

Role of Microfinance in Leveraging the ICT and Financial Institutions

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Abstract

Microfinance is considered the main tool for reducing poverty under the financial inclusion initiative undertaken in most of the developing economies, including India. Microfinance is an important vehicle to channelize the savings of small, marginalized, low-income people in our society. This study is an effort toward learning how microfinance leverages ICT (information and communication technology) and financial institutions (FIs). Further, to study about the usage of ICT and other financial institutions by microfinance in India, 250 MFIs were selected based on a purposive random sample technique. The data was collected by distributing a well-structured questionnaire on which Karl Pearson's correlation and regression analysis were applied, for which the following dimensions were set—efficiency and effectiveness, financial sustainability, improve productivity, reach, control cost, increase savings, improves market performance, and service delivery. Software like MS-EXCEL (2007) and SPSS were used to draw out results statistically. Along with this, to study the working of financial institutions, tables, graphs, and pie-diagrams were constructed. A little explanation is given to conclude the progress of microfinance in Punjab. The overall result demonstrates that microfinance leverages ICT and other financial institutions in a significant manner, and it is found to be beneficial for the key functioning of the MFIs. However, some constraints are there which need to be emphasized.

Keywords: Microfinance, MFIs, ICT, Financial Institutions, Leverage

Introduction

For the past several years, the Indian Government has constantly been making an effort to bring the economy on the right track, by achieving balanced economic growth. More than half the population is relying on agriculture and its allied activities, and this part of the population is considered the low-income group. Unfortunately, they

are under the poverty line also. After independence, the government placed the most emphasis on the reconstruction of the financial sector, and above all, in providing access to the financial sector less cumbersome. The Indian economy is divided into two, based on the income, i.e. rich and poor. The worst part is that the economic population is mainly composed of people from the latter category. Our financial sector is broadly divided into two: organized sector and unorganized sector. The individuals belonging to the low-income group mostly fulfill their financial needs from an unorganized sector due to ease of access to these types of institutions. They are deprived of the organized sector. This may be due to comparably less ease of access to these institutions. From time to time, the government has set up many initiatives to increase access to the financial market by this class of society also. Social banking was one of the concepts that help in fighting poverty. Microfinance, one of the services provided under this, is structured mostly to target people who lack access to conventional banking services. The target population under this is poorer, geographically isolated, and socially marginalized. The background of microfinance in India was traced from the middle 1800s. Many banks were nationalized in the year 1969 and 1980 for microfinance. Regional rural banks and national banks for agriculture and rural development (NABARD) came into existence. They are constructed for providing social banking facilities for the excluded people of the society. However, they failed to shatter the presence of local money lenders (Morduch & Rutherford, 2015). Later, non-government organizations (NGOs) made microfinance a tool of economic development. To increase access to more customers, nowadays, MFIs started involving ICT in their work. To leverage the working of microfinancing, both the variables, i.e. ICT and financial institutions, are working to ease the operations of microfinance institutions.

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Role of ICT in Microfinance

Microfinance is considered a mechanism to provide financial services and financial products to small businessmen, entrepreneurs, and specifically, to those who belong to remote income groups and trapped in poverty. These microfinance services come under the structure of microfinance institutions. These institutes mostly work on the basis of donations. For their operations, they have to work on two-fold objectives: one is to serve the society and the second is to maintain their financial requirements. ICT (information and communication technology) widely became a part of everyone's lives. Due to its popularity and the innovative role played in almost all sectors of our society, it has now started influencing the MFIs also. It is considered an important tool for leveraging and maturing the microfinance industry in India. It can be good to state here that it provides a boost to the MFIs by not only helping them increase their reach to the prospective customers, but by also providing financial assistance by attracting various donors. As MFIs have to perform multidisciplinary functions, i.e. serving people at the lowest pyramid in our society, uplift the weaker section, enhance the skills of the deprived section, and generate credit facilities at the same time, ICT is bridging the gap between customers, thus becoming the helping hand for the MFIs. According to (Arifujjaman & Rahaman, 2007). ICT has shown to have some impact on poverty at the micro, meso, and macro levels. Therefore, the government undertakes several initiatives from time to time for the adoption of ICT at all levels of the society, so that digital balance may be achieved. Bharat Sanchar Nigam Limited (BSNL) became the largest broadband service provider to deliver internet services to rural people. Many schemes like Jan dhan Aadhaar-Mobile (JAM) in the year 2005 and UIDAI (Unique Identification Authority of India) have worked rationally by creating a biometric-enabled unique identity for each individual, which can be used anywhere, at any time, as it provides common database facility for various other documents side by side. It provides online verification facility by (E-KYC). Today, in India, almost every citizen has an Aadhaar card in their pockets. Mobile banking, UPI (Unified Payments Interface) for electronic payments, private sector intervention to a large extent, i.e. ICICI's FINO, has provided data management assistance to a large number of MFIs, ATMs, smartcards, and so on. These have provided all-round access to microfinance services to the lower level of individuals in the society. Various digital schemes like MUDRA (Micro-Unit

Development and Refinance Agency Bank), digital India initiative, DIGI DHAN mission, and eSHAKTI portal have made a tremendous headway in the MFI sector in India. However, to widen its domain of access, usage of ICT in the MFIs is necessary. Ademala, Olufemi, Chidozie (2017) proved a positive impact of ICT on the performance of MFIs, although it is considered that micro-level ICT is only able to function well if it is embedded with well-equipped infrastructure.

Role of Financial Institutions in Microfinance

The physical structure of the network within which the flow of financial services takes place is regarded as a financial institution. These are the companies that are fulfilling the financial needs, by the disbursement of loans in various ways and accepting customers' deposits in various forms. In addition to this, they perform various allied activities like investments, mutual funds, currency management, and various agency functions. It comprises a well-versed network of banks worldwide, countrywide, and within the country at the central level, state level, district level, block level, village level, and so on. Therefore, it is an impressive system through which financial products and services flow. These institutes are governed and managed by the RBI and other banking and regulations act. RBI, the apex bank of India, followed by commercial banks, various developmental banks, regional rural banks, non-banking financial companies, and cooperative banks come under the umbrella of financial institutions. The new entrants in the market are micro financier institutions. These are formed due to the exclusion of the lower-income people of the country in the wake of financial assessment. They now tie-up with other financial institutions to act as a middleman between the financial institutions and the customers, as they take loans from the banks and further disburse it to the SHGs (Self-Help Group) and other individual members. The role of different financial institutions are stated here according to their rank of engagement in various MFI related activities.

- **RBI:** The Reserve Bank of India acted as a central bank and controls directly or indirectly all the banking institutions in India. In the field of MFI, till now, the RBI has constructed various policies and declared it as a priority sector lending institution. In addition to all past measurements on March 2020, the RBI decided to inject Rs. 75,041 crores to ease liquidity hurdles in the banking system and de-stress the financial market. The RBI also grants permis-

sion to start small finance banks (SFBs) that undertake small banking activities.

- **NABARD:** The National Bank for Agriculture and Rural Development is the lead institute to work in the field of microfinance. The concept of SHGs (Self-Help Group) was first constituted by this institute, which started with an experiment of 500 SHGs, now ranging to Rs. 50.77 lakhs as on March 31, 2019. This institute also supports various initiatives like 'Digital India' and 'eShakti' to enhance its reach and bring about a great revolution in the microfinance sector.
- **SHG:** The Self-Help Group is a network consisting mostly of female members working on a community basis with the objective of sustainable livelihood, building finance, and providing social and economic assistance. They are now linked with the banking program and commonly known as SHG-BLP (Self-Help Group through Bank Linkage Programme). SHGs are also regarded as the brain-child of NABARD. According to a 2019 NABARD report, SHGs exclusively networked 12 crores of households at an annual loan of Rs. 23,000 crores. This is considered a big achievement in the microfinance area.
- **Commercial Banks:** These banks are established most commonly to carry out business transactions. But these banks also indulge in microfinancing activities. More than half of the SHGs maintain their savings account with commercial banks (NABARD report, 2019). Loan disbursement registered at a growth of 20% with 63.8% of total bank loan outstanding by SHGs during the year 2019. They also achieved success by reducing the level of NPA in absolute terms, which is worth mentioning.
- **RRBs:** Regional rural banks are the institutes that are in close link with the rural public. This is the reason they are known as a front-driver in the microfinance market. The concept of JLG (Joint Liability Group), popularly known as the business promotion model, was invented first by these institutes. Microfinance through RRBs has increased from Rs. 28.07 lakhs to Rs. 30.79 lakhs, with a percentage increase of 9.6 at present.
- **NGOs:** Non-Government Organizations registered as a trust or society actively relate with MFIs by providing a unique support to them, i.e. providing training facilities, internal audit, social capacity

building, and promoting the functioning of SHGs. According to a 2019 NABARD report, Hand-in-Hand became the largest NGO, which matured 1.66 lakhs of SHGs.

- **NBFCs-MFIs:** Non-banking financial institutions are microfinance institutions that act as a company. As a group, these companies provide micro-credit with a loan outstanding of Rs. 68,868, with a growth of 42%.

The MFIs, through various SHGs have to interface with the largest portion of society and serve them financially. So, MFIs have to adopt a sustainable business model as they also have to compete with the increasing competition among the players in this market. Therefore, increasing the reach is not the sole purpose of MFIs. They also have to provide good financial results. But the spread of the cost of a fund ranges too high and makes it impossible to achieve the dual objective (MFIN report, 2016). Moreover, micro-credit is extended without any collateral security, involving huge risks. So, urban finance is given more preference these days, i.e. entrepreneurs, small businesses, and so on. Moreover, microfinance service is nowadays adopted by various financial institutions to increase the reach of its operations. The RBI considered microfinance as a priority lending sector.

Literature Review

Studies Related to Microfinance Leveraging ICT and Financial Institutions

Microfinance is considered an important mechanism for providing financial services to the different sectors of society. It provides services such as disbursing funds to every strata of society, but only half the population are able to benefit from these services. So, numerous studies have been conducted so far to find out how microfinance penetration will increase with the usage of ICT and various financial institutions. Many researchers like Joseph Kasumbha Ssewanyana (2009) examined the fact about the usage of ICT in the microfinance sector in Uganda; Erasmus Fabian Kipesha (2013) investigated the impact of ICT utilization on microfinance institutions in Tanzania; Guganeshan and Suthaharan (2016) studied the relationship between ICT and microfinance in Sri Lanka; Jean Bosco Halimane (2017) explored the impact of ICT on the financial performance of microfinance institutions in Rwanda; and Bhatt et al. (2020) focused

on ICT adoption and its impact on MFI, where the study was undertaken in Gujarat. All these studies related to microfinance and ICT considered the common factor: that is, the influence of ICT. The performance of the microfinance sector improved based on reduction in cost, it improved the reach to customers, financial stability, profitability, and financial efficiency, and hence, it enhances the link between the customers and the sector. But some constraints regarding installation charges, requirement of well-qualified staff, networks issues, and lack of proper implementation of government policies was highlighted by these researchers.

In Punjab, researchers like Zora Bi and Pande (2011) undertook the study on the comparison between the performance of microfinance institutions and commercial banks, and found that due to the inherited advantage of the business model connected with commercial banks, banks in the microfinance sector enjoy the advantage of this. The study conducted by Khaki and Sangmi (2012), and Lashaway Saroj and Charan Shailendra Singh (2015) shows the relationship between microfinance and self-help groups, and found that there was an improvement in the income and savings of SHGs when they were linked to the microfinance sector. Rita Jain (2018) examined the role of NABARD in microfinance and unveiled the fact that gender equality was achieved by linking it to microfinance services through various SHGs. All results were corroborated by Dr Devendra Singh (2019), who stated that there exists a positive result from the coordination of various banking institutions on the development of the microfinance sector.

Some studies in Punjab in the microfinance sector, conducted by Sangeeta Arora and Sapna Arora, 2012; Tejbir Kaur and Rajdeep Singh, 2014; Zaei et al., 2018; and Ahtesham and Mittal, 2019 focus upon various dimensions, such as micro-credit and women empowerment, poverty reduction, and socio-economic factors for the availability of microfinance to farmers in Punjab, and the facts explained that the microfinance sector performs actively in the wake of digitalization and network of financial institutions.

The present study is an attempt to examine the role of financial institutions and ICT to uplift the microfinance sector and how they enhance their overall functionality in India. This study is unique as it considered the collective role of all financial institutions and digital platforms (ICT) through various schemes implemented till now, and the latest data available regarding the functioning of the microfinance sector in India by NABARD report for the

year 2018-19 was used for the study. Both qualitative and quantitative research methods were used in this study, with a blend of primary and secondary research. Moreover, both the variables, i.e. ICT and financial institutions, are considered a modern pathway to enhance the reach of microfinance services to a larger strata of society.

Need of Study

Financial inclusion is becoming the subject of concern in many developing nations worldwide as finance is considered as the lifeblood of society. Therefore, for its proper circulation, availability to every unit of population is integral. To bridge the gap through financial inclusion, most nations strive for economic equality among its citizens, as almost all developing economies face the same problem of having a huge financially excluded population. The same problem is faced in India. In India, majority of the population is at the bottom of the pyramid, and they are deprived of many financial benefits. The reason behind this may be due to lack of awareness, cumbersome financial activities, heavy documentation, difficulty in approach, illiteracy, and so on. Therefore, their upliftment at a holistic level is becoming essential. So, this study is of utmost importance to know about the facts behind the various governmental and non-governmental efforts toward addressing this concern, and the current paper is based on how the most important variables, i.e. ICT and financial institutions (FIs) are being leveraged by microfinance.

Research Objectives

The general purpose of this research is to find out how the vehicle of microfinance is able to indulge people digitally to work economically, and how various institutes are able to channelize the savings of these people in investment and use them productively. Beside this general purpose, the following is the specific objectives of the research:

- To examine how microfinance leverages Information and Communication Technology (ICT).
- To investigate how microfinance leverages various financial institution (FIs).

Research Methodology

Research Design, Sample and Procedure

To attain the research objectives of the study, descriptive research design was administered with microfinance as a

dependent variable and information and communication technology (ICT) along with financial institutions as independent variables. This study is based on both primary and secondary data. The primary data was collected from various MFIs situated in India, based on a purposive random sampling technique, from a total of 250 MFIs in the year 2020. The sample was chosen purely by ensuring the dynamism in the operations of MFIs, as this may help to conclude all types of services provided by MFIs in the study. Both qualitative and quantitative research methods were used in this study. A well-structured questionnaire is developed on the 5-point Likert scale to be filled by various MFIs in the area. The questionnaire was sent through e-mail to the target MFIs, considering the lockdown situation countrywide. In the process of screening this data, all samples are found fit for the study and analyses. The main purpose of collecting primary data is to find out how ICT helps the MFIs increase their reach. For this, the dimensions regarding variable ICT were set, namely efficiency and effectiveness, financial sustainability, improve productivity, reach, control cost, savings, market performance, and improve service delivery, and correlation is found among them. The secondary data is compiled to accomplish the purpose of relating other financial institutions, i.e. commercial banks, NABARD, RBI, SHGs, and various NGOs with microfinance. For this, the latest data available from the NABARD report for the year 2018-19 and various other

journals, books, websites, and magazines were used. This study also provides a bird’s eye view of the scenario of MFIs in Punjab through data compiled from bank reports.

Instruments

For this study, the participants were asked to reveal their opinion about the variables on the 5-point Likert scale (1 = strongly agree and 5 = strongly disagree). For checking the reliability of the scale, Cronbach’s reliability test was used, which showed a value of 0.824. The secondary data was compiled from various reports, and thereafter, tables, graphs, and pie-diagrams were drawn using MS-EXCEL.

Analysis

To analyze and compute the data, various statistical tools were used. The correlation was used to correlate the various dimensions of ICT with microfinance, accomplishing objective of finding out the relation between the variables; regression analysis was used to study the impact of independent variables (information and communication technology ICT and financial institutions) on the dependent variable (microfinance). MS-EXCEL was used to compile the secondary data taken from the NABARD report (2018-19), by drawing tables and charts to show data in an organized manner.

Result of the Study

To Study How Microfinance Leverages ICT

Table 1: Correlation Result between ICT Variables and MFIs

		EFFECTENCY AND EFFECTIVENESS	FINANCIAL SUSTAINABILITY	IMPROVE PRODUCTIVITY	INCREASE OUTREACH	CONTROL COST	SAVINGS	IMPROVES MARKET PERFORMANCE	IMPROVE SERVICE DELIVERY
EFFECTENCY AND EFFECTIVENESS	Pearson Correlation	1	.741**	.643**	.508**	.606**	.507**	.431**	.575**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.000
	N	150	150	150	150	150	150	150	150
FINANCIAL SUSTAINABILITY	Pearson Correlation	.741**	1	.738**	.615**	.562**	.655**	.527**	.734**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.000
	N	150	150	150	150	150	150	150	150
IMPROVE PRODUCTIVITY	Pearson Correlation	.643**	.738**	1	.757**	.777**	.565**	.661**	.608**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000
	N	150	150	150	150	150	150	150	150
INCREASE OUTREACH	Pearson Correlation	.508**	.615**	.757**	1	.807**	.774**	.643**	.485**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	.000
	N	150	150	150	150	150	150	150	150
CONTROL COST	Pearson Correlation	.606**	.562**	.777**	.807**	1	.578**	.592**	.509**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000	.000
	N	150	150	150	150	150	150	150	150
SAVINGS	Pearson Correlation	.507**	.655**	.565**	.774**	.578**	1	.672**	.554**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000
	N	150	150	150	150	150	150	150	150
IMPROVES MARKET PERFORMANCE	Pearson Correlation	.431**	.527**	.661**	.643**	.592**	.672**	1	.619**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000		.000
	N	150	150	150	150	150	150	150	150
IMPROVE SERVICE DELIVERY	Pearson Correlation	.575**	.734**	.608**	.485**	.509**	.554**	.619**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	
	N	150	150	150	150	150	150	150	150

** , Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data compiled from SPSS software

Table 1 explained the Pearson’s correlation coefficient between the various dimensions of variables. The table shows a positive and significant correlation between dimensions. The dimension effectiveness and efficiency are highly correlated with the financial sustainability dimension of ICT with an overall value of 0.741, followed by improved productivity, control cost, and improved service delivery, respectively. Improved productivity and increased reach are highly correlated with cost control, with values 0.777 and 0.807, respectively. The

dimension market performance is correlated with the saving dimension, which can be further explained, because with the help of ICT the microfinance sector was able to perform well in the market by attracting more customers. Therefore, the habit of saving has evolved among the population. The service delivery dimension is highly correlated with financial sustainability and market performance. Hence, all dimensions show a significant correlation between each other, and it can be concluded that microfinance leverages ICT for the achievement of its objective of reaching the maximum strata of society.

Table 2: Regression Analysis of Microfinance and the Dimensions of ICT (Information and Communication Technology)

MODEL	STANDERISED COEFFICIENT BETA	T	sig.	
(constants)		5.366	.000	
Effeciency and Effectiveness	0.1	1.234	.219	
Financial Sustainability	-0.131	-1.843	.067	R square .673
Improve Productivity	-0.045	-0.69	.491	Adjusted R square .655
Increase Outreach	0.109	1.387	.168	F 36.293
Control Cost	-0.482	-5.918	.000	Sig.F .000 ^a
Savings	-0.319	-4.763	.000	
Improve Market Performanc	-0.172	-2.776	.006	
Improve Service Delivery	0.269	3.523	.001	

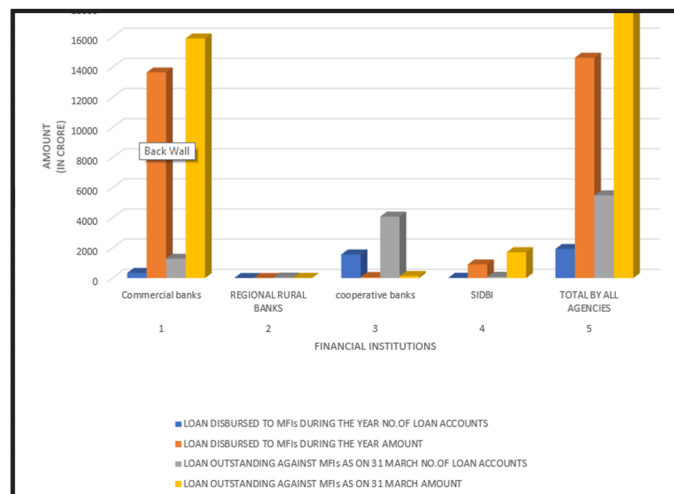
Dependent variable: Microfinance

Source: Primary data, compiled from SPSS software

It was observed from Table 2 that the overall regression model was significant (F = 36.293, P < .000, R Square = .673, adjusted R square = .655), and the result suggested that dimensions of ICT were statistically significant in explaining the variation in microfinance.

The value of R Square signified that the 67.3% variation in the dependent variable is due to independent variables. ICT influences microfinance in a positive way. The results suggest that the MFIs have to adapt ICT to improve their functionality.

To Investigate How Microfinance Leverages Financial Institutions (FIs)

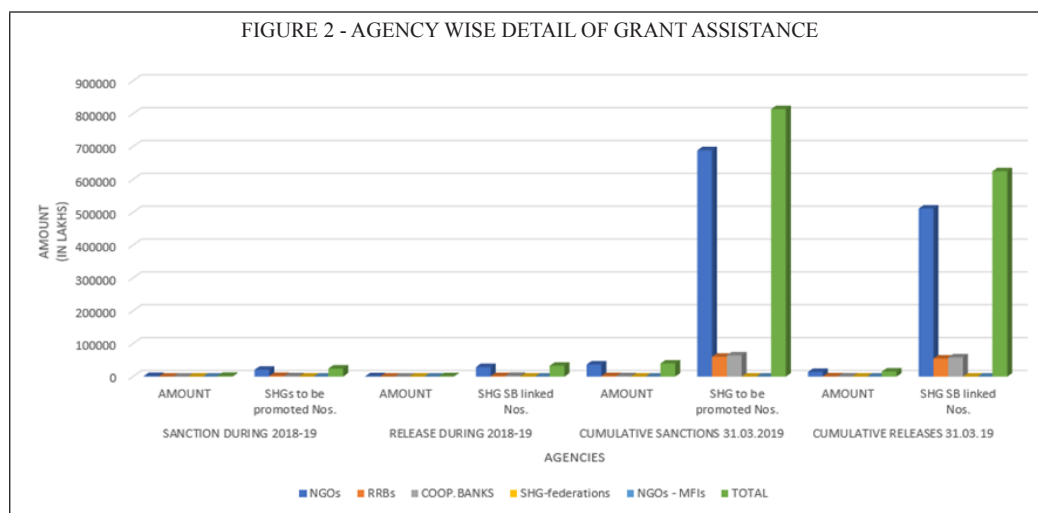


Source: NABARD report on microfinance (2018-19)

Fig. 1: Financial Institution’s Assistance to MFIs

Fig. 1 depicts the loan amount disbursed to MFIs by various financial institutions (i.e. commercial banks, regional rural banks, cooperative banks, and SIDBI), and the total outstanding loan against MFIs during the year. The loan disbursed in total was Rs. 14,625.95 crores and

a total of Rs. 17,760.68 crores is outstanding during the year as a whole. Among these institutions, commercial banks are the lead institutes to provide microfinance services, which are connected to various SHGs, to improve the savings habit among people by adopting various innovative schemes for the benefit of their customers.

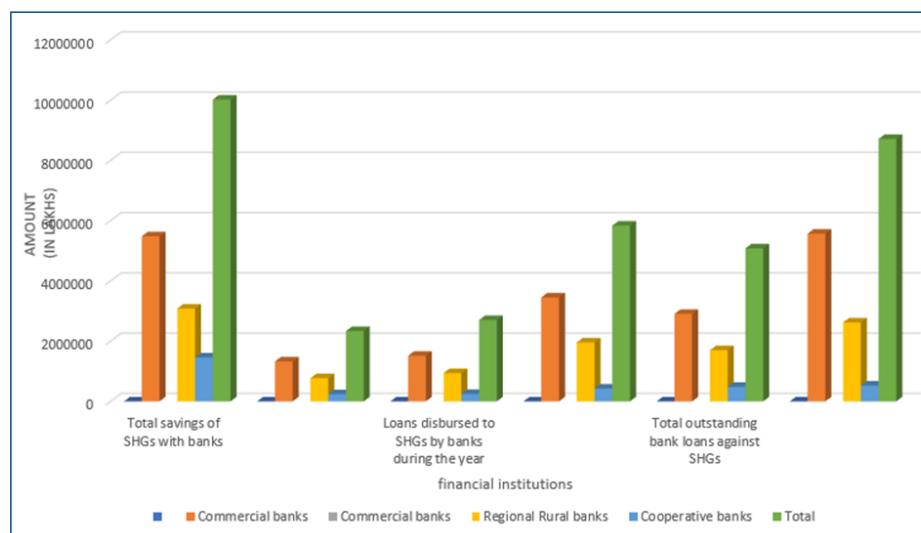


Source: NABARD report on microfinance (2018-19)

Fig. 2: Financial Assistance of Various Other Agencies

Fig. 2 shows the functions of other agencies like NGOs, RRBs, and NGO-MFI in relation to microfinance. The graph depicts that SHGs (Self-Help Group) financed by linked programs are helpful to a large strata of society, and to a great extent they bridge the gap of financing. The cumulative sanctioning of loan is at its peak in the

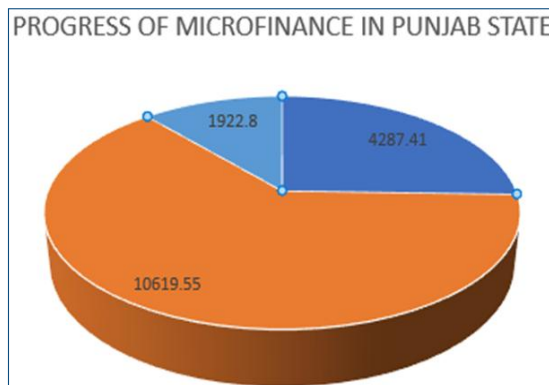
year 2019 compared to 2018, with a great involvement by NGOs among all other agencies working in this field. A total of Rs. 8,00,000 was sanctioned as a loan by all agencies in the year 2019. As per the NABARD report, there is more than one crore SHGs in India linked with the microfinance sector.



Source: NABARD report on microfinance (2018-19)

Fig. 3: Overall Progress under Microfinance

Fig. 3 depicts the overall performance of MFIs, with assistance from various financial institutions. Commercial banks lead in overall operations of microfinance, i.e. savings, disbursement of loans, and outstanding loan. The SHG promoted savings, and the graph shows the tremendous result of this initiative. The total amount distributed during the year 2018-19 exceeds the amount outstanding against the SHGs. Commercial banks show great involvement with SHGs to provide saving opportunities to the deprived section of the society.



Source: NABARD report on microfinance (2018-19)

Fig. 4: Progress of Microfinance in Punjab

The pie-diagram in Fig. 4 depicts the flow of finance from financial institutions to the microfinance program in Punjab. A total of Rs. 10,619.55 lakhs was disbursed as a loan in the year 2018-19, out of which Rs. 4,287.41 lakhs are savings. Rs. 1,922.8 is the level of NPA in the year 2019, which is somewhat less compared to the previous year. This progress in Punjab is due to greater involvement of SHGs linked with financial institutions, as these institutions with their wider network coverage achieved the goal of attracting people toward the initiative of financial inclusion. Due to the advantage of occupational structure, MFIs have greater scope to enhance their reach.

Discussion

To bridge the gap between savings and investment there must be a medium that can channelize the flow of savings in a productive way. For a better life, even small savings contribute quite a lot. Therefore, our channels must be so strong that every strata of our economy feels included, although this can be possible only when the people in the lower pyramid are lifted to a higher level. There is no doubt that various initiatives have been undertaken in this context, as discussed in the paper, but we have still

failed in some areas. Microfinance sectors are considered a priority lending sector by our apex bank and crores of rupees have already been disbursed so far. Another institutional intervention is also present, where they come forward to take the initiative of financial inclusion and digital inclusion. Yet a lot of improvement is still needed in this sector, like infrastructural development, with more concentration on the poor marginalized people. ICT is still lacking in this sector, although many MFIs have opted for the electronic tools (hardware, software, and networking). However, these are not welcomed by a major portion of the Indian market, and any adaptation to technology is very minute. Lack of a common platform for information sharing between the MFIs is analyzed as they are not connected to this established communication gap. For this, MFIs must adopt various software, i.e. CIBIL, for collaboration. For removing the hindrance of skilled manpower regular training should be provided to employees and new recruits should have a knowledge of computers. NPAs (Non-Performing Asset) are a cause for concern in our economy, and microfinance helps. The gross NPA of bank loan to SHGs is 5.19% as of 31 March 2019. And it is reduced compared to the previous year, where the gross NPA was 6.12%.

Conclusion

Microfinance is at its growing stage in India. A large number of SHGs have been constructed so far, which are connected with various financial institutions to elevate the curse of society. For this, the digital platform is promoted to a great extent and it is found that the usage of ICT proves to be highly beneficial not only for the objective of reaching maximum customers, but also in maintaining the existence of various MFIs. Not only is effectiveness in services achieved by the use of ICT, but efficiency by improving service time, cost control, savings, and market share is also achieved. The financial institutional network is also successful to a wide extent in increasing the flow of funds. Although, some constraints are found that can be removed by the combined efforts of the government and various non-government organizations, from time to time. And the blanket objective of a balanced economy will soon be achieved. Due to time and money constraints, there may be several deficiencies in this study. For further study, it is recommended that researchers undertake a detailed study of microfinance after the pandemic COVID-19, in addition to studying ICT and its tools under microfinance, and carrying out a comparative study between two or more countries. Emphasis on financial institutions should also be examined.

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