



EMPOWERMENT OF WOMEN THROUGH BANK'S FINANCIAL SCHEMES – A CASE STUDY OF ANDHRA BANK

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Abstract

Banks are playing major role in empowering women through financial schemes by extending credit to women borrowers for their self-employment activities, entrepreneurship, skill development, education etc. Empowerment of women socio-economically is biggest challenge in India. Andhra bank is playing crucial role in empowering women through its financial schemes like SHG-Bank Linkage program, agricultural finance, women entrepreneurship loans, education loans, housing loans, personal loans, vehicle loans etc., to women borrowers. The present study shows the empowerment of women through financial schemes to women borrowers by Andhra Bank.

Key Words: *Women Empowerment, Bank's Financial Schemes, Women Entrepreneurship Loans, Credit to Women Etc.*

INTRODUCTION

Empowerment of women is equal status to women in all fields. Women empowerment is a broad term and includes improvement of the social status of women by providing education, food, ownership of assets, eradicating poverty, and providing equal rights. India is having nearly 130 crore population, the share of women population is nearly 48 percent of total population. The status of women in India is very poor economically, socially, politically and in all fields. It is a matter of great concern. The rural women involve themselves in rural employment activities like agriculture and agricultural allied activities. They involve directly or indirectly in agricultural allied activities like dairy, poultry, sheep rearing etc. Urban women put their entrepreneur skills and involve themselves in employment activities like retail trade, business enterprises, small scale industries etc. Their economic status is not improved in spite of their involvement in employment generation activities. They need financial assistance to establish their employment generation units. Hence, there is a strong need for providing financial assistance to both rural and urban women to improve their economic status.

NEED FOR WOMEN EMPOWERMENT

Poverty, in fact, is one of the aspects of their deprived condition. Meagre earning, lower wages, low level of skills, limited access to the factors of production, low literacy, malnutrition, poor standard of health, greater exposure to domestic violence are some of the other dimensions for their low status. Women's movements and feminist thinkers have advocated the structural and cultural transformation of the society, thereby creating a more egalitarian relationship between men and women. For this, empowerment of women is most essential condition.

Empowerment is a multi-dimensional process, which should enable the individuals or a group of individuals to realize their full identity and powers in all spheres of life. It consists of greater access to knowledge and resources, greater autonomy in decision making to enable them to have greater ability to plan their lives or have greater control over circumstances that influence their lives and free them from the shackles imposed on them by custom, belief and practice. Empowerment of women also means equal status to women. Empowering women socio-economically through increased awareness of their rights and duties as well as access to resources is a decisive step towards greater security for them.

STRATEGY OF WOMEN EMPOWERMENT

The success of any strategy of women empowerment depends upon the following factors: Education, Hard work, Entrepreneurship, and Financial assistance.

Various case studies show that there is a positive correlation between credit availability and empowerment of women. Providing financial assistance plays pivotal role in empowerment of women.

EMPOWERMENT OF WOMEN THROUGH FINANCIAL ASSISTANCE

The Government of India is designing and implementing several programmes to provide financial assistance and self employment opportunities to unemployed women in our country. Government is involving the financial institutions which are operating in the country to make women self sustainable and financially empowered. The women should be aware of the financial schemes and entrepreneurship schemes extended by the government to them. The following are the agencies which



are extending finance to women Scheduled Commercial Banks, Regional Rural Banks, State finance corporation, District industries corporation, Mahila Udyog Nidhi scheme, Small Industries development Bank of India (SIDBI), and National Bank of Agricultural and Rural Development (NABARD). Among the above agencies Banks are playing crucial role in empowerment of women by providing financial assistance and training to women.

BANKING INDUSTRY IN INDIA

In our country, 14 major banks were nationalised in the year 1969 with objective of social justice by the then Prime Minister of India, Smt. Indira Gandhi. Again in the year 1980, six more major banks were nationalised to make the banking system to reach poorest of the poor. Andhra Bank is one of the nationalised banks which are operating in the country.

ANDHRA BANK

Andhra Bank was established in the year 1923, by famous freedom fighter Dr.Bhogaraju Pattabhi Seetharamaiah in Machilipatnam of Andhra Pradesh. Andhra Bank is nationalised in the year 1980, and it is having its Head Office at Hyderabad. The total Business of the Bank as on 31.03.2015 is Rs.284,588cr which includes deposits of Rs.155,012cr and advances of Rs.129,576 cr. Net profit of the Bank is Rs.638 cr. Bank is having 4782 delivery channels which consists of 2507 branches, 8 extension counters, 35 satellite offices and 2232 ATMs as on 31.03.2015 spread over 26 states and 3 Union Territories as given below.

S.No.	Category	Number	% to total
1.	Rural	722	28.80
2.	Semi Urban	690	27.52
3.	Urban	691	27.56
4.	Metro	404	16.12
	TOTAL	2507	100.00

The above table shows about 29% of the Bank are situated in rural areas as on 31.03.2015. And about 28% of the branches are situated in semi urban areas. More than 56% of branches are situated in rural and semi urban areas.

NEED OF THE STUDY

There are several studies on the empowerment of women through lending to women borrowers by Nationalised Banks. But no attempt was made on the empowerment of women through credit extended to women borrowers by Andhra Bank, a nationalised bank. An attempt was made by the researcher to find out the empowerment of women through several financial schemes of Andhra Bank. The study will help the organisation to find out the factors affecting the credit extended to women borrower and how to improve their performance. Hence the study is undertaken.

OBJECTIVE OF THE STUDY

The main objective of the study is to find out the level of empowerment of women through different financial schemes by Andhra Bank and the factors affecting in implementing the schemes and to know how to improve the performance of the schemes.

The secondary objective of the study is to know the status of women after availing loans by the Bank under different schemes.

SCOPE OF THE STUDY

This study will also help the management to understand the factors affecting the implementation of the financial schemes to women borrowers. Finally this study also would provide some suggestions to the management to undertake various measures to improve the performance of the loan schemes.

HYPOTHESES

- All the needy women are covered under different loan schemes by the bank.
- Rural and urban women are empowered through the financial schemes of the bank.
- Status of women is enhanced through these financial schemes.



RESEARCH DESIGN

The objective of the study is to know the level of empowerment through different financial schemes of the bank and its performance. Data Sources: The data is mainly from secondary data available through RBI and Bank's annual reports.

CREDIT TO WOMEN BY ANDHRA BANK

Andhra Bank is extending credit to women through its several financial schemes under priority sector. The prescribed norm for credit to women by RBI is 5% of net bank credit. But the Bank is continuously exceeding the limit. The total credit extended to women borrowers by the Bank is Rs.13,784crores as on 31.03.2015 i.e, 12.33% of Net Bank credit as against the norm of 5%.

The Bank is extending credit to women borrowers under priority sector category under SHG-Bank Linkage Program, through Agricultural finance, Loans to agricultural allied activities, women entrepreneurship loans, AB Professional loans, education loans, housing loans, personal loans, clean loans, vehicle loans etc.

SHG-Bank Linkage Program

Bank is financing the women borrowers under SHG-Bank Linkage program which was introduced by National Bank for Agricultural and Rural Development (NABARD) in the year 1992. The main aim of the program is to improve access to formal credit system by women in a cost effective sustainable manner by making use of SHGs which cover all the economically viable activities including agriculture and allied activities. In Andhra Pradesh it is mentioned as Pavala Vaddi scheme (25 paise interest per month per Rs.100/-) and the bank is providing finance to rural and urban women through this scheme.

Agriculture Finance

The Bank is extending credit to women who are having land holding for production purpose and other agriculture activities like land development, digging of wells, for acquiring farm machinery like tractor, tillers etc. Bank is also financing for agricultural allied activities like dairy, poultry, sheep rearing etc., and Short term credit for production purposes like crop loans, term loans for land development, farm machinery, dairy, piggery, poultry etc.

Women Entrepreneurship Loans:

The Bank is providing loans to women borrowers for self employment activities both in rural and urban areas. In rural areas loans are provided to income generating activities like retail trade, business enterprises like food processing units, tailoring etc. In semi urban areas loans are provided for the activities like tailoring, beauty parlours, instant food products like making of pickles, spices, papads, manufacturing of leather goods etc. The loans are also provided to some other activities like production of liquid soap, detergents, soap powder, office stationery, readymade garments etc., with low investments and low technical know-how. In urban areas the loans are provided to activities like computer services, mobile services, screen printing, photography, beauty parlours, making of toys, mini laundries, cyber cafes, catering services etc. Both working capital limits and term loan will be provided. CGTMSE cover is available for these loans. Women borrowers are extended credit at concessional rate of interest.

AB Professional

Bank is extending loans to practicing Professionals like chartered accountants, financial consultants, company secretaries, cost accounts, doctors, engineers, architects and other professionals etc., for establishment/renovation of their units under this scheme. Loan is also available for furnishing of office premises, purchase of tools, equipment & books etc. Women borrowers are provided loans under this scheme with concessional rate of interest. Maximum limit is Rs. 10.00lacs with hypothecation of assets purchased repayable in 60 months. Both term loans and working capital limits will be provided.

Education Loans:Girls and women are financed under the Education loans schemes for their studies in India and abroad. Education loans are provided for studies like engineering, medicine, agriculture & veterinary, dental, pharmaceutical and management courses under Dr.Pattabhi Vidya Jyothi scheme. The women borrowers are given concession of 0.5% in rate of interest in education loan scheme.

Housing Loans

Housing loans are provided to women for construction, purchase of houses, apartments, repair and renovation of existing house building. The loans are provided to women at concessional rate of interest by the bank.



Personal loans & Consumer loans

Personal loans and consumer loans are provided by the bank to women for personal and domestic purposes like children education, marriage, consumption purposes like for purchase of house hold articles etc., at concessional rate of interest.

Vehicle Loans

Vehicle loans are provided to Indian women who are salaried or professional and self employed by Andhra Bank under “AB Vanitha Vahan” scheme at concessional rate of interest for purchase of two wheeler and four wheelers.

AB Nightingale

Loans are provided to women who have completed B.Sc. Nursing and currently employed in govt./private/corporate hospitals at concessional rates of interest for purchase of consumer goods, vehicles, contingency and to go abroad. This scheme is restricted for identified branches only.

CREDIT TO WOMEN BORROWERS YEARWISE

The Bank is extending credit to women borrowers under different financial schemes for economic empowerment of women. The prescribed norm for credit to women borrowers by RBI is 5%.

Table 1: Credit to women borrowers year wise by Andhra Bank (Rs.in Cr.)

S.No.	Year	Amount of credit to women	Net Bank credit	Percentage to Net Bank Credit
1.	2014-15	13784	129733	12.33%
2.	2013-14	12795	110864	11.54%
3.	2012-13	9791	100327	9.78%
4.	2011-12	6927	84701	8.18%
5.	2010-11	5413	72205	7.50%

The bank is exceeding the prescribed norm continuously for so many years. The percentage of finance to women borrowers increased from 7.50% in 2010-11 to 12.33% in 2014-15.

FINANCE TO WOMEN UNDER PRIORITY & NON-PRIORITY SECTOR

The Bank is financing under different schemes both in priority and non priority sectors to women borrowers. The Bank is showing gradual increase in finance to women year by year above the prescribed RBI norm of 5%.

Credit to women under Priority Sector

Priority sector lending include Finance to Agriculture (both direct and indirect finance to agriculture), Finance to Micro and Small and Enterprises (Direct and Indirect Finance), Micro credit, Education loans, Housing Loans, credit to weaker sections etc. Reserve Bank of India has prescribed 40% of net bank credit norm for finance to priority sector. Sub targets are also fixed for the subsectors like agriculture, MSME etc. All other advances are included in non-priority sector.

Table 2: Credit to women under Priority Sector by Andhra Bank (Rs. In cr.)

S.No.	Year	Net Bank credit	Priority sector advances	Percentage of priority advances to Net Bank Credit
1.	2014-15	129,733	10,715	8.26
2.	2013-14	110,864	10,600	9.56
3.	2012-13	100,327	8,571	8.54
4.	2011-12	84,701	6,376	7.53
5.	2010-11	72,205	471	0.65

From the above table it is observed that the credit to women borrowers under priority sectors is showing constant growth from 0.65% in 2010-11 to 9.56 in 2013-14 and reduced to 8.26% in 2014-15. It is due to decrease in finance to SHG-Bank Linkage program, finance to Agriculture sector during the year 2014-15.



Table 3: Credit to women by Andhra Bank Category wise (Priority sector) (Rs. in cr.)

S.No	Category	2014-15		2013-14		2012-13		2011-12	
		Amt.	% toNBC	Amt.	% to NBC	Amt.	%to NBC	Amt.	%to NBC
1.	Micro credit	4069.60	3.14	3848.82	3.47	3177.72	3.17	2906.86	3.43
2.	SSI sector	492.18	0.38	562.50	0.51	550.48	0.55	159.21	0.19
3.	Govt.program	495.61	0.38	515.05	0.46	454.50	0.45	307.82	0.36
4.	Others	5658.24	4.36	673.96	5.12	4388.67	4.37	002.15	3.54

The same trend of decreasing in finance is witnessed under finance to different categories like micro credit, SSI sector, govt. sponsored programs and other priority sector programs. It is due to debt waiver schemes announced by the Andhra Pradesh government and no fresh loans were given in this period by the bank.

Table 4: Credit to women by Andhra Bank under Non priority sector (Rs.in Cr.)

S.No.	Year	Net Bank credit	Non-Priority sector advances	Percentage of non-priority advances to Net Bank Credit
1.	2014-15	129733	3068.68	2.37
2.	2013-14	110864	2194.69	1.98
3.	2012-13	100327	1220.26	1.22
4.	2011-12	84701	551.38	0.65
5.	2010-11	72205	1.18	0.01

The credit under non-priority sector is showing constant growth from 0.01% in 2010-11 to 2.37% in 2014-15. The credit under non-priority sector is increased year on year without any break.

Table3: Credit to women by Andhra Bank Category wise (Non-priority) (Rs.in cr.)

S.N	Category	2014-15		2013-14		2012-13		2011-12	
		Amt.	% toNBC	Amt.	% to NBC	Amt.	%to NBC	Amt.	% to NBC
1.	Medium & large scale Industries	1.70	0.02	2.52	0.03	4.90	0.04	0.43	0.01
2.	Others	3066.97	2.36	2192.17	1.98	1215.36	1.21	550.94	0.65

The finance made to women borrowers under medium & large scale industries is decreasing year on year and the amount decreased from Rs.4.90 cr in 2012-13 to Rs.1.70cr in 2014-15. The percentage of finance made to women borrowers under other non-priority sector is increasing year on year from 0.65% in 2010-11 to 2.36% in 2014-15. It shows the growth rate under non-priority sector is steady to credit to women borrowers. The main reason being the bank has concentrated more on retail credit during these years.

Non-Performing Assets under Credit to women borrowers

Though repayment of loans under credit to women borrowers is regular and prompt, there are some over dues in loan portfolio to credit to women. Even bad loans and non performing assets exists in the finance made to women borrowers. The year wise data of NPA to women borrowers is given below.

Table 5.: Non Performance Assets of Credit to Women by Andhra Bank (year wise) (Rs.in cr.)

S.No	Year	O/s credit to women	Non-Performing Assets	% of NPA to outstanding to women borrowers	% of NPA of the Bank
1.	2014-15	13784.31	637.67	4.63	2.93
2.	2013-14	12795.02	386.15	3.02	3.11
3.	2012-13	9791.63	329.37	3.36	2.45
4.	2011-12	6927.41	241.00	3.48	0.91
5.	2010-11	5413.99	87.44	1.62	0.38



The NPA of the credit to women borrowers is on higher side continuously from 2010-11 to 2014-15 compared to Bank's average NPA. The Non performing assets are increasing year by year from 1.62% in 2010-11 to 4.63% in 2014-15. The NPA in credit to women portfolio is higher than the bank's net NPA continuously except in the year 2013-14, where it is marginally less than the bank's NPA. The net NPAs of the Bank is at 2.93% as on 31.03.2015, but the NPA under credit to women borrowers is 4.63% It is a very alarming situation. This is due to debt waiver scheme announced by government of Andhra Pradesh and no repayment was made by the borrowers anticipating debt waiver under micro credit, SHG-Bank Linkage programs. Bank has to take stringent action to recover bad loans made to women borrowers and has to reduce the NPA under Finance made to women borrowers.

FINDINGS AND SUGGESTIONS

The study revealed that the bank is doing excellently well in financing women borrowers under different schemes surpassing statutory requirement norm of 5% every year.

- The percentage of finance made to women borrowers has shown continuous uptrend except in the year 2014-15 under priority sector.
- The percentage of finance made to women borrowers is increasing in non-priority sector advances.
- The percentage of Non performance assets is alarming especially in the year 2014-15 when compared to bank's net NPA.
- The Bank has taken steps to improve the performance of credit to women borrowers under priority sector concentrating more on MSME Sector instead of micro credit and agricultural finance.
- The Bank has to take serious steps for recovery of bad loans made to women borrowers especially in SHG-Bank Linkage program and agriculture finance to reduce Non- performing assets under this portfolio.

CONCLUSION

Though there is some negative trend in the year 2014-15, the overall performance of the Bank is excellent in making credit to women borrowers. Bank has to take stringent action to recover bad loans made to women borrowers and has to reduce the NPA under Finance made to women borrowers. To ensure effective performance of the Bank's Financial Schemes to women borrower, the bank has to take several steps like concentrating more on Retail Credit, Women Entrepreneurship loans, MSME advances and recovery of overdue in bad loans to reduce Non Performing Assets.

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