Transportation reduces to the physical movement of goods from the place of production to the consumption place. It helps in assembling and disbursing goods. This is the problem of the VICIB marketing society.

##### ***b) Lack of distribution channel***

The distribution channels are affecting the sale of the product. The good distribution channels more sales in the product. They avoid the middleman in the sales. These are problems faced by the VICIB.

*c) Absence of sales promotion technique*

These consist of display and demonstration of the products at prominent places in local markets, tradeshows, etc. and more advertising to this product. The 'SWASRAYA' face problem in lack of sales promotion techniques.

*d) Competitive price*

Price is an important factor in the product. The more sales in the product. Products are available at competitive price. The swasraya marketing the product at high price compared to other products.

*e) Heavy competition*

They face heavy competition in all the level of production in other producers.

**2) MANAGERIAL PROBLEM**

Management consists of a series of which include setting objectives and taking necessary steps to ensure that the objectives are achieved. The VICIB face many problem that can be sub divided as follows:-

**1. Delay in taking decision**

VICIB is an informal banking system. The decision taken is an important one. They face more time to a taking decision.

**2. Low risk taking capacity**

Risk taking is an important one in the business. The VICIB management is not like to take risks.

**3. Lack of professionalism**

The management is generally are in-efficient, because the managing committee consists of part time or inexperienced people. The management persons are not good knowledge in the activities.

#### ***4. Delay in apt decision***

The success of any organization is a correct decision at the correct time. The face delay in an apt decision is another problem of VICIB

### ***3) FINANCIAL PROBLEM.***

VICIB provide finance to SHG out of its own fund. That means the loan is paid out of the deposit received from its members. They raise different sources of finance and ways to profitably utilize these funds. The VICIB face such financial problem as are follows:-

#### ***1. Lack of adequate finance.***

Finance refers to money, cash or fund available for the operation of the business. The adequate finance is the problem of VICIB.

#### ***2. No guaranteed return.***

The loan can avail to the group members. The general public cannot get only loan from this group. The repayment of loan is no guaranteed it is another problem of VICIB.

#### ***3. Absence of good accounting and financial planning.***

Good accounting and financial planning is important in the financial organization. The absences of good accounting system are the important problem.

#### ***4. Lack of government support.***

The government cannot be very helpful support to the financial mobilization. It is another problem faced by VICIB

#### ***5. Unaffordable interest rate.***

Interest rate for the loans provided to people is very high. It is not affordable to local people.

### ***3) PERSONAL PROBLEM***

Organization tends to be successful when employees are satisfied and productive in performing their task. It is the process of involve differentiation and integration of process.

### ***1. Lack of training***

Training is the process of increase the knowledge and skill of an employee's far doing a particular job. Training is an important one in the organizational structure. The VICIB face a problem in lack of training.

### ***2. Education and awareness of members***

Member's education is an important one. Education of members means educate the production and the other activities at the business unit. The VICIB face this problem.

### ***3. Delay in supervision***

Supervision is an important one in the business unit. The more effective supervision, the business can be more effective manner. The less supervision is the problem of VICIB.

### ***4. Attitude among general public***

In a more dominated society like India, women do not get equal treatment. Lack of support from the side of general public is one of the important problem.

### ***5. Family background***

In a country like India family ties are very strong. The lack of support from the side of family is one of the problems (Joseph,Regeenamma.(2017) .

## **Result and Discussion**

Problems of VICIB are an empirical study of requiring both primary and secondary data. Secondary data can be collected from the published books and other records of the VICIB and also from various journals etc. Primary data is collected from the members of SHG of VICIB and officials of VICIB.

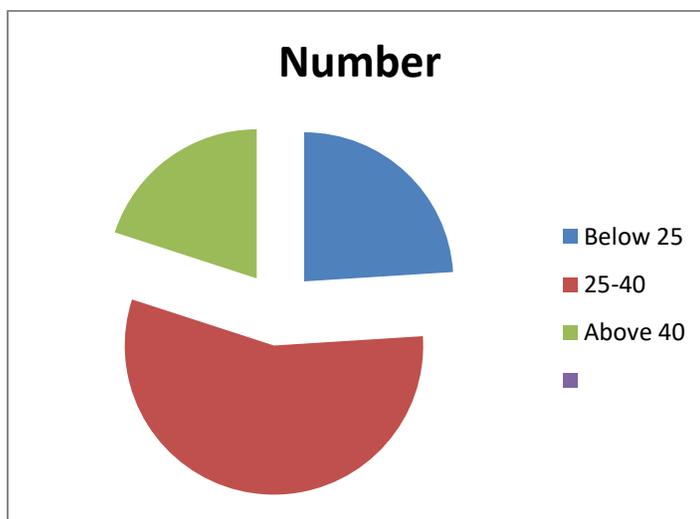
**Table .1**  
**Age – Wise classification of respondents**

<b>Age</b>	<b>Number</b>	<b>Percentage</b>
Below 25	12	24

25-40	28	56
Above 40	10	20

Source: Primary Data

**Figure .1**  
**Age –Wise classification of respondents**



From the above table it is clear that majority of the respondents (56%) are above 25 years and only 24% of respondents are below 25 years. The rest belongs to the age category of above 40 years.

**Table 2**  
**Number of members in family**

Particulars	Number	Percentage
Up to 4	28	56
4-6	20	40
6-8	2	4

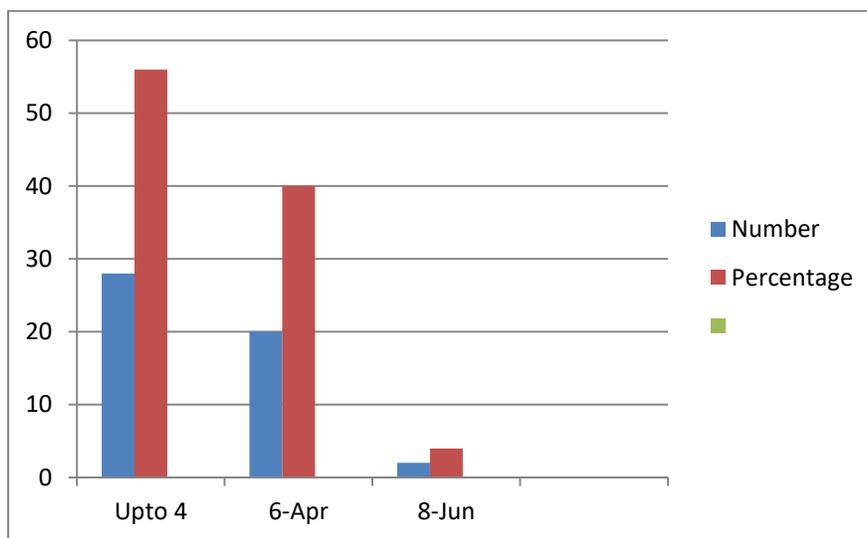
Source: Primary Data

56% of respondents are belongs to the families having members up to four. 40% are from families having members between 4 to 6 and only 4% have 6-8 members. Normally in small

sized families the women should take almost all responsibilities like children’s education, cooking, finance management etc. so the time which is available for SHG is comparatively less.

**Figure 2**

**Number of members in family**



**Table 3**

**Annual family income**

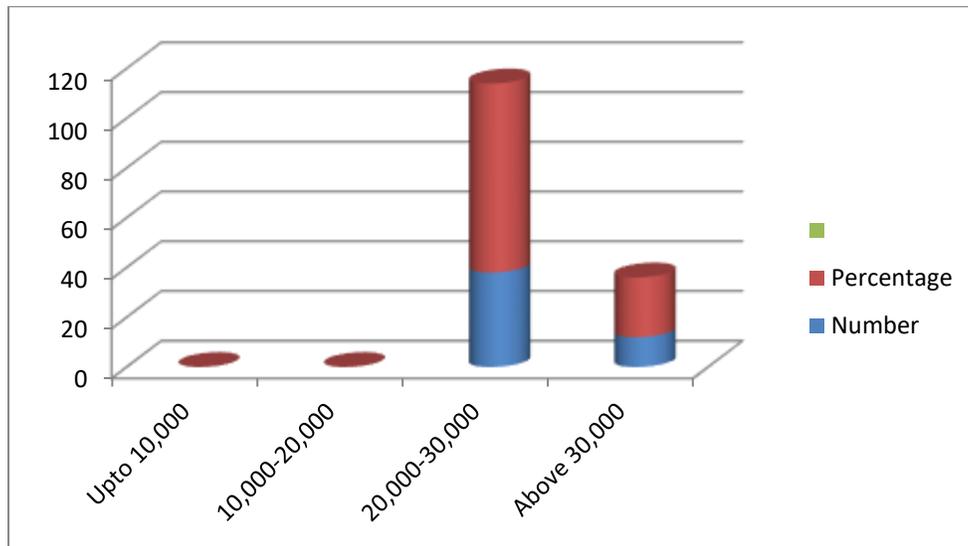
Particulars	Number	Percentage
Up to 10,000	--	--
10,000- 20,000	--	--
20,000-30,000	38	76
Above 30,000	12	24

Source Data: Primary Data

From the above table, it can be see that 76% of respondents have annual family income up to 20,000- 30,000 and 24% of respondents have annual family income above 30,000. This shows that all respondents have a reasonable /minimum required income for their day to day life. So care full planning will helps them to save a small amount that will be useful in their future requirement

**Figure 3**

**Annual family income**



**Table 4**

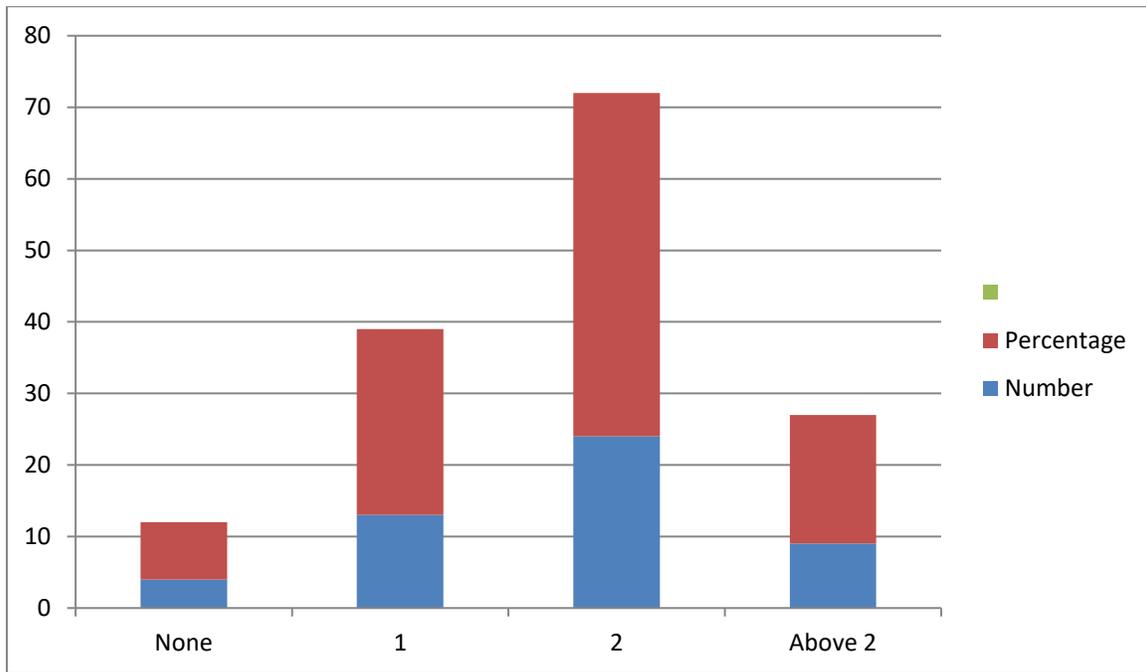
**Number of children**

Particulars	Number	Percentage
None	4	8
1	13	26
2	24	48
Above2	9	18

Source: Primary Data

From the following table it can be see that majority respondents (66%) have 2 or more than 2 children and 26% have 1 child and only 8%have no child. Number of children will increase their responsibilities and financial requirement.

**Figure 4**  
**Number of children**



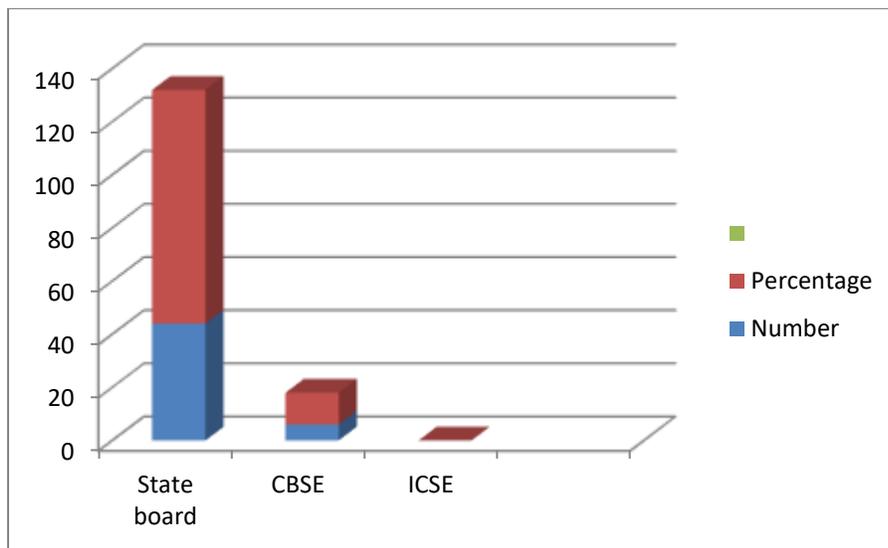
**Table 5**  
**Board in which child is studying**

<b>Board</b>	<b>Number</b>	<b>Percentage</b>
State Board	44	88
CBSE	6	12
ICSE	--	-

Source: Primary Data

**Figure 5**

**Board in which child is studying**



From the above table it can be see that majority of children of (88%) of respondents are studying in State Board

**Table 6**

**Area of land owned by respondents**

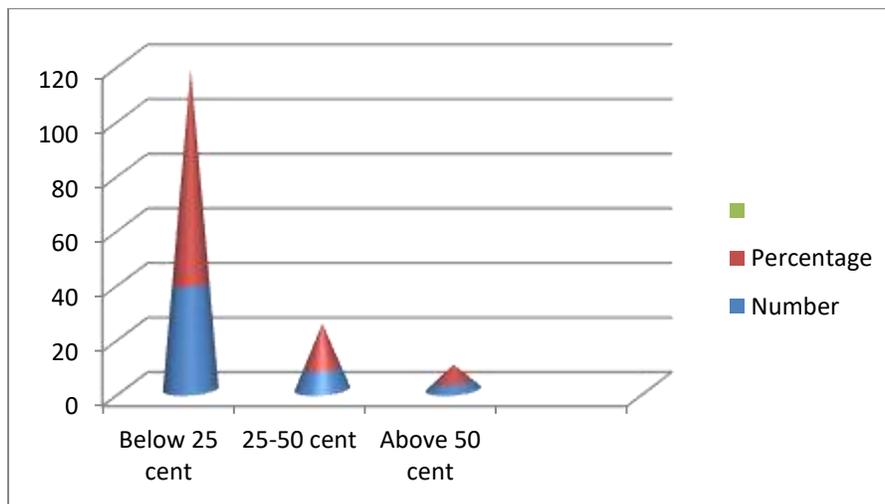
Particulars	Number	Percentage
Below 25 cent	39	78
25-50 cent	8	16
Above 50 cent	3	6

Source: Primary Data

From the above table it can be see that majority of respondent are owned below 25 cent and 16% of respondent are owned between 25-50 cent and only 6% of respondent are owned above 50 cent. Strictly speaking all most all respondents have small portion of land as their own. So there is no scope for getting any income from the land. That means they are required to find some new sources of income.

**Figure 6**

**Area of land owned by respondents**



**Table 7**

**Respondents having own house**

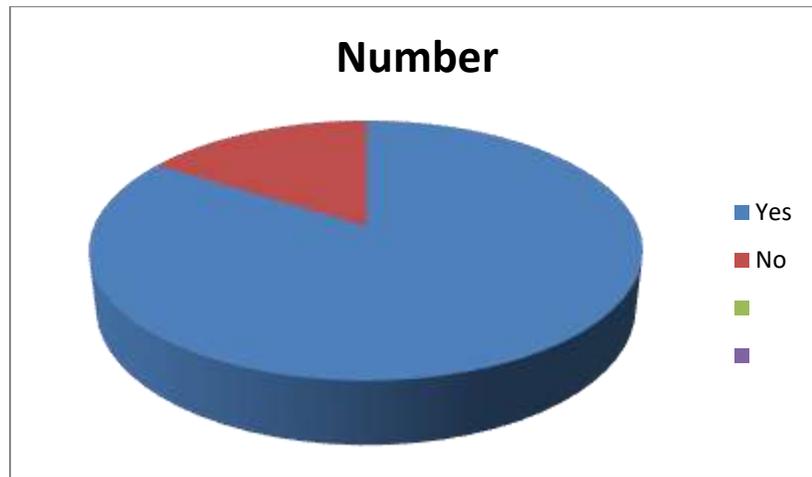
Particulars	Number	Percentage
Yes	42	84
No	8	16

Source: primary Data

From the above table it can be see that majority of respondents have own house and 16% of respondents have not own house. Majority of the owned houses are constructed by taking loans from various financial institutions. This will increase the financial liability of the respondents. Serious matter is that the above said loan carrying a very high rate of interest. In such situations the respondents are managing the matter with the help of VICIB. Any way it is treated as a criterion for the economic development of members.

**Figure 7**

**Respondents having own House**



**Table 8**

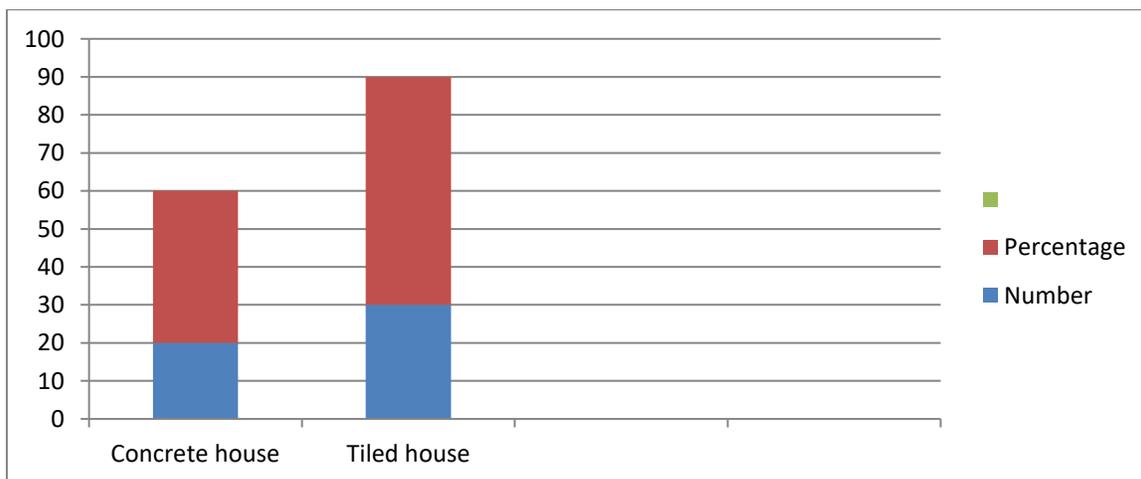
**Nature of house of respondents**

Particulars	Number	Percentage
Concrete house	20	40
Tiled house	30	60

Source: Primary Data

**Figure 8**

**Nature of house of respondent**



From the above table it can be see the majority of respondents have tiled house and 40% of respondents have concrete house. And all these concrete houses are constructed within four years. Even though these constructions attract some liability over the respondents it is treated as tool for evaluating the economic development of the respondents.

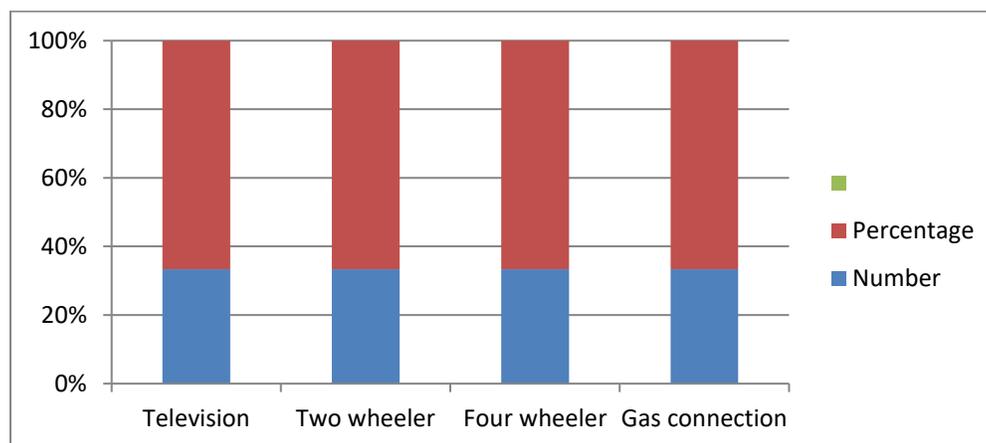
**Table 9**  
**Household articles of respondents**

Particulars	Number	Percentage
Television	50	100
Two wheeler	30	60
Four wheeler	2	4
Gas connection	44	88
Refrigerator	7	14
Washing machine	--	--

Source: Primary Data

From the above table it can be see that, all the respondents have Television. It is very clear that as per government norms the families which have TV is come under the category of APL (above poverty line), and 60% have two wheelers and 88 % have gas connections. This is also a tool for analyzing the economic conditions of the respondents. And 14% have refrigerator and 4% have four wheelers.

**Figure 9**  
**Household articles of respondents**



**Table 10**

**Respondents having Regular Banking Transaction**

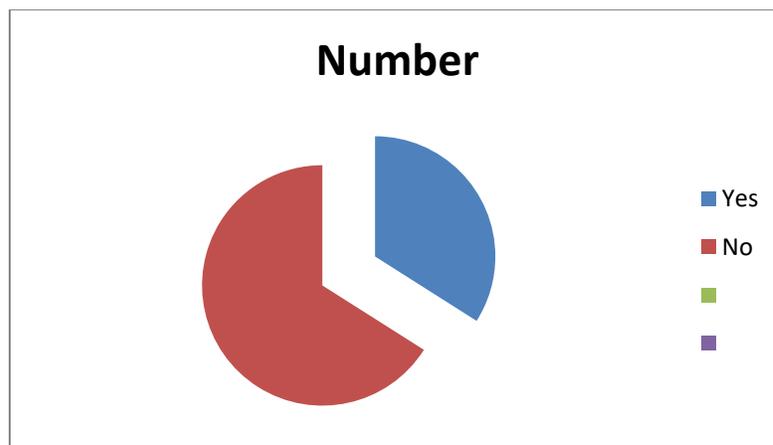
Particulars	Number	Percentage
Yes	17	34
No	33	66

Source: Primary Data

From the above table it can be see that majority of respondents 66% have no bank account and 34% of respondents have bank account. This is considered as a serious issue. Even though government took lot steps to implement financial inclusion still majority of them are away from the formal financial sector. This will increase the possibility of increased cheating from the money lenders. In such a situation VICIB can play a very important role.

**Figure 10**

**Respondents having Regular Banking Transactions**



**Table 11**

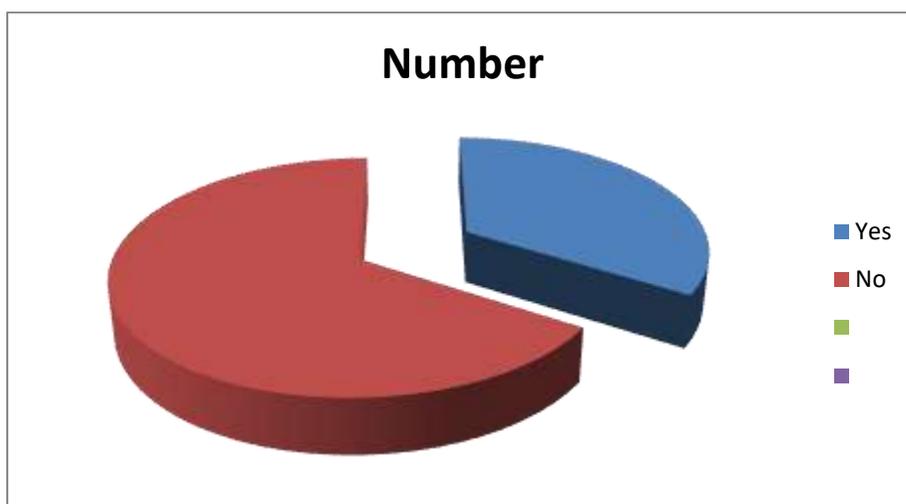
**Relationship of Respondents with Bank**

Particulars	Number	Percentage
Yes	17	34
No	33	66

Source: Primary Data

From the above table it can be seen that the majority of the respondents (66%) have not maintained a good relation with the bank. And 34% of respondents have maintained a good relation with the bank. This will also raise questions against the basic objectives of banking industry in India. They are not in a position to serve the basic needs of the low class people in the society. In this situation VICIB can play a serious role to show its effectiveness. VICIB provides more loans with low rate of interest with lesser formalities. It can also act as a link between formal financial sector and the end user.

**Figure 11**  
**Relationship of respondents with Bank**



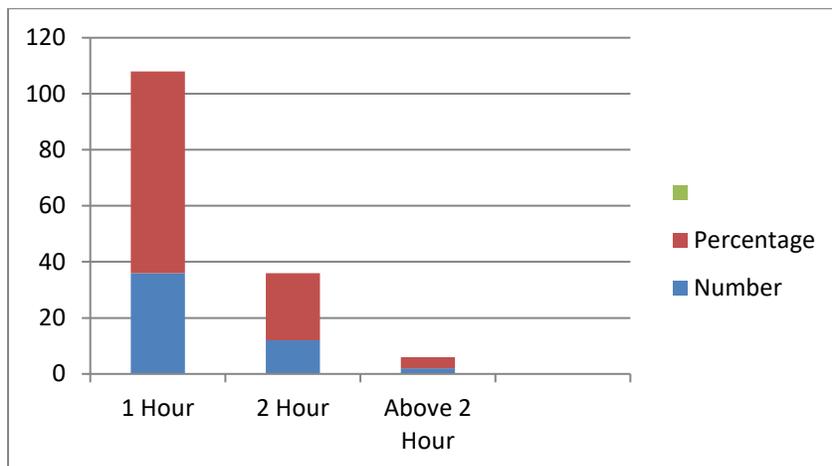
**Table 12**  
**Time spent by respondents for SHG**

Hours	Number	Percentage
1 Hour	36	72
2 Hour	12	24
Above 2 Hour	2	4

Source: Primary Data

**Figure 12**

**Time spend by respondents for S.H.G**



From the above table it can be see that majority (72%) are spend an hour for SHG. And 24% of respondents have spent 2 hours for SHG and only 4% of respondents have spend above 2 hours for SHG. This 4% include the office bearers of the group.

**Table 13**

**Financial assistance**

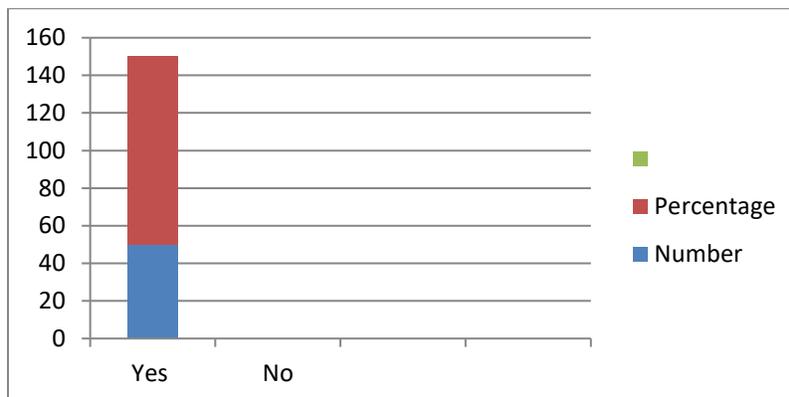
Particulars	Number	Percentage
Yes	50	100
No	--	--

Source: Primary Data

The members of VICIB can continue in the group without availing any financial assistance. It is not compulsory to take any loan from VICIB. But here all the respondents are availing loans from VICIB. That means they are satisfied by the financial assistance provided by group. Another matter is that the terms and conditions of the VICIB are also acceptable to them. From the above table we can see that all of the respondents have availing financial assistance from VICIB. That means the effectiveness of this agency is more in the case of providing economic assistance to them.

**Figure 13**

**Financial assistance**



**Table 14**

**Nature of assistance availed by respondents**

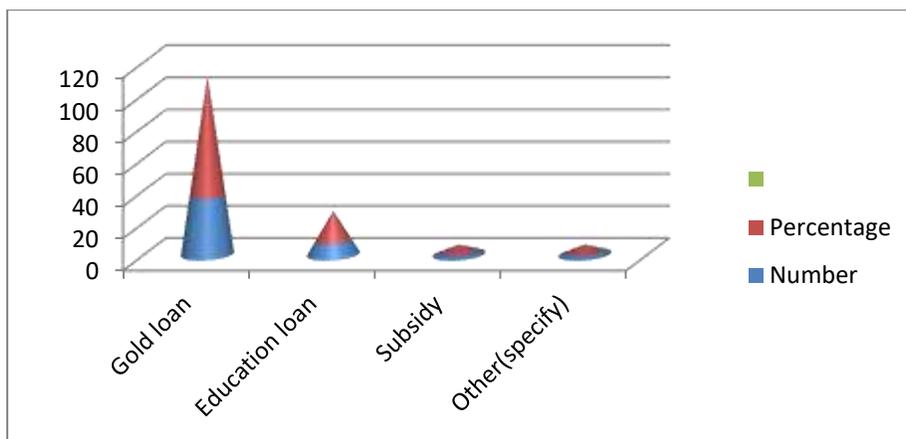
Particulars	Number	Percentage
Gold loan	37	74
Education loan	9	18
Subsidy	2	4
Other(specify)	2	4

Source: Primary Data

From the above table it is clear that most of the respondents (74) have availed gold loan and 18% of the respondents have availed education loan and only 4% of respondents have avail other assistance from VICIB. The subsidies provided by VICIB are availed by 4%. All categories of financial assistance are available from VICIB. The members are cautiously evaluating the products of VICIB and take utmost care to utilize all such facilities.

**Figure 14**

**Nature of assistance availed by respondents**



**Table 15**

**Whether respondents are member in any other SHG**

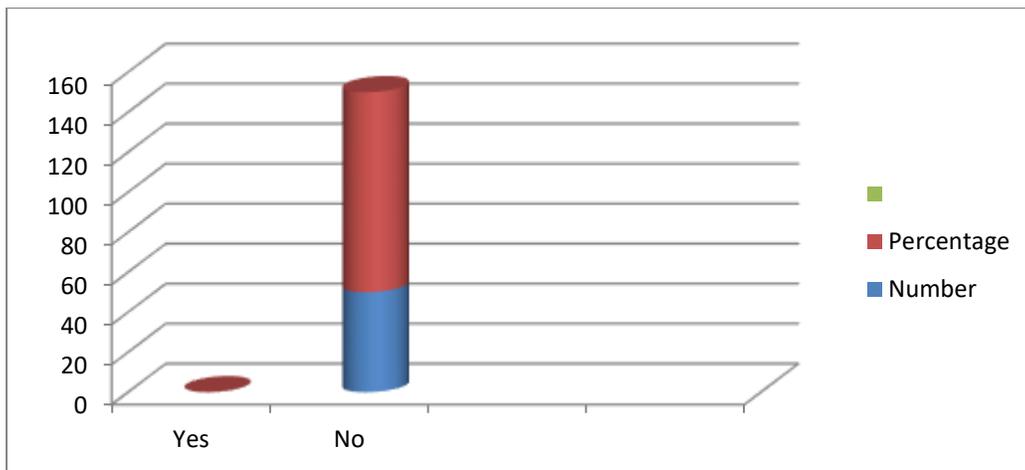
Particulars	Number	Percentage
Yes	--	--
No	50	100

Source: Primary Data

From the above table it can be see that all the respondents are not being a member of any other SHG. As per their opinion the groups which are constituted by VICIB is a normal SHG plus something. So it is not at all required to be part of any other SHG. That means they are completely satisfied with the facilities which are provided by VICIB.

**Figure 15**

**Whether respondents are member in any other SHG**



**Table 16**

**Reasons for preferring VICIB SHG**

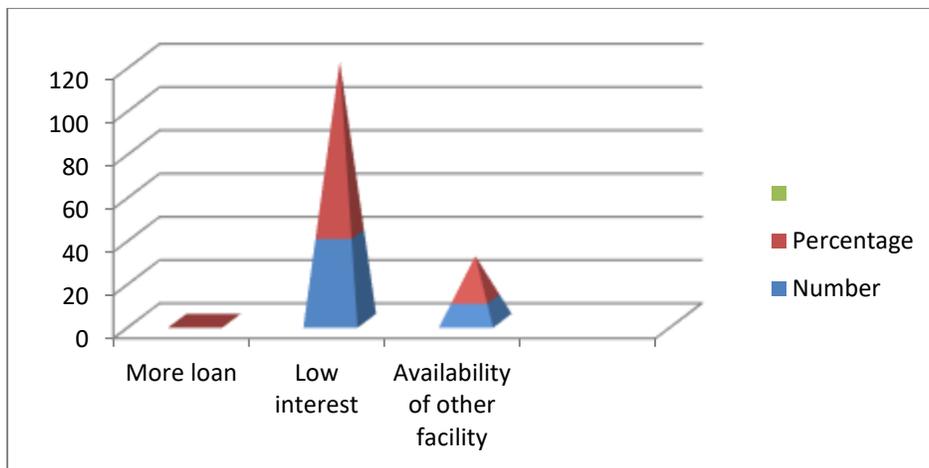
<b>Particulars</b>	<b>Number</b>	<b>Percentage</b>
<b>More loan</b>	--	--
<b>Low interest</b>	<b>40</b>	<b>80</b>
<b>Availability of other facility</b>	<b>10</b>	<b>20</b>

Source: Primary Data

From the above table it can be see that majority of respondents (80%) have prefer VICIB, because of low interest. And 20% of respondents have preferred VICIB because of availability of other facility like education loans and various products of VICIB. All private money lending institutions cheating the customer by charging high rate of interest, and here VICIB is acting as helping hand to the members.

**Figure 16**

**Reasons for preferring VICIB SHG**



**Table 17**

**Other facilities available from VICIB**

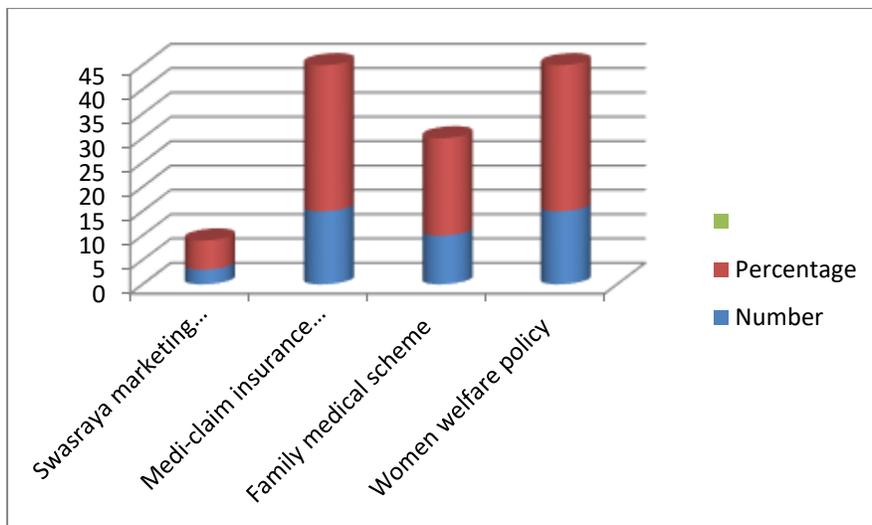
Particulars	Number	Percentage
Swasraya marketing service	3	6
Medi-claim insurance scheme	15	30
Family medical scheme	10	20
Women welfare policy	15	30
Education policy	7	14

Source: Primary Data

From the above table is clear that 50% of respondents have get benefits such as medi-claim insurance scheme and family medi-claim scheme from VICIB. And 30% of respondents have get women welfare policy and 14% of respondents have get education policy from VICIB. Six percentages of people are the part of Swasraya marketing service. In addition to direct financial assistance the people will get additional facilities from VICIB. This will helpful for the poor people to get additional benefits from various schemes.

**Figure 17**

**Other facilities available from VICIB**



**Table18**

**Problems faced by VICIB**

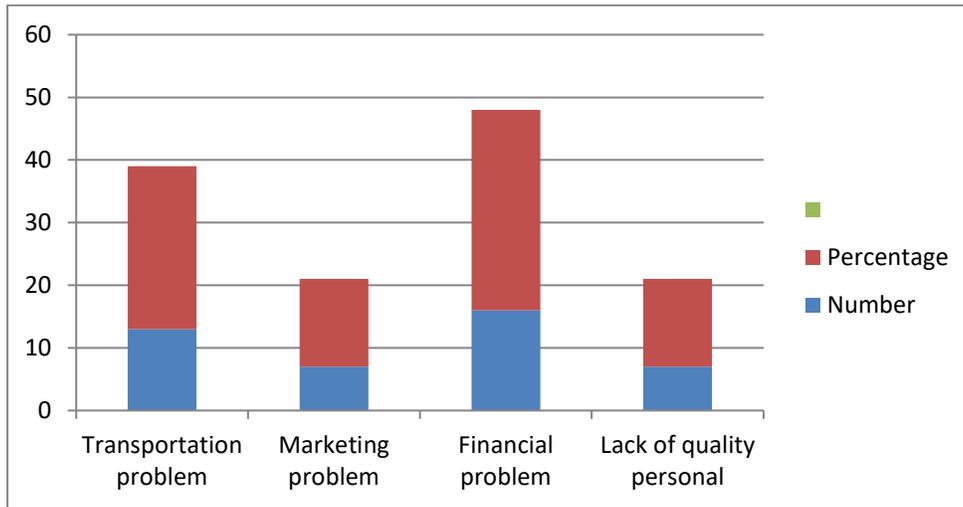
Particulars	Number	Percentage
Transportation problem	13	26
Marketing problem	7	14
Financial problem	16	32
Lack of quality personal	7	14
Lack of distribution channel	7	14

Source: Primary Data

Even though VICIB conquered the minds of its members, still it is under lot of troubles and problems. Here the researcher analyzing the customer’s feedback with respect to other services which are provided by VICIB. As per the respondents lack of adequate fiancé is the main problem. (32%), so the government should make necessary steps to make provision for finance. Transportation problem with regard to the marketing of VICIB products is another serious issue. Due to this the customer’s didn’t get the products of VICIB. 14% of the respondents have opinion about marketing, lack of qualified personnel and lack of distribution channel problem

respectively. All these are very important with regard to the success of marketing network supported by the help of ordinary people.

**Figure 18**  
**Problem faced by VICIB**



The views opinion and other information collected from VICIB used for the purpose of this study. Following are the important findings of the study. Majority (56%) of the respondents is above 25 years and below 40 years. And this is the most energetic time of an individual. Careful utilization of these HR resources will help VICIB to attain more heights of success. All these respondents have average annual income of above 20000. That shows the economic condition of these families. It is either satisfactory or in a position which have an increasing tendency. The study reveals most of the respondents (78%) are owned below 25 cent. So there is no scope for getting any income from the land. That means they are required to find some new sources of income. Most of the respondents have (84%) own house. But many of these are constructed through loans. So it will naturally attract financial burden. It was also found that 60% of respondents have tiled house. From the analysis it is clear that 72% of respondents are spending a minimum of one hour for SHG per week. The study reveals that all the respondents are availing financial assistance from VICIB. It was also found that all the respondents are not being a member in any other SHG. From the analysis it is clear that majority of the respondents (80%) prefer VICIB because of low interest. It was found that 50% of respondents have get benefits such as Medi-claim insurance scheme and family medical scheme. Most of the

respondents (32%) have the opinion that lack of finance is major problem faced by VICIB. Majority of the respondents 66% have no regular banking habit and 34% of respondents have active bank accounts. Major problem of the respondents (66%) have not maintaining a good relation with the bank. And 34% of respondents are maintaining a good relation with the bank. All the respondents are availing financial assistance from VICIB. Most of the respondents (74%) have availed gold loan and 18% of respondents have availed education loan from VICIB. Transportation problem with regard to the marketing of VICIB products is a serious issue. Due to this customer has no provision to get the products of VICIB. As per government norms the families which have TV is come under the category of APL (above poverty line) and the entire respondent's have TV.

### **Conclusion**

VICIB has a considerable role in the empowerment of poor people. Micro finance project started by VICIB is playing a crucial role in the development of poor families in Meenachil Taluk. From the study the researcher conclude that the SHG's have a significant impact upon the social development of people. VICIB has setup as a voluntary organization and have a role in organizing the rural people especially women into SHG's. And it also ensures the smooth and successful functioning of these SHGs. So the VICIB act as a major informal banking player which act as a link between government and other similar agencies with weaker section in the society.

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