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Dewan Foundation Micro Enterprise Finance for Livelihood and Empowerment of Women

IBTDA, Alwar – An Analysis and Audit – Second Review



Dewan Foundation funding for income generation for livelihood through IBTADA Alwar –
Beneficiary standing before shop with her son and investigator from SEED

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Dewan Foundation Funding for Income Generation for Livelihood through Self Help Groups (SHGs):

Evaluation and Audit of funding to IBTADA, Alwar – Second Review

Preamble

There have been several attempts to help poor people by giving charity. When the charity fund exhausts the help rendered to poor also exhausts. The problem of poor is, therefore, not addressed fully. The change in approach to help poor and needy was considered necessary by the '**Dewan Foundation**'. Further it is observed that the burden of poverty is greatly born by the women in the household in India. Therefore, new approach has to address both the problem of poverty and empowerment of women. Dewan Foundation accordingly, adopted a new approach to help poor and needy by providing funds for micro enterprise for livelihood to women so that they are empowered to contribute to income generation in the house hold. Thus the new approach attempts to address the problem of poverty and empowerment of women more effectively.

The Background

Dewan Foundation Provided fund to IBTADA, Alwar for providing funds to women members of self help groups in Alwar District, Rajasthan. IBTDA received the following tranche of funds to IBTADA for providing loan funding to members of Self Help Groups:

April 2007	Rs.10,93,264	First Tranche
August 2008	Rs.10,55,255	Second Tranche

Loan Distribution

Of the first tranche received in the month April,07 first set of 46 members of SHGs were given loan of Rs, 8,28,000 in the month of January, 2008. That is after a gap of 8 months. Another 11 members of SHGs were given loan of Rs.2,02,000 in February – March,08. As repayment started, another 26 members

of SHGs were given loan amounting to Rs. 6,14,000. In the months April and May,08. Another 21 members of SHGs were given loan amounting Rs. 4,58,000 in the month of June and July,08.

After receiving second tranche of Rs.10,01,392 in August 2008 from September to December,08 a total of Rs. 34,52, 000 stated to have been distributed to 209 members as per record of the IBTADA. Rs. 20, 36,873 Dewan Foundation Fund, and Rs. 11, 67,773 from repayment of loan by the beneficiaries. Interest amount received till 31st Dec., 2008 is Rs. 1,29,181.

As on 31 March,2009 The loan Fund available with IBTDA was Rs.20,39,736 that is original sum from Dewan Foundation and repayment of this loan is stated at Rs. 21,64,321 (This means loan repayment plus interest) Thus total sum available for tuther distribution is the above amount. However, the cumulative effect of this process of helping members of self help groups has been to the tune of Rs.39,70,054. Thus multiplier effect of basic loan provided in the year 2007-08 has been almost doubled till the year march, 2009. This shows very good repayment rate and further circulation of amount to women members of self help group. Till March,10 the repayment has been Rs. 28,92,788.

This indicates that repayment rate has been very good. And amount in circulation among the beneficiary and further increased to Rs.68, 35,054. Thus IBTDA seems to have fully utilized the opportunity of funding by Dewan Foundation to help the members of self help groups. The total number of beneficiary increased to 260 at Umren and 98 at Ramgardh. Thus total number of beneficiary has increased to 358 from 209 upto 2008.

The Purpose of Loan

Beneficiary of loan funding were 57 in 2008-9 and 38 beneficiary in 2009-10. Majority of women members took loan for buffalo rearing in both these years.. This accounted for 75 and 50 percent of loan respectively. This was followed by

Grossary Shop this accounted for nearly 10 percent of beneficiaries. A new item of land reclamation was found in the years 2009-10. This accounted for slightly more than 10 percent.

Sangarsh

Out of 57 Beneficiaries - 2008-2009		
Activity	No. of Beneficiaries	% Percentage
Buffalo Rearing	43	75.43
Grocery Shop	6	10.52
Cycle Repairing	4	7.01
Farmer Gadi	3	5.26
Electrical shop	1	1.75

Sangarsh

Out of 38 Beneficiaries - 2009-2010		
Activity	No. of Beneficiaries	% Percentage
Buffalo Rearing	19	50
Grocery Shop	7	18.42
Camel Cart	1	2.63
Land Claim	4	10.52
Vehicle Purchase	3	7.89
Borewell	1	2.63
Milk Trading	2	5.26
Garlic Trading	1	2.63

A similar trend is also observed for another Major group Savera. Here also majority took loan for Buffalo rearing. Followed by Land Reclaim and for Bore well .Buffalo rearing accounted for 60 percent and 40 percent for the years 2008-9 and 2009-10. This followed by Land Reclaim .and Bore well. Land Reclaim accounted for more than 14 percent for year 2008-9 and bore well for more than 15 percent for the year 2009-10. The rest were for various items.

Land Reclaim

The land reclaim is a distinct purpose and have greater impact on income generation for livelihood for rural women. Land measuring one to two biga or more has been mortgaged by farmers to money lender for a small amount for Rs. 10-20 thousand. This has been on mortgage for several years. Arrangement is that farmer is allowed to till the land but produce goes to money lender and farmer is given wages or share of the crop. If the loan is repaid than farmer gets the land and can till it for his/her own benefit. Personal discussion with women member it was found that this is major problem in Alwar and therefore needs special attention. Some observations recommendation on this item will be made in this report.



Beneficiary of loan funded by Dewan Foundation through IBTDA, Alwar explaining to Dr. G,D. Sharma, President SEED the difficulty after mortgaging land and need for more funds to release mortgaged land.

Savera

Out of 151 Beneficiaries - 2008-2009		
Activity	No. of Beneficiaries	% Percentage
Cow Rearing	2	1.32
Buffalo Rearing	91	60.26
Flour Mill	5	3.31
Bore well	9	5.96
Grocery shop	5	3.31
Vegetable shop	3	1.98
Land claim	22	14.56
Bangle Shop	2	1.32
Papad making	1	0.66
Camel Cart	2	1.32
Meat shop	2	1.32
Puncture repairing Shop	1	0.66
Furniture shop	1	0.66
Cosmetic shop	2	1.32
Handicraft	1	0.66
Building Material	1	0.66
Poultry	1	0.66
TOTAL	151	

Savera

Out of 109 Beneficiaries - 2009-2010		
Activity	No. of Beneficiaries	% Percentage
Buffalo Rearing	51	46.78
Cow Rearing	3	2.75
Goat rearing	1	0.91
Handicraft	2	1.83
Bore well	17	15.59
Meat Shop	1	0.91
Medical Shop	1	0.91
Land claim	6	5.5
Flour Mill	3	2.75
Camel Cart	2	1.83
Vegetable Shop	7	6.42
Vehicle purchase	9	8.25
Fast Food Corner	1	0.91
Lakkad Bugga	4	3.66
Furniture Machine	1	0.91
TOTAL	109	

Loan Disbursement/Repayment

There appears to very efficient position of loan disbursement and repayment. For Sangarsh Group within year loan disbursement has been to the tune of Rs.10 .61 lakhs and repayment of 3.86 lakhs. In the 2009-10 it ahs been Rs. 7.35 lakhs and repayment of 2.35 lakhs. For Savera Major Group/Federation it has been Rs. 13.98 and Repayment of Rs.14.72 till 2009 and Rs. 21.10 lakhs disbursement and repayment of Rs.14.82 till 2010. Thus disbursement and payment indicates very efficient functioning of IBTDA.

Sangarsh

Till Mar 2009	Total Loan Disbursement	10,61,000
	Total outstanding Loan	3,86,651
	Repayment received	4,18,497

Till Mar 2010	Total Loan Disbursement	7,55,000
	Total outstanding Loan	5,35,831
	Repayment received	2,35,974

Savera

Till Mar 2009	Total Loan Disbursement	1,398,082
	Total outstanding Loan	37,443
	Repayment Received	14,72,232

Till Mar 2010	Total Loan Disbursement	2,110,000
	Total outstanding Loan	14,82,665
	Repayment received	6,80,138

Field Survey

A Team of SEED members consisting of Dr, G,D Sharma, Ms Vijay Lakshmi and Mr. Prasad visited various villages with the representative of IBTDA for two days. They met many beneficiaries interacted with them and collected relevant information.

The data of Sample beneficiary also indicates a similar trend. The Majority of beneficiaries have taken loan for Buffalo rearing followed by Land reclaim from mortgage and for bore well. Each of the sample house hold were visited by the team and team interacted with them in details.

	Out of 14 Beneficiaries	No. of Beneficiaries	% Percentage
1	Buffalo rearing	8	57.14
2	Repayment for mortgage land	4	28.57
3	Bore well	1	7.14
4	Shop	1	7.14
	TOTAL	14	

Majority of beneficiaries were SC and followed by ST and OBC. The general category accounted for 14 percent. Hindus accounted for 93 percent and that Muslims 7percent.

Sample Beneficiaries by Social Category

S.No.	Social Status	No. of Beneficiaries	% Percentage
1	SC	8	57.14
2	ST	2	14.28
3	OBC	2	14.28
4	General	2	14.28

Sample Beneficiaries by Religion Status

Religion	No. of Beneficiaries	% Percentage
Hindu	13	92.85
Muslim	1	7.14



Beneficiary of Loan funding given by Dewan Foundation through IBTDA, Alwar sharing benefits with Dr. G.D. Sharma, President, SEED.

The following observations may be made from the visit.

1. The financial literacy among women members of self help group is considerably good. They are able make differences between funding by Micro Finance institutions, Banks and Funding by Dewan Foundation. They are finding funding by Dewan foundation is more suitable and with less rate of interest as compared all other Micro Finance Institutions.
2. That women members have empowered themselves and fought menace of man folk getting into drinking habit and losing their land resources. They even fought in groups prevent bootleggers coming in villages with unauthorized vending of liquor in Transport Truck Tubes. In this process in one member has made her husband to go into jail for drinking habit. They took loan for land reclaim, till the land and now happy with income generation through land reclaim.
3. Repayment of loan is very good practice with women self help groups in IBTDA.
4. The problem of Land mortgage is serious and therefore requires special attention to address the same. For several social and other

reasons rural folk take the loan against land and they are not able to pay loan and reclaim the land. A special drive to support this cause will go a long way in helping women to engage in income generation activity and poverty alleviation.

5. Numeracy and Literacy rate among women member and office bearer is poor. There should special drive to given literacy and numeracy education to all members particularly and office bearer of the groups/ federation.

To sum up

Loan funding by Dewan Foundation for income generation for livelihood among women member of self help groups has significantly helped families of members of self help groups. The approach has, in true sense, made the groups to self help and given a good deal of confidence and financial literacy among women members.

The land mortgage is an important issue in this part Rajasthan and therefore needs to be addressed urgently. A special drive may be made to provide loan to women members to reclaim their mortgaged land so that they can till their land and generate income for self and family. In our view this has a greater income generating valuable asset and therefore, needs special provision under Dewan Foundation Loan funding scheme.



Dewan Foundation loan funding through IBTADA, Alwar -Beneficiary with her Buffalo and Research Investigator of SEED

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