

Growth and Future Trend of Self Help Group- Bank Linkage Programme (SHG-BLP) in India

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Abstract - The Self Help Groups (SHGs) initiative was adopted by India several decades ago. The SHG initiative was adopted in order to alleviate poverty, improve women's ability, and improve living standards and delivering public goods and services. The movement of SHG as the most effective tools for financial institution was started some 30 years ago with NGOs promoting Self Help Groups. The SHGs are being linked with the banks for external credit for rural development. The Self-Help Groups (SHG)-Bank Linkage programme has emerged as the largest micro-credit programme in the world. At the grass root level, the programme is being implemented by the commercial banks, co-operative banks and RRBs. The SHG-Bank Linkage Programme was conceived with the objective of developing supplement credit delivery services for the unreached poor and poor sections of the economy. This research paper is focused on the growth of SHGs in relation to the commercial banks, RRBs and Co-operative banks. The data for research analysis has been taken from 2011-12 to 2017-18 and thus analysed with the compound annual growth rate. This paper analyse the SHG-financing in all over India over the period 2011-2018. In this paper an attempt has been made to know the present status and performance of SHG-Bank Linkage Programme. The present study is based on secondary data. The data has been collected from reports of Microfinance in India-NABARD and analyzed with the help of percentage, standard deviation, mean and t-test. The future trend for the growth of SHG-BLP analysed with the trend equation method. The study finds and concludes that growth of SHG in RRBs has significantly improved over the period of time.

Keywords: RRBs, NGOs, SHG-BLP, NABARD, MYRADA

I. INTRODUCTION

The SHGs in India were formed by Mysore Resettlement and Development Agency (MYRADA), a NGO in 1985 due to breakdown of the large co-operatives organized by MYRADA. By 1986-87, there were nearly 300 SHGs in MYRADA's projects. MYRADA then approached NABARD for an action research project on Self-Help Groups which funded the research. Thus, MYRADA and NABARD, in consultation with the Reserve Bank of India (RBI), Commercial Banks and NGOs, launched a pilot project in 1991-92 for linking of SHGs with banks. Thus, the micro finance activity is the result of NABARD'S work that started in February 1992 through an initial pilot project promoting 500 SHGs. RBI had advised commercial banks in July 1991 to extend finance to SHGs as per NABARD guidelines. Subsequently, the linkage project was extended to RRBs and Cooperatives. NABARD, in 1992 launched the SHG-Bank Linkage Programme with the policy backup of the Reserve Bank of India. As per **NABARD report (1995)** the scheme on SHG's was made applicable to RRB's and co-operative banks of the country in 1993 and in April 1996, RBI advised the banks that lending to SHG's

should be considered as an additional segment under priority sector advances and it be integrated with mainstream normal credit operation. Self-Help Group is a village based financial intermediary committee usually composed of 10-20 local women or men. Members make small regular savings contributions over a few months until there is enough capital in the group to begin lending. Funds may then be lent back to the members or to others in the village for any purpose. In India, many SHGs are linked to banks for the delivery of microcredit. A Self-Help-Group may be registered or unregistered. Since 1992, NABARD started the SHG- Bank Linkages programme with the help of RBI. The work of SHGBL programme to provide the finance for poor and disadvantage people of society and improving economic growth of country and remove the poverty status of people. It's provided the credit for poor people to setup the business. Since 1996 this programme was directed linked by commercial, cooperative and RRB in India. Target of these banks help the SHGs members and these peoples are not able to open own account in banks, his account opened in through SHGs in banks. SHGBL programme linked not only for organized banks but its linked on NGO and voluntary organization in country.

II. REVIEW OF LITERATURE

Sharma (2001) conducted a study that micro financing is about provisioning of credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas for enabling them to raise their income levels and to improve their living standards. Usually, the focus is on the poor and that too on women. The SHGs can be formed for any development need. However, the SHGs practicing saving and credit activities have been more successful and sustainable. The experience in India showed that provision of small financial services and products to the poor people through bank linkage of SHGs conducive to human development. Therefore, the micro financing through SHGs is contributing to the development of rural people in a meaningful manner. The study concluded that significant changes in the living standards of SHGs members have taken place in terms of increase in income level, assets, savings, borrowings capacity and income generating activities. However, needs to be experienced to safeguard healthy growth of SHG movement in India.

Ramakrishna (2001) study aimed to assess empirically the role of Self-Help-Groups (SHGs) in improving the access to formal credit institutions in meeting the credit needs of the rural poor in Thumpala village of Vishakhapatnam district, Andhra Pradesh. The study concludes that if the SHGs are allowed to develop links with the bank branches, the credit needs of poor are met and their small savings tapped, recoveries and profitability would improve. The linkage of SHG with the bank will enable them to become operationally viable units.

K.S. Birrari and D.V. Kasar (2001) examined the micro credit funding in India and its progress in Self-Help-Group (SHG) - Bank linkage programme and bank policies in micro-credit funding. The result of the study indicated that the National Bank for Agriculture and Rural Development (NABARD) and Rashtriya Mahila Kosh (RMK) are the two important funding agencies for non-government organisations (NGOs) or SHG. The NABARD has established good linkage covering 97.25% of total NGOs or SHGs. However, RMK has funded 39% of the total micro-credit sanctioned through all sources. The study suggests that the SHG- Bank Linkage should be strengthened to provide micro-credit to the rural poor.

Kaplesh Kumar and R.L. Shiyani (2007) examined the progress and performance of SHGs in Junagadh district of Gujarat. Eight SHGs (four women and four male groups) having at least good factor given by NABARD (2005) which are functioning for the post five years. The recovery performance and overdue status was also found relatively better in case of women SHGs. The study suggests that the development agencies should identify and form more number of SHGs as they help in the economic upliftment of the family as a whole. There is need to educate the rural masses about the development programme. Active

monitoring by NABARD, NGOs etc. would help to reduce the proportion of defunct SHGs to a great extent.

Sanjay Kumar, Gagandeep Singh and Jasdev Singh (2007) study was concluded in Hoshiarpur district of Punjab to study the impact of Self-Help-Groups on members. The Self-Help-Groups in Punjab formed by NABARD sponsored SHG-Bank linkage programme and Swarnajayanti Gram Swarajgar Yojna (SGSY) implemented by District Rural Development Agency (DRDA). The problems faced by Self-Help-Groups including lack of training harassment during opening of bank account, marketing problems and competition from multinational corporations. To increase the network of economically viable activities according to the availability of raw material and demand for products in area, increase in amount of loans to the groups at lower interest rates.

III. RESEARCH METHODOLOGY

Objectives of the study

1. To study the growth of SHGs undertaken by various agencies like commercial banks, RRBs and co-operative banks on the basis of certain parameters i.e. savings of SHGs, loans disbursed to SHGs, total outstanding loans against SHGs and NPAs.
2. To study the relationship between no. of SHGs and savings of SHGs, no. of SHGs and loans disbursed to SHGs, no. of SHGs and outstanding bank loans against SHGs.

Need of the Study

The research study is significant to evaluate the growth and future trend of SHGs undertaken by various agencies. The study also focuses on the relationship between no. of SHGs and their savings, loans disbursed to SHGs, total outstanding loans against SHGs.

Scope of the Study

1. The study covers the agencies like, commercial banks, RRBs and co-operative banks to measure the growth of SHGs.
2. The study covers a specific period of 2011-12 to 2017-18.

Period of the Study

To analyse the growth of SHGs in different agencies, a study period of 7 years was considered which commencing from 2011-12 to 2017-18.

Data Base

The present study has been obtained from the secondary data only. The data have been collected from the reports of the annual reports of microfinance sector released by NABARD in India.

Tools of Analysis

For analyzing the collected data growth rates, averages and statistical tools like standard deviation and t-test, trend equation are used by using SPSS Package.

IV. DATA ANALYSIS AND INTERPRETATION

SHGs and saving amount

H₀: There is no significant difference between no. of SHGs and total savings of SHGs in India.

H₁: There is significant difference between no. of SHGs and total savings of SHGs in India.

During the last decade, India had recorded a tremendous growth of SHGs. The growth of no. and saving amount to SHGs in India during the last decade is shown in table- 1. In this table it can see that no. of SHGs in 2011-12 was 4618086 in commercial banks, 2127368 in RRBs, 1214895 in co-operative banks. They increased to 4633712 in commercial banks, 2807744 in RRBs and 1302981 in co-operative banks in continuous manner up to 2017-18 .The growth of SHGs in India in 2017-18 over the previous

period was 4.26 percent in commercial banks, 8.56 percent in RRBs and attain negative growth 15.73 percent in co-operative banks. They indicate that growth of no. of SHGs was decline rapidly in co-operative banks. The growth of no. of SHGs and saving amount of SHGs in India shows that saving amount to SHGs in 2011-12 was Rs. 415298.00 lakh in commercial banks, Rs. 130013.00 lakh in RRBs and Rs. 109829.00 lakh in co-operative banks. They increased to Rs.1166422.00 lakh in commercial banks, Rs. 580735.00lakh in RRBs and Rs. 212054.00 in co-operative banks up to 2017-18.The growth of saving amount to SHGs in India in 2012-13was 33.22 percent in commercial banks which decreased to 14.69 percent in 2017-18, 17.46 percent in RRBs which increased to 59.91 percentand attain negative growth 8.29 percent in co-operative banks. The compound annual growth rateindicate that growth of saving amount of SHGs was increasing but decline rate in commercial banks and continuously increasing in RRBs. Growth on saving amount of SHGs showed 9.85 percent growth in co-operative banks.

Table 1 Total Savings of SHGs Agency wise status of SHG-BLP

(Rs. in Lakh)

Year	Commercial Banks		Regional Rural Banks		Co-operative Banks	
	No. of SHGs	Savings	No. of SHGs	Savings	No. of SHGs	Savings
2011-12	4618086 (-)	415298.00 (-)	2127368 (-)	130013.00 (-)	1214895 (-)	109829.00 (-)
2012-13	4076986 (-11.72)	553257.00 (33.22)	2038008 (-4.20)	152710.00 (17.46)	1202557 (-1.02)	115758.00 (5.39)
2013-14	4022810 (-1.33)	663144.00 (19.86)	2111760 (3.62)	195985.00 (28.33)	1294930 (7.68)	130610.00 (12.83)
2014-15	4135821 (2.81)	663067.47 (-0.011)	2161315 (2.35)	234657.37 (19.73)	1400333 (8.14)	208259.23 (59.45)
2015-16	4140111 (.10)	903388.77 (36.24)	2256811 (4.42)	248428.13 (5.87)	1506080 (7.55)	217322.11 (4.35)
2016-17	4444428 (7.35)	1017002.46 (12.58)	2586318 (14.60)	363176.15 (46.19)	1546129 (2.66)	231244.03 (6.41)
2017-18	4633712 (4.26)	1166422.00 (14.69)	2807744 (8.56)	580735.00 (59.91)	1302981 (-15.73)	212054.00 (-8.29)
Total	30071954	5381579.70	16089324.00	1905704.65	9467905.00	1225076.37
Mean	4295993	768797.10	2298474.86	272243.52	1352556.86	175010.91
S.D.	262163.52	268199.82	2857152.81	155857.18	135739.61	53480.64
CAGR	.05	15.9	4.04	23.84	1.0	9.85
t-value	29.877		37.562		33.27	
p-value	<.05		<.05		<.05	

Source: Status of Microfinance in India:NABARD (2011-2018)

Future Trend

(Rs. in Lakh)

	Commercial Banks		RRBs		Co-operative Banks	
	No. of SHGs	Savings	No. of SHGs	Savings	No. of SHGs	Savings
Constant	4167556	280067	1829503	11452	1186478	85817
Reg. Coeff.	32109	122182	117243	65198	41520	22299
R-square	.07	.96	.78	.82	.44	.81
Projection						
2023-24	4584973	1868433	3353662	859026	1726238	289887
2024-25	4617082	1990615	3470905	924224	1767758	312186

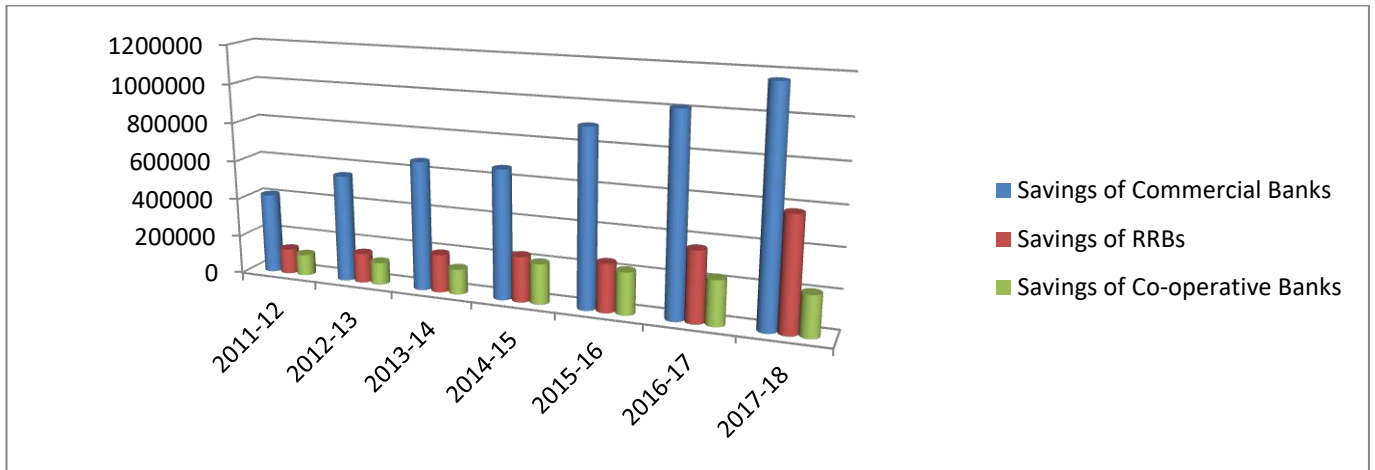


Fig.1

The no. of SHGs and saving amount in SHGs in various banking institution like, CBs, RRBs and Co-operative Banks have been compared and analyzed using t-statistics paired sample test. There is significance relationship between no. of SHGs and saving amount in SHGs. The calculated paired sample test its can be seen that sig.000 is lesser than alpha level at 0.05 percent level of significance, the hypothesis are rejected. They concluded that significance difference between no. of SHGs and saving amount of SHGs are concerned. This study also concluded that when increasing and decreasing no. of accounts create an impact on saving.

Loans disbursed to SHGs by Banks

H₀: There is no significant difference between no. of SHGs and disbursement of loans.

H₁: There is significant difference between no. of SHGs and disbursement of loans.

The growth of no. of SHGs and bank Loan disbursed to SHGs in India shows in the table 2. In this table it can see that no. of SHGs in 2011-12 was 600807 in commercial banks, 304809 in RRBs and 242262 in co-operative banks. They increased to 1272886 in commercial banks, 782563 in RRBs and 205683 in co-operative banks in continuous manner up to 2017-18. The growth of SHGs in India in 2017-18 was 14.01 percent in commercial banks which was 22.43 percent in 2012-13, 40.36 percent in RRBs in 2017-18 which was 2.36 percent in 2012-13 and no. of SHGs attain negative growth 8.23 percent in co-operative banks. They indicate that growth of no. of SHGs was decline rapidly in co-operative banks and attain negative compound growth rate. The growth of no. of SHGs and bank loan disbursed to SHGs in India shows that bank loan disbursed to SHGs in 2011-12 was Rs. 994204.00 lakh in commercial banks, Rs. 502605.00 lakh in RRBs and Rs. 156667.00 lakh in co-operative banks. They increased to Rs.2870762 lakh in commercial banks, Rs. 1511934.00 lakh in RRBs and Rs. 335892.00 lakh in co-operative banks up to 2017-18. The growth of loan disbursed to SHGs in India in 2012-13 was 34.63 percent in commercial banks which decreased to 18.15 percent in 2017-18, 11.94 percent in RRBs which increased to 30.19 percent and co-operative banks attain growth .46 percent in 2012-13 increased to 16.98 percent. The compound annual growth rate indicate that growth of bank loan disbursed to SHGs was increasing but decline rate in commercial banks and co-operative banks on the other side, loans disbursed to SHGs continuously increasing in RRBs.

Table 1.2 Loans Disbursed to SHGs by Banks Agency wise status of SHG-BLP

(Rs. in Lakh)

Year	Commercial Banks		Regional Rural Banks		Co-operative Banks	
	No. of SHGs	Loan disbursed to SHGs	No. of SHGs	Loan disbursed to SHGs	No. of SHGs	Loan disbursed to SHGs
2011-12	600807	994204.00	304809	502605.00	242262	156667.00
	(-)	(-)	(-)	(-)	(-)	(-)
2012-13	735577	1338500.00	312010	562652.00	172234	157383.00
	(22.43)	(34.63)	(2.36)	(11.94)	(-28.91)	(0.46)
2013-14	767253	1603700.00	333420	628810.00	265748	169170.00
	(4.31)	(19.81)	(6.86)	(11.76)	(54.29)	(7.49)
2014-15	855724	1733412.66	522139	772522.19	248375	252296.21
	(11.53)	(8.09)	(56.60)	(22.85)	(-6.54)	(49.14)
2015-16	1132281	2518497.23	470399	916492.88	229643	293699.98
	(32.32)	(45.29)	(-9.91)	(18.63)	(-7.54)	(16.41)
2016-17	1116442	2429702.00	557540	1161300.00	224138	287113.00
	(-1.39)	(-3.52)	(18.52)	(26.71)	(-2.39)	(-2.24)
2017-18	1272886	2870762.00	782563	1511934.00	205683	335892.00

	(14.01)	(18.15)	(40.36)	(30.19)	(-8.23)	(16.98)
Total	6480970	13488777.89	3282880.00	6056316.07	1588083.00	1652221.19
Mean	925852.86	1926968.27	468982.86	865188.01	226869.00	236031.59
S.D.	248763.77	689408.51	172710.39	364245.99	30713.77	74303.88
CAGR%	11.32	16.36	14.42	17.04	-2.31	11.51
t-value	5.993		5.150		.292	
p-value	<.05		<.05		>.05	

Source: Status of Microfinance in India- NABARD (2011-2018)

Future Trend (Rs. in Lakh)

	Commercial Banks		RRBs		Co-operative Banks	
	No. of SHGs	Loans disbursed to SHGs	No. of SHGs	Loans disbursed to SHGs	No. of SHGs	Loans disbursed to SHGs
Constant	476854	680272	174511	220479	232874	104365
Reg. Coeff.	112250	311674	73618	161177	-1501	32917
R-square	.95	.95	.85	.91	.01	.92
Projection						
2023-24	1936104	4732034	1131545	2315780	213361	532286
2024-25	2048354	5043708	1205163	2476957	211860	565203

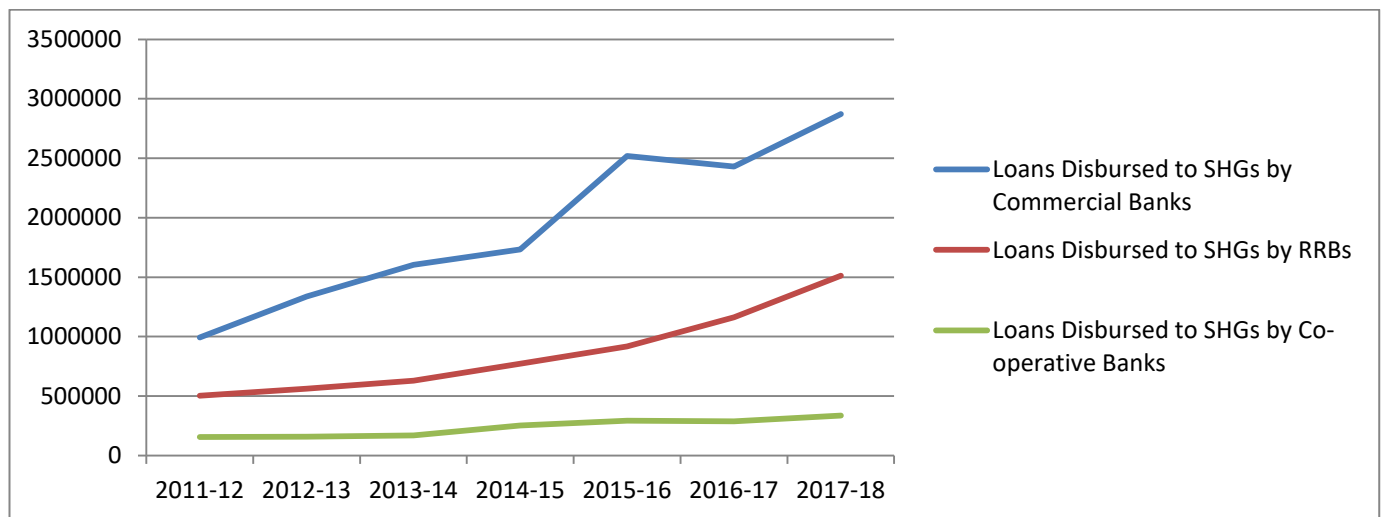


Fig. 2

The growth of no. of SHGs and bank loans disbursed to SHGs in various banking institution like, CBs, RRBs and Co-operative Banks have been compared and analyzed using t-statistics paired sample test. There is a significance relationship between no. of SHGs and bank loan disbursed to SHGs. The calculated paired sample test its can be seen that p-value is lesser than alpha level at 0.05 percent level of significance in case of loans disbursed to SHGs by commercial banks and RRBs, the hypothesis are rejected and accept alternative hypothesis. They concluded that significance difference between no. of SHGs and bank loan disbursed to SHGs. On the other side, p-value is greater than .05 percent level of significance in case of loans disbursed to SHGs by co-operative banks, null hypothesis are accepted and concluded that no significant difference between no. of SHGs and bank loans. This study also concluded that when increasing and decreasing no. of accounts in SHGs there is impact of bank loan disbursement through SHGs.

Outstanding Bank Loans against SHGs

H₀: There is no significant difference between no. of SHGs and bank loans outstanding against SHGs in India.

H₁: There is significant difference between no. of SHGs and bank loans outstanding against SHGs in India.

The growth of no. and bank loans outstanding against SHGs in India shows in table 3. In this table it can be seen that no. of SHGs in 2011-12 was 2617199 in commercial banks, 1293809 in RRBs and 443434 in cooperative banks. They increased to 2904086 in commercial banks, 1658221 in RRBs and 458051 in cooperative banks in continuous manner up to 2017-18. The growth of SHGs in India in 2017-18 was 8.75 percent in commercial banks which was 1.02 percent in 2012-13, 2.88 percent in RRBs in 2017-18 which was 2.59 percent in 2012-13 and no. of SHGs attain negative growth 1.84 percent in co-operative banks. They indicate that growth of no. of SHGs was decline rapidly in co-operative banks. The growth of no. of SHGs and bank loans outstanding against SHGs in India in 2011-12 was Rs. 2581028.00 lakh in commercial banks, Rs. 861357.00 lakh in RRBs and Rs. 191613.00 lakh in co-operative banks. They increased to Rs.4874805.00 lakh in commercial banks, Rs. 2273864.00 lakh in RRBs and Rs. 411176.00 lakh in co-operative banks up to 2017-18. The growth of bank loan outstanding

against SHGs in India in 2012-13 was 3.21 percent in commercial banks which increased to 26.06 percent in 2017-18, 22.14 percent in RRBs which decreased to 18.93 percent in 2017-18 and co-operative banks attain negative growth 1.84 percent in 2017-18. The CAGR indicate that growth of bank loans outstanding against SHGs was highest in RRBs. On the basis of above table it is found that growth of SHGs banks linkages programme is decline in commercial banks and co-operative banks over the periods of time.

Table 1.3 Total Outstanding Bank Loans against SHGs Agency wise status of SHG-BLP

(Rs. in Lakh)

Year	Commercial Banks		Regional Rural Banks		Co-operative Banks	
	No. of SHGs	Outstanding loans	No. of SHGs	Outstanding loans	No. of SHGs	Outstanding loans
2011-12	2617199 (-)	2581028.00 (-)	1293809 (-)	861357.00 (-)	443434 (-)	191613.00 (-)
2012-13	2643971 (1.02)	2663944.00 (3.21)	1327367 (2.59)	1052122.00 (22.14)	480096 (8.27)	221426.00 (15.56)
2013-14	2501264 (-5.39)	2938840.00 (10.31)	1227563 (-7.51)	1148940.00 (9.20)	468511 (-2.41)	249016.00 (12.46)
2014-15	2602484 (4.04)	3440700.57 (17.07)	1272274 (3.64)	1382453.69 (20.32)	593422 (26.66)	331319.89 (33.05)
2015-16	2626364 (.92)	3714562.48 (7.96)	1445476 (13.61)	1610934.50 (16.52)	600781 (1.24)	386426.48 (16.63)
2016-17	2670308 (1.67)	3866847.00 (4.09)	1611848 (11.51)	1911991.00 (18.68)	566141 (-5.76)	379292.90 (-1.84)
2017-18	2904086 (8.75)	4874805.00 (26.06)	1658221 (2.88)	2273864.00 (18.93)	458051 (-5.77)	411176.00 (-1.84)
Total	18565676	24080727.05	9836558.00	10241662.19	3610436.00	2170270.27
Mean	2652239.43	3440103.86	1405222.57	1463094.59	515776.57	310038.16
S.D.	123144.96	807001.23	171286.96	502807.84	68146.86	88424.64
CAGR%	1.5	9.51	3.61	14.88	.46	11.52
t-value		2.924		.432		7.235
p-value		<.05		>.05		<.05

Source: Status of Microfinance in India- NABARD (2011-2018)

Future Trend

(Rs. in Lakh)

	Commercial Banks		RRBs		Co-operative Banks	
	No. of SHGs	Outstanding Loans	No. of SHGs	Outstanding Loans	No. of SHGs	Outstanding Loans
Constant	2503907	2002552	1136635	546058	466032	151205
Reg. Coeff.	37083	359388	67147	229259	12436	39708
R-square	.42	.92	.72	.97	.16	.94
Projection						
2023-24	482081.50	6674596	2009546	3526425	627700	667409
2024-25	519164.50	7033984	2076693	3755684	640136	707117

The no. of SHGs and amount of bank loans outstanding against SHGs of various banking institution like, CBs, RRBs and Co-operative Banks have been compared and analyzed using t-statistics paired sample test. There is in-significance relationship between no. of SHGs and bank loan outstanding against to SHGs in RRBs. The calculated paired sample test is greater than alpha level at 0.05 percent level of significance, the hypothesis are accepted. They concluded that no significance difference between no. of SHGs and amount of bank loans outstanding against SHGs are concerned. Here we can see that increase and decrease of loan outstanding amount does not depend upon no. of self-help groups because it depends upon the loaner nature.

SHGs and NPAs

From this table it is clear that amount of gross NPA in 2011-12 was Rs. 165542.00 lakh which increased to Rs. 310120.00 lakh in 2017-18. It is also clear that percentage share of commercial banks increased from 5.89 percent to 6.36 percent from 2011-12 to 2017-18. On the other side, amount of gross NPA in RRBs was Rs. 42634.00 lakh in 2011 -12 which increased to Rs. 121603.00 lakh in 2017-18 and percentage share of SHGs in NPAs increased from 4.95 percent to 5.47 percent in RRBs. The amount of gross NPA in co-operative banks was Rs.13097.00 lakh in 2011 -12 which increased to Rs. 31082 lakh in 2017-18 and percentage share of SHGs in NPAs increased from 6.84 percent to 8.33 percent in co-operative banks.

Table 1.4 NPAs Agency wise status of SHG-BLP

(Rs. in Lakh)

Year	Commercial Banks		Regional Rural Banks		Co-operative Banks	
	Amount of Gross NPA	% share	Amount of Gross NPA	% share	Amount of Gross NPA	% share
2011-12	165542.00 (-)	5.89	42634.00 (-)	4.95	13097.00 (-)	6.84
2012-13	217598.00 (31.44)	6.04	43088.00 (1.06)	4.10	18006.00 (37.48)	8.13
2013-14	202493.00 (-6.94)	5.62	69189.00 (60.57)	6.26	21585.00 (19.87)	8.67
2014-15	246686.47 (21.82)	7.17	106553.96 (54.00)	7.71	28230.22 (30.78)	8.52
2015-16	232139.69 (-5.89)	6.25	106429.49 (-0.11)	6.61	30053.72 (6.46)	7.78
2016-17	264112.00 (13.77)	6.83	104500.00 (-1.81)	5.47	31607.00 (5.17)	8.33
2017-18	310120.00 (17.41)	6.36	121603.00 (16.36)	5.35	31082.00 (-1.66)	7.56
Total	1638691.16	44.16	593947.45	40.45	173660.94	55.83
Mean	234098.74	6.31	84856.78	5.78	24808.71	7.97
S.D.	46212.44	.538	32774.89	1.186	7287.22	.64
CAGR%	9.38		16.15		13.14	
t-value	13.40		6.85		9.007	
p-value	<.05		<.05		<.05	

Source: Status of Microfinance in India-NABARD (2011-2018)

Future Trend

(Rs. in Lakh)

	Commercial Banks	RRBs	Co-operative Banks
	NPA	NPA	NPA
Constant	154612	27816	12005
Reg. Coeff.	19872	14240	3201
R-square	.86	.81	.90
Projection			
2023-24	258336	212936	53618
2024-25	278208	227176	56819

All categories of banks have reduced their NPA level during 2017-18. The RRBs with 5.35 per cent have NPA level in 2017-18 which decreased from 7.17 per cent in 2014-15. On the other hand, the Cooperative Banks have maintained it at highest level. Out of the total NPA amount of Rs. 462805.00 lakh in 2017-18, the commercial banks with Rs. 310120.00 lakh account for two third of it and there has been a rise of 17.41 per cent in it over the previous year. RRBs also registered a rise of 16.36 per cent in its NPA amount of Rs. 121603.00lakh as on 31 March 2018.

V. CONCLUSION

This study has assessed the growth of SHGs in India. The present paper tries to focus on the SHGs in commercial banks, RRBs and co-operative banks on the basis of certain indicators such as no. of SHGs, saving amount of SHGs, loans disbursed to SHGs, outstanding loans against SHGs and NPAs. In this study, it is clear that no. of SHGs and saving amount was increasing from 2011-12 to 2017-18 but at a decline growth rate. This study find that all variables no. of SHGs, saving amount, bank loan outstanding against SHGs and loan disbursed are increasing in commercial banks and RRBs. The study also shows that growth rate of SHGs bank linkages programme was lesser in co-operative banks with respect to all the indicators. The study finds out

that there is significant difference between no. of SHGs and saving amount, no. of SHGs and loans disbursed to SHGs, no. of SHGs and outstanding loans against SHGs in commercial banks. The study also found that there is significant difference between no. of SHGs and saving amount, no. of SHGs and loans disbursed to SHGs in RRBs but no significant difference between SHGs and loans outstanding against SHGs. Further it can be seen that there is significant difference between no. of SHGs and saving amount, no. of SHGs and loans outstanding against SHGs in co-operative banks, but no significant difference between no. of SHGs and loans disbursed to SHGs. The study finally concluded that the growth of SHGs bank linkages programme was better in commercial banks and RRBs. The steady increase in the NPA against loans to SHGs continued unabated during the year 2017-18. In percentage terms NPA (gross) increased from 5.89 percent in 2011-12 to 6.36 percent in 2017-18 in commercial banks, 4.95 percent in 2011-12 to 5.35 percent in 2017-18 in RRBs and 6.84 percent in 2011-12 to 7.56 percent in 2017-18 in co-operative banks. It is clear from the table that NPA position of RRBs was better.

VI. SUGGESTIONS

1. On the basis of this study and previous paper we can say that need an improvement of SHGs in broader level. To improve the growth of SHGs, Government should take various initiatives like increase the awareness programme.
2. Special privilege should be given for promotion of SHGs. This would be possible by sanctioning loans on easy installments, with minimum formalities. This would ultimately lead to upliftment of economically downtrodden class in rural areas.
3. The government agencies and banks should provide proper guidance to the rural borrowers regarding viability of finances.

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