

A  
PROJECT REPORT ON

“A STUDY ON PERFORMANCE OF SELF HELP GROUPS IN INDIA”



**Palamuru University**

This project Report submitted in partial fulfillment of the requirement  
for the award of the Degree of “BACHELOR OF COMMERCE”

2021-2022

Submitted By:

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UNDER THE ESTEEMED GUIDANCE OF

**E.VENKATREDDY**

(Lecturer In Commerce)



**DR.BRR GOVT.DEGREE COLLEGE**

(Affiliated to Palamuru University)

Jadcherla, Mahaboobnagar.

**CERTIFICATE**

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**Mrs.Dr.APPIYACHINAMMA**  
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**Dr.K.MANJULA**

**HEAD OF DEPARTMENT**

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**EXTERNAL EXAMINER**

**INTERNAL EXAMINER**

## **DECLARATION**

I hereby declare that the project work entitled on "**ASTUDYONPERFORMAN  
NCEOFSELFHELPGROUPSININDIA**" submitted by  
Me to the Department of Commerce is a Bonafide work done by me and it is not submitted to  
any other university or Institution for the award of any UGB.Com/Certificate or  
published any time before, under the guidance of **Mr. E. VENKAT  
REDDY, (Lecturer in Commerce)**

The project embodies the result of original work and studies carried out by me and the con  
tents of the project do not form the basis for the award of any other degree to me.

### **SUBMITTED BY:**

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nstocarryouttheprojectwork.

HOD**Mrs.Dr.K.MANJULA**andMyprojectguide**Mr.E.VENKATREDDY,(Le  
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constantsupportextendedcompletionofthisprojectworkfromthebottomofmyheart.

We are also thankful to all those who have incidentally helped me, through their  
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# **CHAPTER 1**

## **INTRODUCTION**

### **Introduction:**

In the last decades, the concept of women empowerment has changed from welfare to equity approach by which the powerless gain control over their lives and resources to overcome external barriers (lack of health, mobility, education and awareness, status in the family, participation in decision making) and gain internal qualities such as self-awareness and self-confidence (Mathew, 2003, p. 24). In this way, women's empowerment has become a pre requisite for the socio-economic development of any community in the process of change. In all the developing countries including India, poor rural people face with illiteracy, lack of skills, health care, etc. These are problems that cannot be tackled individually and can be solved through group efforts. Today, this collective action is known as Self-Help Groups, considered the vehicle of change for the poor, mostly for marginalized women.

The SHG is a method of organizing the poor rural women to come together to solve their problems as a group. Here, women collect their savings and put it in a bank. In return, they can access to loans with a small rate of interest with the main objective to start a micro-enterprise. It is formed with 15-20 members living in a particular locality. Thousands of poor and marginalized women in India are building their lives and societies through these groups. Indeed, this movement has become important for the financial services delivery but also for the livelihoods' promotion, community development and women's empowerment.

In India, the massive movement of these groups started during 1991-1992 when NABARD piloted the SHG-bank linkage program providing access to banking services to poor rural households, especially women. This is the indigenous model of micro-credit evolved in this country and has been widely acclaimed as a successful one. Some NGOs are the leaders in forming the groups, but also the financial service promoters are currently associated with the program as well as the government that has launched projects and schemes of savings and credit to alleviate poverty in the country. The 12th five year plan of the Indian government recognizes the importance and relevance of such groups that are useful to implement developmental schemes at the grassroots level for reaching the poor and strengthen their collective capacities.



At the national level, the growth of this movement is impressive in terms of quantity as well as loans disbursed. Notwithstanding this remarkable progress, there is a wide regional disparity. The initial idea with the creation of the SHGs was to empower women economically and socially, so they can become more confident, more assertive, and more likely to participate in family and community decisions. However, some of these groups have behaved just as “loans” providers” without paying attention to the self-development of the members.

Poor women suffer from malnutrition, illiteracy, unemployment, lack of awareness and healthcare, so how can they be empowered if they have no education, if they are not ready to take decisions, if they have no secure income and if they suffer from violence? Are the group benefits significant enough to continue with it? Why these kind of programs target women, because they are the motor of growth or because they are more financially responsible than men? With all these doubts it looks like the success of this group approach in rural women’s development sounds “too good to be true”, so there is the necessity to clarify if these groups are sustainable and if they are meeting their objectives. Since 1991, when India became part of the global economy, it has been growing at a faster rate becoming the ninth largest economy in the world (World Bank, 2014, p. 1). However, poverty is still an issue that the government is trying to abolish. The politicians and policy makers have realized that without empowering women the development of human beings is not possible and for that the society has to recognize women as one among the social partners, provide them rights, equal education, health and allow them to participate equally in all aspects of life. In view of the above, there is the need to explore the impact that SHGs have in poor rural women what can lead to some amendments of the different existing policies. SHG activities where the development of the linkage program is far ahead of most other states in terms of the number of groups formed as well as loans disbursed. (“Self-Help Groups in India: a tool for empowering rural women and eradicating poverty? Analysis of the situation in Karnataka State” by Natalia Gabriela Molina N, 2014-15)

### **Significance of the project:**

Women must be empowered by enhancing their awareness, knowledge; skills and technology use efficiency, thereby, facilitating overall development of the society. The concept of Self Help Groups (SHGs) is proving to be a helpful instrument for the empowerment of women. SHG is an organization of rural poor, particularly of women that deliver micro credit to undertake the entrepreneurial activity.

## **Need for the project:**

Alleviation of poverty is still a challenge for India where the government has applied some anti-poverty programs in rural areas to create self-employments and improve basic services, health and education (Rajani, 2005, p. 67). In view of the above, there is a need for an exploration of the development of SHGs and their contributions in the path against poverty and women empowering. For this, the research will be guided in a way to answer if the women from a Self-Help Group are more empowered than the ones that are not members of any group. Once this question can be clarified, it would be also positive to see if these benefits are significant enough so the members are encouraged to continue with this project. Several studies have attempted to measure how empowered can be a rural woman being part of a SHG, however, it was not found any research comparing groups of women with and without a SHG to see how developed is this sense of gaining extra power. In this way, this work is needed to contribute, in a small scale, to the studies of rural development related with gender, microfinance and empowerment.

## **Objectives of the study:**

- To understand the theoretical background of SHGs in India
- To analyze the progress of SHG Bank Linkage Program in India
- To examine the various schemes and initiatives for SHGs in India

## **Data Sources, Techniques and Tools:**

The basic principles of the SHGs are group approach, mutual trust, organization of small and manageable groups, group cohesiveness, spirit of thrift, demand based lending, collateral free, women friendly loan, peer group pressure in repayment, skill training capacity building and empowerment. Self-Help Groups are major means of women's socioeconomic empowerment. In this context this present study is based on secondary data which is collected from the published reports of RBI, NABARD, Census Surveys, newspapers, journals and various websites, etc. As such the data collected and data used for interpretation is majorly based on secondary sources, we used diagrammatic representation of data using bar graphs and pie diagrams by using data provided in various tables published by NABARD.

## Scope of the project:

Self Help Groups (SHGs) is proving to be a helpful instrument for the women empowerment. SHG is an organization of rural poor, particularly of women that deliver micro credit to undertake the entrepreneurial activity. Entrepreneurship development and income generating activities are a feasible solution for empowering women. As such in order to present an overview of SHGs, we took data related available from NABARD report on status of Micro Finance in India. The data collected for Analysis and Interpretation is limited to three years.

## Limitations of the project:

- The project has confined study for three years only.
- The majority of data is based on Secondary Sources.

## Chapterisation:

Chapter 1: Introduction

Chapter 2: Historical Background & Literature Review

Chapter 3: Data Analysis and Interpretation

Chapter 4: Summary, Conclusion and suggestions

Chapter 5: Bibliography and References



Figure 1.1: WOMEN WITH SELF EMPLOYMENT AND ENTREPRENEURSHIP

**WITH THE HELP OF SELF HELP GROUPS**

## CHAPTER 2

### HISTORICAL BACKGROUND & LITERATURE REVIEW

Indian microfinance continues to grow rapidly towards extending outreach to a growing share of poor households, which are yet to be reached directly by the banks. The Self Help Groups Bank linkage (SHGBLP) programme which started simply as a bank outreach programme, has through the passage of time slowly metamorphosed into a holistic programme for financial, economic, social and of late, technological capital building in rural areas. Thus the SHG-Bank Linkage Programme has expanded at a fast pace in India to evolve into the largest microfinance programme in the world, and undoubtedly, it is the main microfinance programme in India. This success saga of the SHGBLP is made possible by the untiring efforts and the zeal of hundreds of channel partners, NGOs, Government, bank branches and above all millions of SHG women who reposed their trust in this initiative for ushering change in their own lives.

#### MILESTONES OF SHG-BLM:

The important milestones in the journey so far of the SHG Bank Linkage movement spearheaded by NABARD with the support of Reserve Bank of India and the G.O.I. are as follows:

- ❖ 1987: NABARD takes the lead in partnering with NGOs, particularly MYRADA, to pilot the SHG Bank linkage model due to poor performance of formal institutions in providing finance to the rural areas, informal sector and the "unbankable" poor.
- ❖ 1991: RBI advised all scheduled Banks about NABARD's proposed pilot and sought active participation from the Banks.
- ❖ 1992: NABARD launches the SHG Bank Linkage Programme initially to cover 500 SHGs which was an innovation for harnessing the flexibility of the Informal system with the strength and affordability of the Formal system.
- 1996: Financing to SHGs was mainstreamed into the normal operations of the Banks by the Reserve Bank of India in April 1996
- ❖ 1998: In the Union Budget of 1998-99, Government announced that NABARD would endeavor to ensure credit linkage of 2 lakh SHGs in a period of 5 years.
- ❖ 1999: Swarna Gram Swaraj Yojana (SGSY), an amalgamation of government programmes like Integrated Rural Development Program (IRDP) and allied schemes like Training of Rural Youth for Self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Million Wells Scheme (MWS), Supply of Improved Toolkits to Rural Artisans (SITRA) & Ganga

Kalyan Yojna (GKY), was launched as a holistic programme to eradicate poverty by using the vehicle of SHGs for purveying microcredit for all rural poor especially the BPL families.

❖ 2000: A dedicated Fund viz. Micro Finance Development Fund was created in NABARD with a sizeable corpus of R100 Crore for various initiatives and interventions for the ascent of SHGBLP movement

❖ 2006: RBI issues guidelines for Branchless banking initiative in the rural areas through use of Business Correspondents and Business Facilitators.

❖ 2006: Sustainable livelihood interventions are imperative for increasing income levels and also credit absorption capacities of rural poor organized into SHGs. Recognizing this, NABARD since 2006 is enabling graduation of SHGs to the next higher level of livelihoods through the Micro Enterprise Development Programme (MEDP).

❖ 2008: NABARD establishes NABFINS, a subsidiary of NABARD to provide financial services in two broad areas of Agriculture and Microfinance. Based on the recommendations of the “Committee on Financial Inclusion” two Funds, namely the “Financial Inclusion Fund (FIF)” for meeting the cost of developmental and promotional interventions for ensuring financial inclusion and the “Financial Inclusion Technology Fund (FITF)”, to meet the cost of technology adoption were set up at NABARD with an overall corpus of R500 crore each.

❖ 2011: NRLM, a flagship poverty alleviation programme, was launched by the Ministry of Rural Development, Govt. of India. NRLM believes in harnessing the innate capabilities of the poor and complements them with capacities (information, knowledge, skills, tools, finance and collectivization) to participate in the growing economy of the country. NRLM has an agenda to cover 7 Crore rural poor households, across 600 districts, 6,000 blocks, 2.5 lakh Gram Panchayats and 6 lakh villages in the country through self-managed Self Help Groups (SHGs) and federated institutions and support them for livelihoods collectives in a period of 8-10 years.

❖ 2012: The SHG-Bank Linkage Programme was given a renewed thrust with the launch of SHG-2. The focus of SHG-2 would be on voluntary savings, cash credit as a preferred mode of lending, scope for graduation by SHG members to JLGs, avenues to meet higher credit requirements for livelihood creation, SHG Federation as non-financial intermediary, rating and audit of SHGs as part of risk mitigation system and strengthening monitoring mechanisms.

❖ 2012: Women SHG programme (WSHG) for intensifying SHGs in the 150 Left Wing Extremism affected and backward districts of India implemented by NABARD in association with the Department of Financial Services, Ministry of Finance, G.O.I.

❖ 2015: Based on the impact evaluation studies on MEDPs, Livelihood and Enterprise Development Programme (LEDP) for creating sustainable livelihoods amongst SHG members was introduced on

pilot basis in select states, which now has been mainstreamed in all states in the country. LEDP aims to promote rural livelihoods with the help of resource agencies who will not only ensure credit but also provide end-to-end livelihood solutions to SHG women.

❖ 2015: The SHG BLP Strategic Advisory Board was constituted in NABARD with various stakeholders as well as representatives of DFS, NRLM, RBI, Bankers and Domain Experts to focus on strategic action plan on SHG BLP, digitization, livelihood promotion and a proper eco system to facilitate greater credit flow to the SHGs.

❖ 2015: E-Shakti Pilot Project initiated by NABARD for digitization of SHG records to bring transparency and accuracy in SHG's transactions in Ramgarh and Dhule districts of Jharkhand and Maharashtra respectively.

❖ 2016: E-Shakti pilot project extended to additional 23 districts in India.

❖ 2017: E-Shakti pilot project extended to 75 more districts thus covering 100 districts. The project has a dedicated website <https://eshakti.nabard.org> in which all the information of all SHGs is uploaded through apps on the Android mobile tablet.

The other channel for growth of microfinance in India is through Microfinance Institutions (MFIs) lending through individual and group approach. They emerged in India in the late 1980s in response to the gap in availability of banking service for the unserved and underserved rural population. These institutions operating in the country follow a variety of credit methodologies. The work of MFIs commenced around the same time when the SHG-Bank Linkage Programme was evolving. Many of them were inspired by the Grameen Bank in Bangladesh and the innovations taking place in Latin America. Voluntary agencies and Non-Governmental Organisations (NGOs) undertook financial intermediation as a part of larger social good. Majority of these NGOs were registered as a Trust or a Society. Many NGOs have also helped SHGs to organise themselves into federations for performing non-financial functions like social and capacity building activities, promotion of SHGs, facilitate training of SHGs as well as undertaking internal audit.

In the initial years of setting up of MFIs in their NGO-MFI form, it was NABARD which assisted them with grant support and Revolving Fund Assistance (RFA). Later NABARD helped a number of MFIs with quasi-equity and subordinated debt instruments from Micro Finance Development and Equity Fund (MFDEF). Similarly SIDBI supported the growth story of MFIs through its SIDBI Foundation for Micro Credit (SFMC) in 1999. The India Microfinance Equity Fund (IMEF) later supported MFIs, especially the medium and smaller ones with equity and quasi-equity. The Micro Units Development & Refinance Agency Ltd (MUDRA), NBFC set up by the

Government of India (GoI) in 2015 with its total focus on microenterprise, has to hand-hold and facilitate the development process of smaller MFIs and not for profit MFIs as they are the ones who operate in remote locations and with the underserved populations.

RBI has taken steps to expand the banking space to ensure greater financial inclusion and in November 2014 issued guidelines for setting up Small Finance Banks and Payments Banks. On 16 September 2015, RBI granted in-principle approval to ten entities to start Small Finance Banks (SFBs) which would essentially undertake basic banking activities that include: accepting deposits, credit, insurance, remittances etc. and lending to under-served sections.

The establishment of Small Finance Banks (SFBs) also opened up another window of opportunity for reinvigorating the SHG Bank Linkage Programme. SFBs have operated on the JLG methodology. Some of them worked on the SHG model also. Strategic partnerships with them for SHG-Bank Linkage Programme have the potential to take SHGBLP to greater heights in coming years. The setting up of Payments Banks has given a further fillip to the microfinance sector. Partnerships between MFIs and Payments Banks can ensure that MFIs' clients can avail of financial products other than credit from the latter. Additionally the cash and remittance management services of MFIs can be taken care of by the Payments Banks. RBI's guideline in 2017 on Peer to Peer (P2P) lending opens up a window for some MFIs with technology where with all to transform themselves into P2P players for the microfinance segment.

With a view to strengthening the MF sector through supply of research inputs that facilitate policy initiatives and improvement in design & delivery systems that provide poor with sustainable access to quality financial services, NABARD had set up The Centre for Microfinance Research within Bankers Institute of Rural development (BIRD) on 1 January 2008. The centre has been renamed as Centre for Research on Financial Inclusion and Microfinance (CRFIM) in October 2016. The institute brought out two volumes of the Half-yearly Journal "THE MICROFINANCE REVIEW" during the year. A „Chinthan Baithak“–brainstorming meet of Microfinance professionals and practitioners was organized by the Centre on 22 September 2017 on two important themes viz. Microfinance - Scalability in under-served regions, issues and way forward and Future of Microfinance in India - Challenges and Strategies.



## INTRODUCTION TO MICRO CREDIT:

Micro credit movement in our country has witnessed and withstood several challenges, throughout its journey since inception. The SHG-bank linkage Programme, pioneered and nurtured by NABARD is the biggest micro finance Programme in the world, touching 10.1 crore households thereby linking 85.77 lakh SHGs to formal banking channel, making available credit to 38.78 lakh SHGs, with outstanding loan amount of Rs.61581.30 crore as on 31 March 2017.

### Achievement and major development under micro Credit in the State:

- i. Andhra Pradesh has remained in the forefront of SHG bank linkage Programme. As on 31 March 2017, total savings of the SHGs stood at Rs.9291 crore against which upto Rs.347 crore was financed by banks during 2016-17 with outstanding loan of Rs.7405 crore in the State of Andhra Pradesh. Per capita credit to SHGs in the State was Rs.2.09 lakhs with NPA at 3.23% of total credit to SHGs.
- ii. NABARD has been supporting livelihood promotion and graduation of SHG members through a variety of programmes, such as LEDPs/MEDPs that focus on up gradation of skill and developing entrepreneurship abilities.
- iii. During the year 2016-17, NABARD supported conduct of 13 LEDPs across the State and during year 2017-18, 19 LEDPs have been supported. Further, 37 MEDPs have been supported in the State during 2016-17 and during 2017-18 already over 93 MEDPs have been supported through NGOs of repute.

### Self-Help Groups (SHGs) – Potential:

As per the credit planning exercise taken up by NABARD in its PLPs for all the districts in the State, there is a potential for promotion and savings linkage of over 62000 SHGs during the year 2018-19. Further, it is envisaged that over 5 lakh SHGs would be credit linked to the tune of Rs.14534 crore during the year 2018-19.

## DEFINITION AND FORMATION OF SHG:

Although SHGs exist without being linked to microfinance strategies, in this study a brief understanding of it is required. Robinson defines it as a “small financial service in the form of credit and savings given to people who farm, fish or herd”. It means, all types of financial services such as micro loans, savings and insurance provided to low-income households and enterprises (less favored sectors of society). In this context, SHGs can be considered as a model or vehicle to deliver those products and services to the poor (Robinson, 2001, p. 45). Self-Help Group (SHG) is a

**voluntary association of poor formed with the common goal of social and economic empowerment.**

Self-Help Group (SHG) is defined as “**a voluntary group valuing personal interactions and mutual aid as a means of altering or ameliorating the problems perceived as alterable, pressing and personal by most of its participants**”. The **National Bank for Agriculture and Rural Development of India** stated that a SHG is a rural poor homogeneous group formed voluntarily that save an amount from their earnings and contribute to a common fund to lend to members for productive and emergent needs (NABARD, 1995). **Krishnamurthi** defined it as an “organization formed by people for pooling their resources to help each other” (Krishnamurthi, 1996, p. 87), while Rao said that SHGs are a “useful tool to help the poor meeting their urgent credit needs” (Rao, 2002, p. 24).

Usually, a SHG is formed of 10-20 women who come together voluntarily for a common objective. These groups are part of the micro-level financing focus on providing access to bank credit to the neglected, underprivileged and the deprived sections of the society (Kashyap, 2001, p. 11). They have emerged as a powerful tool to alleviate poverty, empower rural women to increase their potential and identity, bring personal, social and economic changes, facilitate their managerial abilities, and develop community value. In this way, these groups gather people who share the same needs or problems that are not being addressed by existing organizations, institutions or other types of groups (Stiglitz, 1993, p. 34). For poor people it is hard to solve their problems individually but once they are together, it becomes easier to tackle them.

## **HISTORICAL BACK GROUND OF SHGs:**

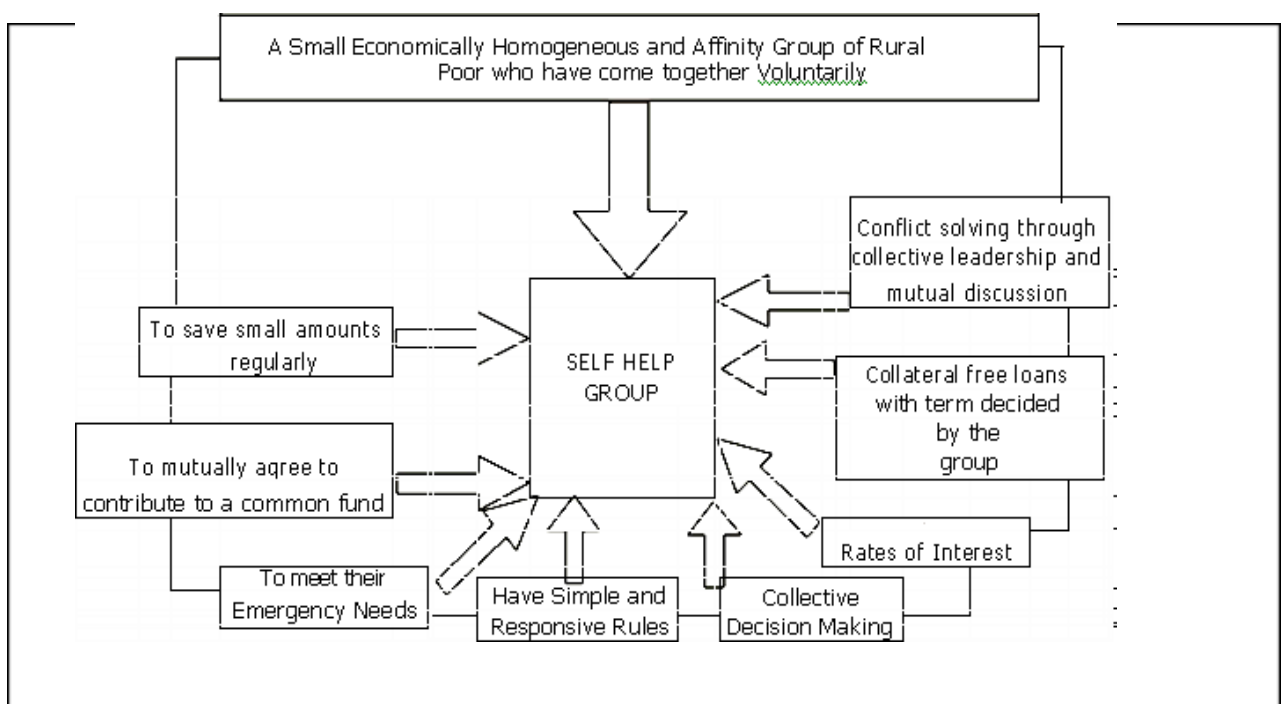
The origin of SHG is from the brain child of **Grameen Bank of Bangladesh** which was found by the economist, **Prof. Mohammad Yunus** of **Chittagang University** in the year **1975**. This was exclusively established for the poor. Poverty Alleviation has thus assumed a new thinking and new practices have emerged through integrated community participation of the poor. The Government widely promoted Self-Help Group approach in development and empowerment. A project was initiated in the year **1998** by the Department of Women and Child Development (**DWCD**), Ministry of Human Resource Development, Government of India with objective of establishing self reliant Self-Help Groups.

**Five year plans:** The five year plans of India started in 1947 with the main objective of achieving social and economic development after the Independence. The SHGs were included in the ninth plan (1997-2002) to empower women as active agents for social change and development. The strategy was to shift from an individual beneficiary to a group approach, creating an environment where women can exercise their rights as equal partners with men, increase their decision making

and empower them with the necessary skills to become economically independent and self-reliant (Planning Commission of India, 2010). Nevertheless, after more than 65 years of planning, 26,1% of the Indian population still lives below the poverty line.

**Origin of the groups:** In 1982, the government of India launched the Development of Women and Children in the Rural Areas (DWCRA) program that started in 50 districts (all over the country) on a pilot basis. The main objective was to improve the socio-economic status of the poor women in the rural areas through creation of groups for income-generating activities encouraging the saving habit and collective action (Parpart, 2002, p. 56). In the mid-80’s, the SHGs were piloted by NGOs, notably MYRADA, to provide financial services to the poor (IFAD, 2006, p. 7).

The concept of SHG serves the principle “**by the women (poor), of the women and for the women**”. The impact of organizing rural women into “Self-Help Groups” (SHGs), which are “membership-based organizations” that are typically composed of 10-20 women who meet routinely to save and coordinate their actions to meet common economic, political and social objectives (Chen, Jhabvala et al. 2007). The group members use collective wisdom and peer pressure to ensure appropriate use of fund and its timely repayment. The common need is meet their emergent economic needs without depending on external help. It is a voluntary and self-managed group of women, belonging to similar socio-economic characteristics, who come together to promote savings among themselves. **Objectives** of women SHGs can be schematically represented below:



**FIGURE 2.1: OBJECTIVES OF SELF HELP GROUPS**

(Source: [www.Google.com](http://www.Google.com))

## OBJECTIVES OF SHGs:

1. Basically the SHGs are economic organisation. Small funds are raised for day today needs. The saving groups when transformed to earning groups not only increase the productivity of women but the credibility also.
2. Doors are wide open to women to understand and gain knowledge about Banking, Gram Panchayats, Zilla Parishad, Law and Judiciary etc.
3. As economical solutions are available, the family structure is maintained.
4. SHG is a good way to stop the exploitation of consumers.
5. Broadening of view is a major gain. The ascending order of family, group, village, Tahsil, Zilla, Zone, State, Nation, World, makes the vision global.
6. Development of self-confidence is achieved.
7. A common platform is available for a dialogue and sharing of views.

## FUNCTIONS OF SHGs:

The important functions of SHG are the following:-

- Enabling members to become self-reliant and self-dependent.
- Providing a forum for members for discussing their social and economic problems.
- Enhancing the social status of members by virtue of their being members of the group.
- Providing a platform for members for exchange of idea.
- Developing and encouraging the decision making capacity of members.
- Fostering a spirit of mutual help and cooperation among members.
- Instilling in members a sense of strength and confidence which they need for solving their problems.
- Providing organizational strength to members.
- Providing literacy and increasing general awareness among members, and
- Promoting numerically and equipping the poor with basic skills required for understanding monetary transactions.

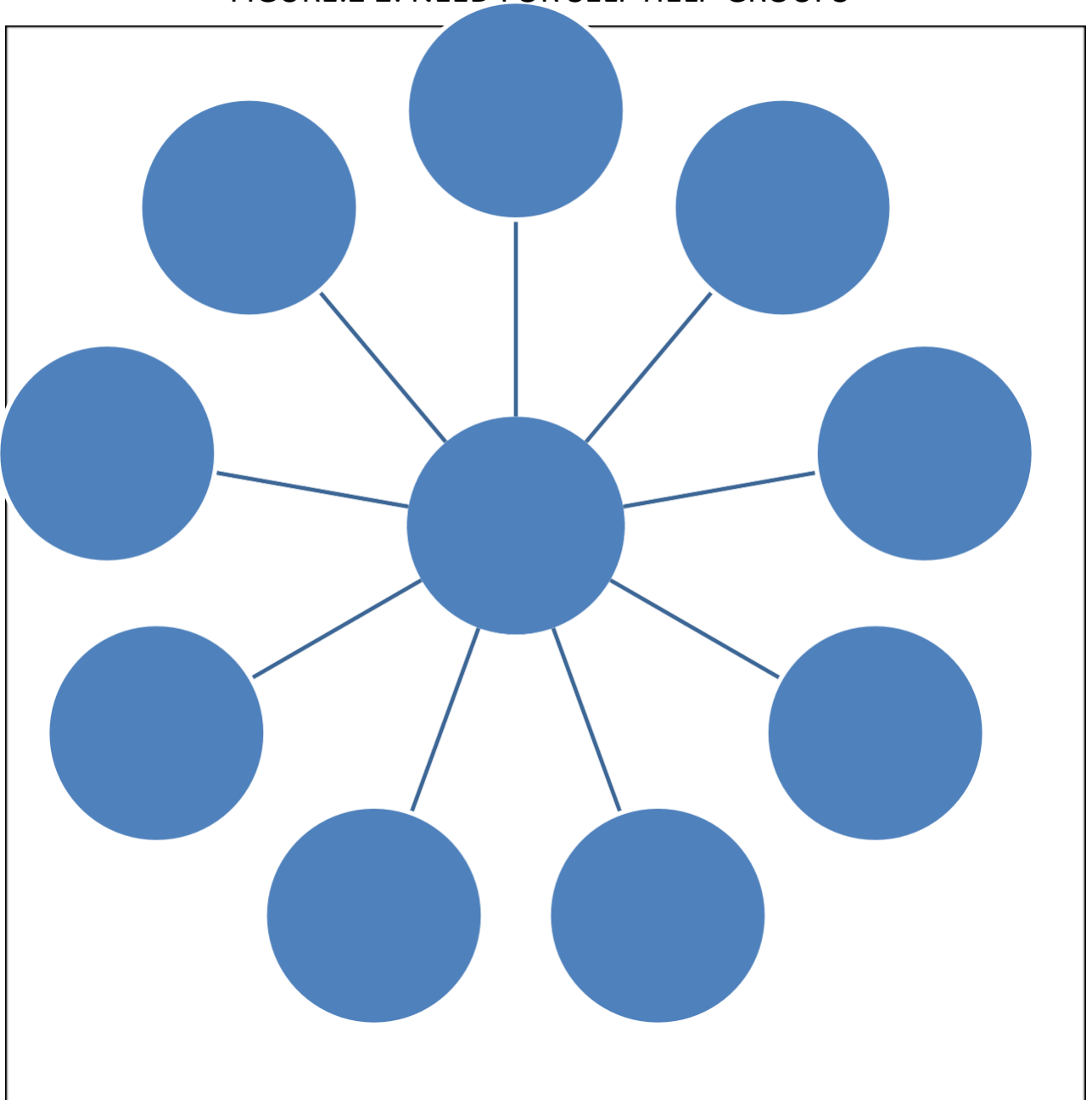
Thus the SHGs function on the principle of the five 'p's.

- i) Propagator of voluntarism
- ii) Practitioner of mutual help
- iii) Provider of timely emergency loan
- iv) Promoter of thrift and savings, and
- v) Purveyor of credit.

## NEED FOR SHGs:

The rural poor are incapacitated due to various reasons such as most of them are socially backward, illiterate, with low motivation and a poor economic base. Individually, the poor is not the only weak in socio-economic sense but also lacks access to the knowledge and information, which are the most important components of today's development process. However, in a Group, they are empowered to overcome many of these weaknesses. Hence, there are needs for SHGs, which in Specific terms are as under:

FIGURE.2 2: NEED FOR SELF HELP GROUPS



(Source: Student preparation)

## CHARACTERISTICS OF SHGs:

The important characteristics of self help groups are as follows:

1. They usually create a common fund by contributing their small savings on a regular basis.
  2. The groups evolve a flexible system of operations often with the help of the non-governmental organizations (NGOs) and manage their common pooled resource in a democratic manner.
  3. Groups consider loan requests in periodical meetings, with competing claims on limited resources being settled by consensus regarding greater needs.
  4. Loaning is mainly on the basis of mutual need and trust with minimum documentation and without any tangible security.
  5. The amounts loaned are small, frequent and for short duration.
  6. Rates of interest vary from group to group depending upon the purpose of loans and are often higher than those of banks but lower than those of moneylenders.
  7. At periodical meetings, besides collecting money, emerging rural, social and economic issues are discussed.
  8. Defaulters are rare due to group pressure and intimate knowledge of the end use of the credit as also the borrower's economic resources.
- Group consists of Small Savings and Resources
  - Voluntary membership
  - Maximum Limit of members in a group is 20
  - Continuous and Un-interrupted savings from their incomes
  - Organising and conducting of Members meetings in regular intervals
  - Maintenance of Registers related to savings and loans
  - Regular repayment and recovery of loans taken from banks
  - Distribution of Loans to group members with efficiency.

## SPECIAL FEATURES OF SHGs:

SHG is an organization with fundamental principles like democratic approach and common decision-making, transparency, self-helping, repayment of loans and group development. The credibility of the group is dependent on these principles. Not only economical progress but also an „entire development“ is the aim and mutual trust among the members is the credo of SHG.

## STAGES OF THE SHGs' CREATION:

In order to clarify the steps to be followed in the creation of SHGs, NABARD has developed a manual with the following phases:

- a. **First:** social mobilization and formation of groups. Link people with mutual affinities (similar experience of poverty, living conditions, livelihood, caste, place of origin, etc.). This process normally takes 5-6 months. Once it is formed, it takes around 1-one and a half years to settle.
- b. **Second:** savings and internal lending among the members of the group (funds from the government and linkages with banks can increase the amount).
- c. **Third:** obtain micro finance
- d. **Fourth:** setting up of micro enterprises. This should be the objective of every group. However, only those with special skills, know-how, marketing linkages, and access to the essential infrastructure can reach to it (NABARD, 2014).

## SHG MODEL IN INDIA:

In India three different models of linkage of SHGs to the financial institutions have emerged. They are:

- Banks, themselves, form and finance the SHGs.
- SHGs are formed by NGOs and other agencies but financed by banks.
- Banks finance SHGs with NGOs and other agencies as financial intermediaries.

The second model is the most popular model. Almost three-fourths of all the SHGs come under this model. Only 20% of the SHGs are covered under the first and 8% under the third model respectively.

## SHG - Bank Linkage Models:

There have come into existence three types of SHG - Bank linkage models across the country.

### Model I - SHGs Formed and Financed by the Banks:

Under this model, the banks themselves act as Self Help Promoting Institutions (SHPIs) i.e., the banks themselves form the groups, open savings account and provides loans to SHG.

### Model II - SHGs Formed by NGOs But Directly Financed by Banks:

In this model NGOs in the field of micro finance act as facilitators. NGOs form the groups and train them in thrift and credit management. Banks, in due course, link these groups by directly providing loans to them. A major number of SHGs have come under this model.



### **Model III: SHGs Financed by Banks using NGOs as Financial Intermediaries:**

In this model, NGOs take on the dual role of facilitators and financial intermediaries. They help in the formation of the SHGs, train them in thrift and credit management. Eventually, the NGOs approach banks for bulk loan assistance for on lending to these SHGs. At the all India level, therefore, the Cooperative Banks, CBs, RRBs and SHGs have become RFI's and their loan operations are being streamlined by the NABARD.

### **ADVANTAGES OF ENTREPRENEURSHIP AMONG RURAL WOMEN:**

Economic empowerment of women by micro entrepreneurship led to the empowerment of women in many things such as socio-economic opportunity, property rights, political representation, social equality, personal right, family development, market development, community development and at last the nation development. Empowering women particularly rural women is a challenge. Micro enterprises in rural area can help to meet these challenges. Micro – enterprises not only enhance national productivity, generate employment but also help to develop economic independence, personal and social capabilities among rural women. Following are some of the personal and social capabilities, which were developed as result of taking up enterprise among rural women.

- Economic empowerment
- Improved standard of living
- Self confidence
- Enhance awareness
- Sense of achievement
- Increased social interaction
- Engaged in political activities
- Increased participation level in gram sabha meeting
- Improvement in leadership qualities
- Involvement in solving problems related to women and community
- Decision making capacity in family and community

### **FUNCTIONS OF THE SHGS:**

For achieving positive results in social and economic empowerment, the members have to be responsible for their own future by organizing themselves into the following areas to be able to provide financial/social support for themselves when need it:

**Savings:** The amount can be small but it has to be a regular and continuous habit among all the members. Motto: “Savings first, credit later”.

**Open a bank account:** After the first or the second meeting where the savings are collected, the group savings bank account can be opened in the name of the SHG. For this, some of the following documents are required:

**Resolution:** acquired in the group meeting, signed by all members, indicating their decision to open an account with the bank.

**Authorization from the SHG:** at least three members, any two of whom jointly operate the account.

**Copy of the rules and regulations** of the SHG: not a must (NABARD et al., 2014, p. 12)

### Internal lending:

The savings can be used as loans for members. The purpose, amount, rate of interest, etc. is decided by the group. Members can also obtain loans from banks.

**Conditions:** After saving for a minimum period of 2 to 3 months, the common savings can be used for lending. The loan is issued in the name of the group and the amount can be 1 to 4 times the SHG’s savings. The bank can’t decide the purposes for which the SHG gives loans to its members but they mainly are for emergency needs like illness in the family, marriage, etc. or for buying assets for income generation. The group will decide about the purpose for which loans are given to the members and it is collectively responsible for the repayment (Punithavathy & Eswaran 2002, p. 56). No collateral security should be taken by banks. The Reserve Bank of India gives freedom to the banks to decide about the interest rates to be charged to the SHGs and the rate of interest charged by the group to its members should be left to the group (usually 2 or 3 rupees per hundred rupees).

Some of the documents required by banks for lending to SHGs are:

- Inter-se agreement to be executed by all the members of the group. Agreement by the members with the bank authorizing a minimum of three members to operate the group’s account with the bank.
- Application for loan assistance (details of the purposes for which the SHG gives loans to its members)<sup>17</sup>
- Agreement between the bank and the SHG wherein both parties agree to abide by the terms and condition set thereon (existing formats) (NABARD et al., 2014, p. 15)

**Discussing problems:** In every meeting, the group will discuss and try to find solutions to the problems face by its members (Harper, et al., 2002).

### Rules of the SHGs:

Once the group is formed, the members need to agree in simple rules for the correct function of it, for example:

- When to meet o Time and place of meetings
- Penalties for non-attendance
- Amount of saving
- Loans to each other
- Repayment installments
- Training: Basic mathematics, Writing of books, Women empowerment

Note: The most effective method of training is to visit a successful SHG and interact with its members understanding their characteristics and functions (Pretty & Ward, 2001, p. 90)



**FIGURE 2.4: OUR HONORABLE PRIME MINISTER SRI NARENDRA MODI JI INTERACTING WITH SELF HELP GROUP MEMBERS**

## LITERATURE REVIEW

Appa Rao (2002) reported that DWCRA has major impact in building self-confidence, economic development, social empowerment and development of skills.

Venkata Ravi (2004) conducted a study on role of NGOs in promotion of SHGs reported that the women find ways and means of additional income generation by taking up micro-enterprise at the village levels. The collective for gaining strength has indirectly increased the confidence of poor to take the income generating activities for augmenting their earning capacity.

Te-so-riero (2006) conducted an evaluation study of women's self help groups (SHGs) in an area in South India. Groups were evaluated not in terms of their success in micro-credit schemes but in relation to their contribution to gender development. Evidence emerged that women perceived changes in their identity towards working collectively to influence for change at the village and panchayat levels. They engaged in community and social action programmes, both at the local level and by joining with issues beyond the local level.

Sreeramulu G.5 (2006) In his Book „Empowerment of Women through Self-Help Groups“ „Published by, Kalpaz Publications, New Delhi. Writer has analyzed to the evolution of SHGs and its credit facilities and their meaning, aims, objectives and implementation process. The author mainly focused its attention an empowerment of women, topography, socioeconomics background of the rural women in District selected for study. It covers the problems and perspectives of self-help groups and suggested several measures.

Sudharani et al. (2008) conducted a study on SHGs and empowerment found that the participation in the self-help groups enriched the women in house managements, health and sanitation, leadership qualities and economically. The decision-making capacity of the SHG participants increased with the period of participation.

Rao and Sarojani (2010) conducted a study on “Tribal self-help groups - strengths and weaknesses” and revealed that majority of the sample have inclination and interest towards political participation and are well aware about banking system.

## **CHAPTER 3**

### **DATA ANALYSIS AND INTERPRETATION**

#### **THE SELF-HELP GROUPS: THE TOOL OF INDIA TO ERADICATE POVERTY AND EMPOWER WOMEN**

In India, the SHGs are village-based organizations that focus on building the savings and credit, as well as the social empowerment of their members. A typical group has 10-20 poor women sharing similar socio-economic backgrounds who meet once a week to pool savings and discuss issues of mutual importance. The fund is deposited in the group's bank account which is available for providing credit to the members in need. One of their objectives is to improve community issues such as the abuse of women, alcoholism, the dowry system, educational quality, and inadequate infrastructure (Chen, 2007, p. 18).

Since independence in 1947, there have been some changes in policy approaches from the concept of „welfare“ till the 70's to „development“ in the 80's and now to „empowerment“ where the SHGs play an important role for improving poor's people life (Dennis & Gallupe, 2002, p. 4). From the First Five Year plan (1951-56) the alleviation of poverty has been one of the objectives of the government of India who has launched some employment and income generation schemes for women in rural areas to provide a source of income, sustain livelihoods, and eradicate poverty (National portal of India, 2015). Within these schemes, the SHGs have been related with microfinance to improve the living standards of the poor people, strengthen their productive potential, and provide opportunities for being part of the economic process (United Nations, 2001, p. 34-36).

The programme of linking Self Help Groups (SHGs) to banks was started on a pilot basis by the National Bank for Agriculture and Rural Development (NABARD) in the year 1991-92 and since then NABARD has been propagating, promoting and financing SHG-Bank Linkage Programme (SHG-BLP). Membership of SHGs has enabled economic empowerment of women through control of resources, political empowerment through participation in decision-making, social empowerment through better social standing obtained by better economic status. Thus, the SHGs have become the most powerful conduits for incubating and empowering women to move from subsistence to sustainability.

**Table 3.1: Total number of SHGs Saving Linked with Banks**

<b>Particulars</b>	<b>Physical (No. in lakh)</b>	<b>Financial (Rs. in Crore)</b>
Out of total SHGs- Exclusive Women SHGs	97.25	32686.08
Out of total SHGs- Under NRLM/SGSY	64.78	19353.70
Out of total SHGs-NULM/SJSRY	5.29	1954.09
<b>Total</b>	<b>112.23</b>	<b>37477.61</b>

(Source: Status of Micro Finance in India 2020-21)

Table 3.1 shows the total number of SHGs saving linked with banks during the financial year 2020-21. The data shows that out of 112.23 total Self Help Groups 97.25 lakh groups are exclusive women SHGs and the amount totaled to Rs.32686.08 crore followed by SHGs under SGSY and SJSRY schemes. Overall the data shows that exclusive women SHGs contribute the highest saving linked with banks and the SHGs under SJSRY contribute the least SHGs saving linked with banks.

**Table 3.2: Total number of SHGs Credit Linked**

<b>Particulars</b>	<b>Physical (No. in lakh)</b>	<b>Financial (Rs. in Crore)</b>
Out of total SHGs- Exclusive Women SHGs	25.90	54,423.13
Out of total SHGs- Under NRLM/SGSY	15.84	29,643.04
Out of total SHGs-NULM/SJSRY	1.13	2,112.04
<b>Total</b>	<b>28.87</b>	<b>58,070.68</b>

(Source: Status of Micro Finance in India 2020-21)

Table 3.2 shows the total number of SHGs credit linked with banks during the financial year 2020-21. The data shows that out of 28.87 total Self Help Groups 25.90 lakh groups are exclusive women SHGs and the amount totaled to Rs.54423.13 crore followed by SHGs under SGSY and SJSRY schemes. Overall the data shows that exclusive women SHGs contribute the highest credit linked with banks and the SHGs under SJSRY contribute the least SHGs credit linked with banks.

**Table 3.3: Total number of SHGs having Loans outstanding**

<b>Particulars</b>	<b>Physical (No. in lakh)</b>	<b>Financial (Rs. in Crore)</b>
Out of total SHGs- Exclusive Women SHGs	53.11	96,596.60
Out of total SHGs- Under NRLM/SGSY	33.78	57,336.62
Out of total SHGs-NULM/SJSRY	2.23	4,056.45

<b>Total</b>	<b>57.80</b>	<b>103289.71</b>
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Table 3.3 shows the total number of SHGs having loans outstanding with banks during the financial year 2020-21. The data shows that out of 57.80 total Self Help Groups 53.11 lakh groups are exclusive women SHGs and the amount totaled to Rs.96596.60 crore followed by SHGs under SGSY and SJSRY schemes. Overall the data shows that exclusive women SHGs having highest loan outstanding with banks and the SHGs under SJSRY had the least loans outstanding with banks.

### Progress of SHG Bank Linkage Programme:

The search for delivering financial services to the rural poor in a sustainable manner led to two distinct approaches for extending micro finance in India, the bank led approach called Self Help Group – Bank Linkage Programme (SHG-BLP), and the Micro Finance Institution led approach. The SHG-BLP programme has indeed become an example of success of a microfinance programme globally with an outreach to 13.87 crore families, providing social, economic and financial empowerment to the rural poor, especially women. The year wise progress (2018-19 to 2020-21) in savings and credit linkage of SHGs under the SHG-BLP is enumerated in Table 3.4.

TABLE 3.4: PROGRESS UNDER SHG BLP (2018-19 TO 2020-21)

(Number in lakh/₹ in crore)

Particulars	2018-19		2019-20		2020-21		
	No. of SHGs	Amount	No. of SHGs	Amount	No. of SHGs	Amount	
SHG Savings with Banks as on 31 March 2021	Total SHG Nos.	100.14 (14.52%)	23324.48 (19.05%)	102.43 (2.29%)	26152.05 (12.12%)	112.23 (9.57%)	37477.61 (43.31%)
	All women SHGs	85.31 (15.44%)	20473.55 (17.01%)	88.32 (3.53%)	23320.55 (13.91%)	97.25 (10.11%)	32686.08 (40.16%)
	Percentage of Women	85.19	87.78	86.22	89.17	86.65	87.21
	Of which NRLM/SGSY	55.8 (33.37%)	12867.18 (23.32%)	57.89 (3.75%)	14312.7 (11.23%)	64.78 (11.9%)	19353.7 (35.22%)
	% of NRLM/SGSY Groups to Total	55.72	55.17	56.52	54.73	57.72	51.64
	Of which NULM/SJSRY	4.39 (3.29%)	1614.42 (19.52%)	4.69 (6.83%)	1523.57 (-5.63%)	5.29 (12.79%)	1954.09 (28.26%)
	% of NULM/SJSRY Groups to Total	4.38	6.92	4.58	5.83	4.71	5.21
Loans Disbursed to SHGs during the year	Total No. of SHGs extended loans	26.98 (19.33%)	58317.63 (23.59%)	31.46 (16.60%)	77659.35 (33.17%)	28.87 (-8.23%)	58070.68 (-25.22%)
	All women SHGs	23.65 (13.98%)	53254.04 (19.51%)	28.84 (21.95%)	73297.56 (37.64%)	25.9 (-10.19%)	54423.13 (-25.75%)
	Percentage of Women Groups	87.66	91.32	91.67	94.38	89.71	93.72
	Of which NRLM/SGSY	16.49 (29.84%)	33398.93 (33.30%)	20.49 (24.26%)	52183.73 (56.24%)	15.84 (-22.69%)	29643.04 (-43.19%)
	% of NRLM/SGSY Groups to Total	61.12	57.27	65.13	67.20	54.87	51.05
	Of which NULM/SJSRY	1.29 (21.70%)	3419.58 (41.07%)	1.59 (23.26%)	3406.22 (-0.39%)	1.13 (-28.93%)	2112.04 (-37.99%)
	% of NULM/SJSRY Groups to Total	4.78	5.86	5.05	4.39	3.91	3.63
Loans Outstanding against SHGs as on 31 March 2021	Total No. of SHGs linked	50.77 (1.14%)	87098.15 (15.21%)	56.77 (11.82%)	108075.07 (24.08%)	57.8 (1.81%)	103289.71 (-4.43%)
	No. of all Women SHGs linked	44.61 (-1.93%)	79231.98 (12.54%)	51.12 (14.59%)	100620.71 (27.00%)	53.11 (3.89%)	96596.6 (-4%)
	Percentage of Women SHGs	87.87	90.97	90.05	93.10	91.89	93.52
	Of which NRLM/SGSY	32.85 (17.62%)	54320.91 (42.11%)	36.89 (12.30%)	67717.07 (24.66%)	33.78 (-8.43%)	57336.62 (-15.33%)
	% of NRLM/SGSY Groups to Total	64.7	62.37	64.98	62.66	58.44	55.51
	Of which NULM/SJSRY	2.25 (-22.41%)	4110.73 (-23.17%)	2.67 (18.67%)	5466.87 (32.99%)	2.23 (-16.48%)	4056.45 (-25.8%)
	% of NULM/SJSRY Groups to Total	4.43	4.72	4.70	5.06	3.86	3.93

Figures in parenthesis indicate increase / decrease over the previous year



Table 3.4 presents Progress under SHG BPL during 2018-19 to 2020-21. The total SHGs in number has increased from 14.52% to 43.31% in 2018-19 to 2020-21. In this only Women SHGs has shown tremendous growth. The total women SHGs has shown increase 85.31 lakh in 2018-19 to 32687 lakh groups in 2020-21. The Loan disbursed to SHGs during the year has shown the increase from 19.33% in 2018-19 to 25.22 % in 2020-21. It shows that women SHGs have shown increase in the loan disbursement. Loan outstanding against SHGs also shows growth from 2018-19 to 2020-21.

FIGURE 3.1: PROGRESS OF SHG BLP (2018-19 TO 2020-21)



(Source: Status of Micro Finance in India 2020-21)

Figure 3.1 which give an account of savings, credit disbursement and credit outstanding of total SHGs including those under NRLM and NULM. As savings grow, the eligibility of SHGs for loans from banks/FIs augment and thus business investment potential will increases. The data shows that number of SHGs with Savings linkage has increased from 100.14 lakh in 2018-19 to 102.43 lakh in 2019-20 and 112.23 lakh in 2020-21. The total savings, number of SHGs availed loans and amount of loan outstanding shows growth from 2018-19 to 2020-21 depicts the active participation by SHGs.

Table 3.5 and Figure 3.2 provide region-wise performance of savings linkage of SHGs in terms of absolute numbers and percentage share. During 2020-21, banks have reported an addition of 9.8 lakh savings linked SHGs at all India level registering a growth of 9.5 per cent compared to 2.3 in 2019-20. Region-wise comparative data reveals that in terms of number of SHGs savings linked with banks, positive growth was registered across all regions during 2020-21. Among the regions, Central region registered the highest growth of 19%, whereas the Western Region registered the lowest growth of 5%. Six States/UTs viz., Uttarakhand, Nagaland, Chandigarh, New Delhi, Karnataka, Daman & Diu, registered a negative growth. As many as 19 States/UTs viz., Chhattisgarh, Madhya Pradesh, Andaman & Nicobar, Bihar, Odisha, Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Tripura, Haryana, Jammu & Kashmir, Punjab, Andhra Pradesh, Lakshadweep, Puducherry, Telangana and Gujarat registered growth rates higher than the All India average.

**TABLE 3.5 REGION WISE PROGRESS OF SAVINGS LINKED SHGs WITH BANKS**

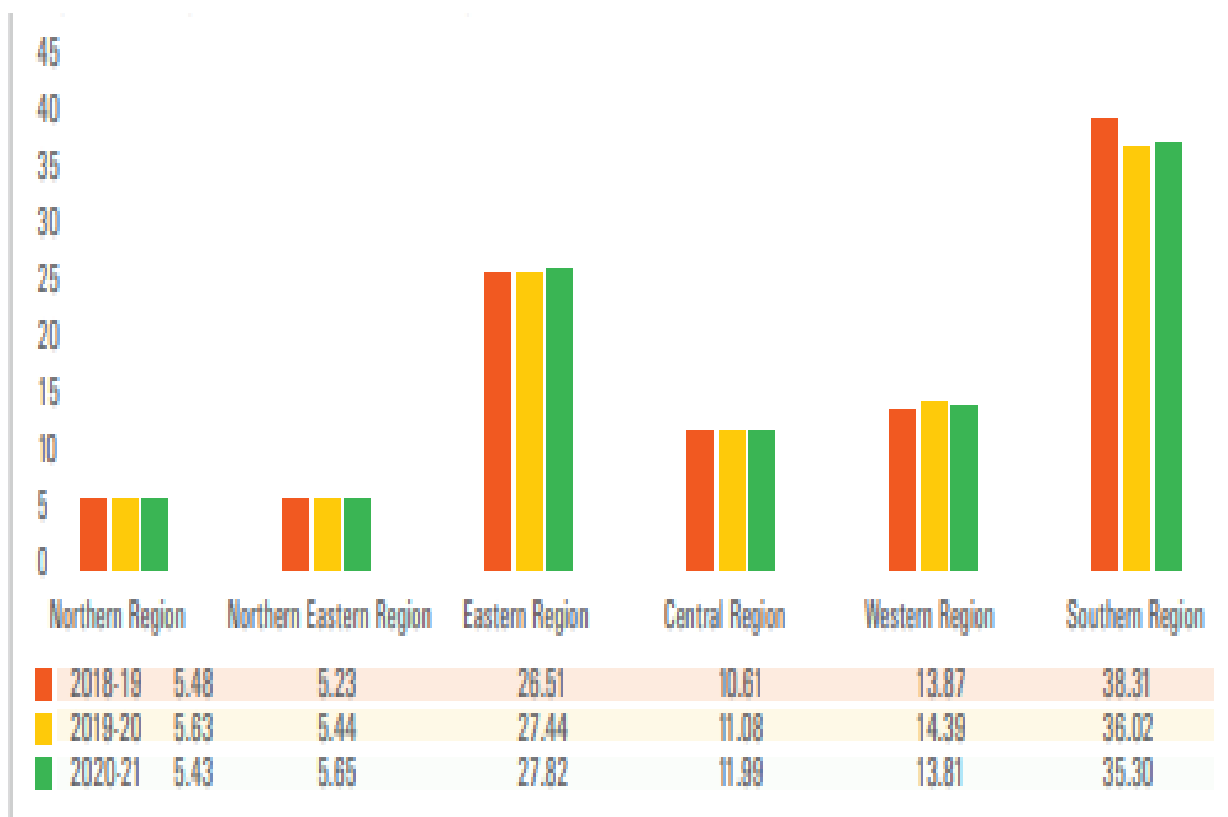
(Amount in ₹ Lakh)

Sr. No.	Regions	2018-19		2019-20		2020-21	
		No. of SHGs	Savings- Amount	No. of SHGs	Savings- Amount	No. of SHGs	Savings - Amount
1	Northern Region	5,48,624	62,453	5,77,122	59,550	6,09,808	1,74,345
2	North Eastern Region	5,23,469	40,407	5,56,899	48,141	6,33,714	83,126
3	Eastern Region	26,54,358	6,01,155	28,11,130	6,64,333	31,22,424	7,74,912
4	Central Region	10,62,759	1,33,230	11,35,083	1,71,217	13,45,575	2,11,870
5	Western Region	13,88,615	2,05,275	14,73,853	2,01,880	15,50,176	3,74,023
6	Southern Region	38,36,418	12,89,928	36,89,236	14,70,085	39,61,703	21,29,485
	<b>Total</b>	<b>1,00,14,243</b>	<b>23,32,448</b>	<b>1,02,43,323</b>	<b>26,15,205</b>	<b>1,12,23,400</b>	<b>37,47,761</b>

(Source: Status of Micro Finance in India 2020-21)

The decline in savings accounts of SHGs in the six States is mainly due to data sanitization, closure of dormant accounts and reporting errors etc. In terms of savings amount, the Northern Region had the highest growth of 193%, followed by the Western Region (85%), North Eastern Region (73%), Southern Region (45%), Central Region (24%) and the lowest growth of 17% was registered by the Eastern Region.

**FIGURE 3.2: REGIONAL DISTRIBUTION OF SAVINGS LINKED SHGs (%SHARE)**

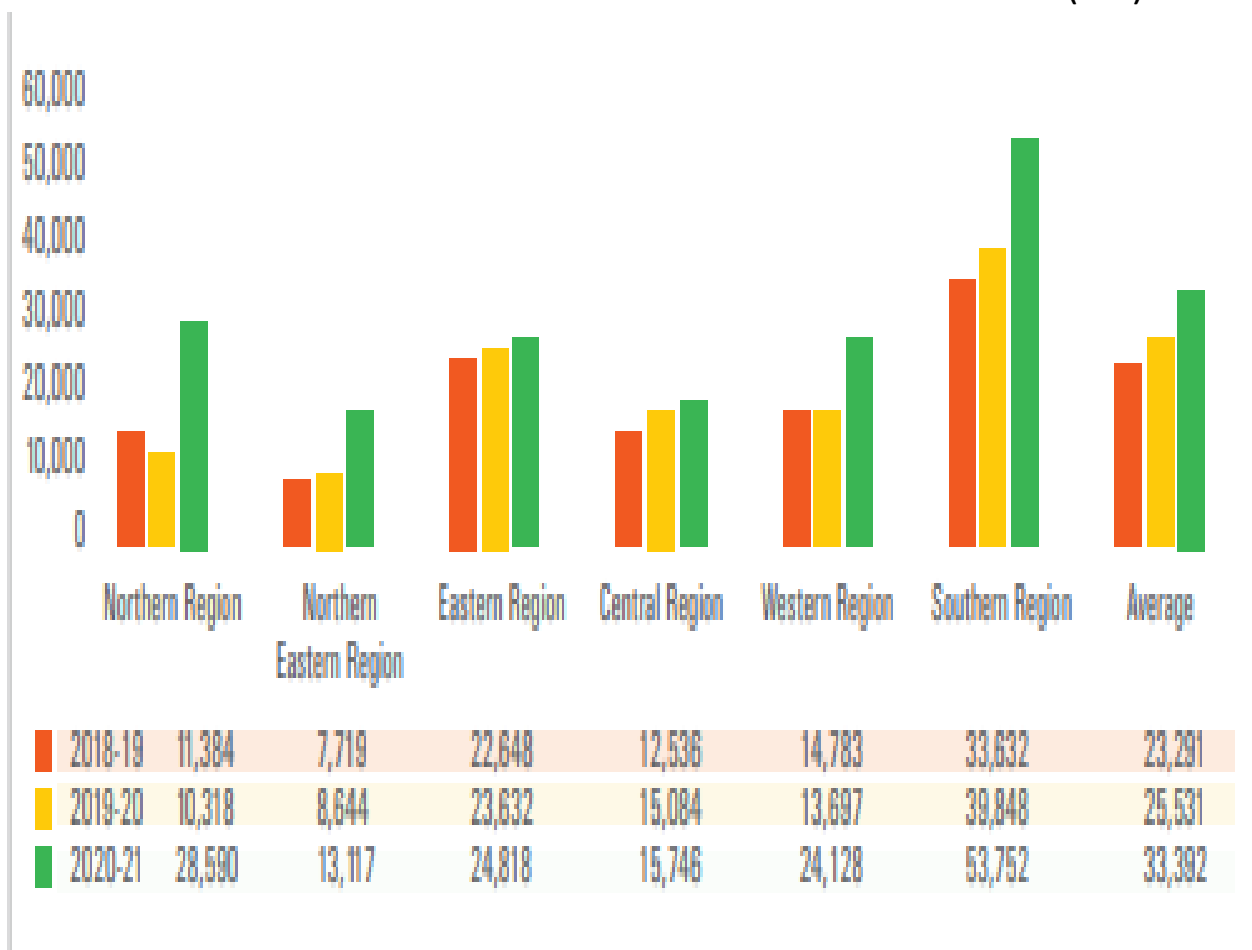


(Source: Status of Micro Finance in India 2020-21)

As depicted in Figure 3.2, in terms of percentage share of savings linked SHGs, the share of Southern Region is highest at 35.3%, however it is a decline of 0.7% when compared to 2019-20. The Eastern Region continues to have the second highest share (27.8%) and there is a very small increase over the previous year (27.4%). The Western region is at the third place, with a share of 13.8% in 2020-21, however there is a marginal decline from the previous year (14.4%).

Cumulative savings with SHG reveals its strength, exhibits thrift discipline which is important to meet emergency or life cycle needs of the members. Savings is a key leverage factor while accessing bank loan or loan from any Financial Institution. The savings outstanding of SHGs as on 31 March 2021 increased from ` 26152.05 crore to an all-time high of ` 37477.61 crore, registering a significant growth of 43% over the year 2019-20, with all regions registering a positive growth. Among the States/UTs, barring Arunachal Pradesh, Nagaland, Chandigarh, Daman & Diu and Goa, all other States/ UTs registered a positive growth with 10 States/UTs viz., Chhattisgarh, Assam, Meghalaya, Tripura, Punjab, Andhra Pradesh, Puducherry, Dadra Nagar Haveli, Lakshadweep and Maharashtra registering growth rates higher than the national average.

FIGURE 3.3: REGION WISE AVERAGE SAVINGS PER SHG (RS.)



(Source: Status of Micro Finance in India 2020-21)

Region wise average savings per SHG is given in Figure 3.3. The average saving has augmented by 31% from 25531 in 2019-20 to ` 33392 in 2020-21. Region wise data reveals that the average savings has increased for all the regions, more significantly for the Northern Region by 177% from ` 10381 to 28590, followed by Western Region (76%) and North Eastern Region (52%). Southern Region and North Eastern Region continue to have the highest and lowest average savings per SHG respectively. Among the States/UTs, Punjab had the highest savings outstanding of 2 lakh per SHG.

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**TABLE 3.6: REGION WISE STATUS OF BANK LOAN DISBURSED TO SHGs**

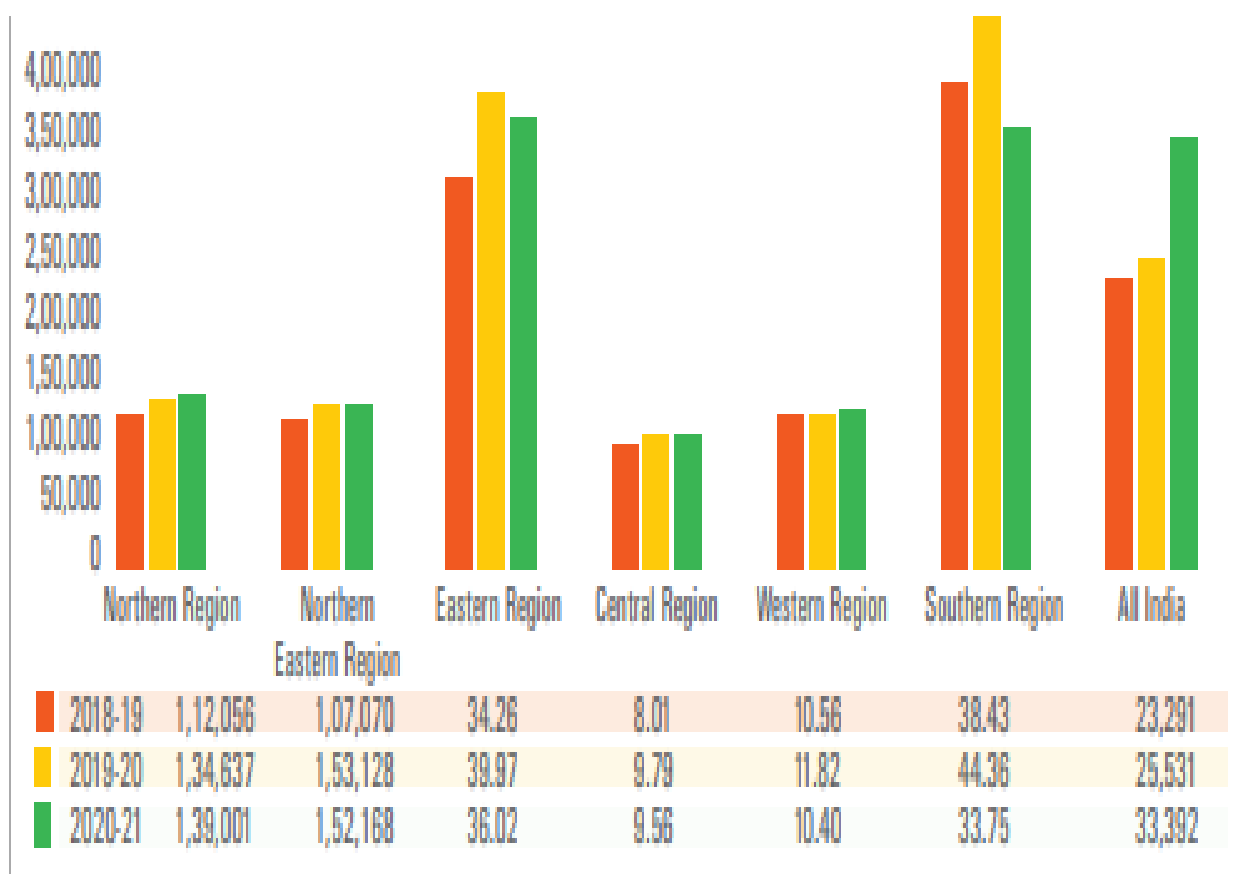
(Total loan disbursed in ₹ Lakh/ Average loan disbursed in ₹ per SHG)

Region	2018-19			2019-20			2020-21		
	No. of SHGs	Total Loans Disbursed	Average Loan Disbursed	No. of SHGs	Total Loans Disbursed	Average Loan Disbursed	No. of SHGs	Total Loans Disbursed	Average Loan Disbursed
Northern	55,922	62,664	1,12,056	62,905	84,694	1,34,637	67,658	94,045	1,39,001
North Eastern	27,086	29,001	1,07,070	37,807	57,893	1,53,128	68,116	1,03,651	1,52,168
Eastern	9,09,375	11,97,079	1,31,638	11,23,517	17,85,075	1,58,883	11,24,578	14,87,551	1,32,276
Central	85,135	72,199	84,805	1,11,074	1,04,249	93,856	1,28,617	1,05,428	81,971
Western	1,46,674	1,84,565	1,25,833	1,74,218	2,49,327	1,43,112	1,61,159	2,30,331	1,42,921
Southern	14,74,208	42,86,256	2,90,750	16,36,481	54,84,696	3,35,152	13,37,266	37,86,063	2,83,120
<b>Total</b>	<b>26,98,400</b>	<b>58,31,763</b>	<b>2,16,119</b>	<b>31,46,002</b>	<b>77,65,935</b>	<b>2,46,851</b>	<b>28,87,394</b>	<b>58,07,068</b>	<b>2,01,118</b>

(Source: Status of Micro Finance in India 2020-21)

The comparative details of bank loans disbursed to SHGs for the three financial years (2018-19 to 2020-21) are given in Table 3.6. A total of Rs. 58070.68 crore was disbursed by banks to Rs. 28.87 lakh SHGs during the year 2020-21 as against Rs. 77659.34 crore to Rs. 31.46 lakh SHGs during 2019-20. This resulted in a negative growth of 8.22% and 25.22% in respect of loans disbursed to SHGs and the amount disbursed respectively. The highest disbursement during 2020-21 was in the Southern Region amounting to Rs. 37860.63 crore to Rs. 13.37 lakh SHGs, whereas the lowest disbursement was in the Northern Region ( Rs. 940.45 crore to Rs. 0.68 lakh SHGs). Compared to the previous year, there was a decline in the credit disbursement in the Southern (- 31%) and Eastern (-16.67%) Regions, whereas the Northern, North Eastern and Central regions witnessed an increase in the credit disbursement. Among the States, major States such as Chhattisgarh, West Bengal, Himachal Pradesh, Jammu and Kashmir, Andhra Pradesh, Karnataka and Maharashtra registered a sharp decline, which may be attributed to the impact of the pandemic.

FIGURE 3.4: REGION WISE STATUS OF BANK LOAN DISBURSED TO SHGs



(Source: Status of Micro Finance in India 2020-21)

Figure 3.4, the average loan size per SHG during 2020-21 (₹ 201118) reduced by 45733 compared to 2019-20 (₹ 246851). Except for the Northern Region, average loan size per SHG has reduced for all other regions. Region wise comparison for 2020-21 reveal that the average loan size is highest in the Southern region, followed by North Eastern Region and Western Region. Among the States/ UTs, 9 States viz., Madhya Pradesh, Uttarakhand, Jharkhand, Manipur, Meghalaya, Haryana, Himachal Pradesh, Jammu and Kashmir and Punjab registered increase in the average loan size, 3 States viz., Assam, Mizoram and Rajasthan maintained status-quo, while the remaining States registered lower average loan disbursements. The decline was substantial in Andhra Pradesh, Kerala, Tamil Nadu, Telangana and Gujarat which had a significant impact on the aggregate average loan size.

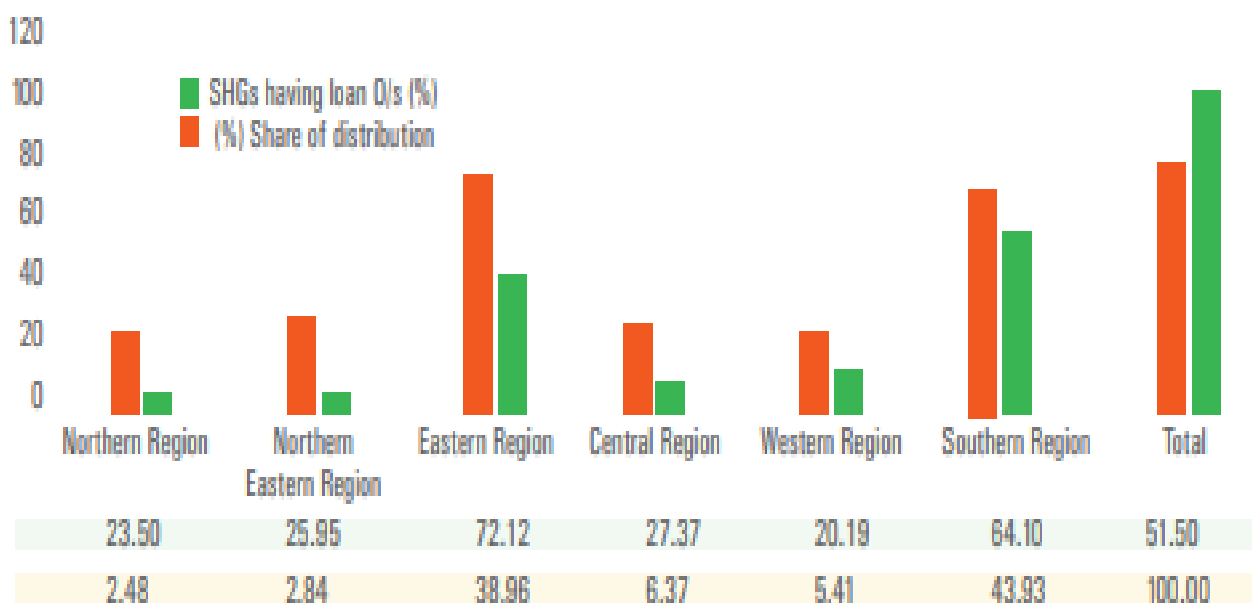
**TABLE 3.7: REGION WISE NO. OF SHGs HAVING LOAN OUTSTANDING**

Sr. No.	Regions	Total no of SHG	No. of SHGs having loan O/s	SHGs having loan O/s (%)	% Share of distribution
1	Northern Region	6,09,808	1,43,275	23.50	2.48
2	North Eastern Region	6,33,714	1,64,421	25.95	2.84
3	Eastern Region	31,22,424	22,52,039	72.12	38.96
4	Central Region	13,45,575	3,68,271	27.37	6.37
5	Western Region	15,50,176	3,12,913	20.19	5.41
6	Southern Region	39,61,703	25,39,325	64.10	43.93
	<b>Total</b>	<b>1,12,23,400</b>	<b>57,80,244</b>	<b>51.50</b>	<b>100.00</b>

(Source: Status of Micro Finance in India 2020-21)

Table 3.7 shows the Region wise total number of SHGs having loan outstanding. It shows that total number of SHGs availed loan are 1,12,23,400 and 57,80,244 SHGs having loan outstanding showing 51.50% of loan outstanding having 100 percent share. The data shows that Eastern Region stood at top having 72.12 % and Western Region stood at last having 20.19% of share in loan outstanding.

**FIGURE 3.5: REGION WISE NUMBER OF SHGs HAVING LOAN OUTSTANDING**



(Source: Status of Micro Finance in India 2020-21)

Figure 3.5 shows the Region Wise Number of SHGs having Loan Outstanding. The figure shows the share of every region in SHGs having loan outstanding. The Total number of SHGs having Loan outstanding is 51.50 percentage and Eastern Region has the highest number of SHGs

having loan outstanding Western Region SHGs having the least number of SHGs during 2018-19 to 2020-21.

**Table 3.8: Savings of SHGs with Public Sector Commercial Banks as on 31 March 2021**

(Amount `lakh)

Sr. No.	Name Of Bank	Details of SHGs Saving linked with Banks			Out of Total SHGs - Exclusive Women SHGs			Out of Total SHGs - Under NRLM/SGSY Scheme			Out of NRLM/SGSY SHGs - Exclusive Women SHGs		
		No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings - Amount
348	Bank Of Baroda	8336	150030	3758.21	7185	129330	3452.67	7589	136602	3421.86	6995	125910	3183.01
349	Bank Of India	9250	92500	466.00	9250	92500	466.00	3770	37700	179.00	3770	37700	179.00
350	Bank Of Maharashtra	1487	16316	757.59	1128	12794	610.56	556	6672	316.47	440	5280	258.83
351	Canara Bank	38425	537950	28112.27	33473	468622	24393.15	7415	103810	6317.38	6525	91350	5511.20
352	Central Bank Of India	8851	157958	711.95	2383	28596	2079.16	2383	28596	2079.16	2383	28596	2079.16
353	Indian Bank	21323	277199	11667.31	21100	274430	11540.00	449	5837	231.22	445	5785	229.00
354	Indian Overseas Bank	10401	141257	2929.63	8713	121037	2437.01	4787	67018	1234.38	4787	67018	1234.38
355	Punjab National Bank	4579	45790	1831.69	4492	44920	1787.46	0	0	0.00	0	0	0.00
356	State Bank Of India	161548	1999979	20144.00	155068	1919961	18340.00	124393	1539984	17196.00	119418	1478385	16511.00
357	Uco Bank	3984	40236	2133.86	3556	35914	1830.61	2567	25926	1376.93	2277	22997	1257.45
358	Union Bank Of India	120708	1448496	57152.60	110612	1327344	53135.90	89932	1067184	41715.68	88932	1067184	41715.68
	<b>Total</b>	<b>388872</b>	<b>4907719</b>	<b>136065.21</b>	<b>356990</b>	<b>4455468</b>	<b>121172.52</b>	<b>242841</b>	<b>3019329</b>	<b>74070.08</b>	<b>235972</b>	<b>2930205</b>	<b>72158.71</b>
	<b>Total Southern Region</b>	<b>2094834</b>	<b>27323911</b>	<b>1141856.86</b>	<b>1841243</b>	<b>23709203</b>	<b>1035791.32</b>	<b>1054642</b>	<b>13668142</b>	<b>618012.46</b>	<b>1008394</b>	<b>12872740</b>	<b>595551.47</b>

(Source: Status of Micro Finance in India 2020-21)

Table 3.8 presents Savings of SHGs with Public Sector Commercial Banks as on 31 March 2021. The data shows that the total number of SHGs in Total Southern Region are 20,94,834 out of them 18,41,243 groups are only women SHGs. The total savings amounted to Rs. 121172.52 by women SHGs. Among all these banks in total southern region State Bank of India is standing in top followed by Union Bank of India. Bank of Maharashtra having the least number of SHGs i.e. 1487 number of SHGs having linked with bank. Over all it depicts the growing knowledge and usage of linking of SHGs with top rated Banks.



Table 3.9: Savings of SHGs with total all Public Sector Commercial Banks

as on 31<sup>st</sup> March, 2021

(Amount `lakh)

Sr. No.	Name Of Bank	Details of SHGs Saving linked with Banks			Out of Total SHGs - Exclusive Women SHGs			Out of Total SHGs - Under NRLM/SGSY Scheme			Out of NRLM/SGSY SHGs - Exclusive Women SHGs		
		No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings - Amount
1	Bank Of Baroda	587154	10385094	138265.90	512639	9089184	116604.58	530106	9365296	124432.56	481317	8530573	106948.51
2	Bank Of India	315961	3611899	79729.00	283062	3241675	71465.00	190922	2196544	29905.00	174388	2010082	27302.00
3	Bank Of Maharashtra	161062	1743051	30963.43	129179	1383520	23506.38	13388	160656	3405.29	11932	143184	2705.93
4	Canara Bank	509097	7133506	235448.28	456970	6412853	214954.90	156824	2256089	69189.10	141431	2040729	63625.16
5	Central Bank Of India	367623	7199860	105760.33	19075	228900	8448.94	19075	228900	8448.94	19075	228900	8448.94
6	Indian Bank	327885	4259031	184057.07	324606	4219878	182714.00	44572	579436	15838.94	44125	573625	15679.00
7	Indian Overseas Bank	129471	1788991	44130.23	110045	1566647	36121.18	38230	535220	17590.99	38230	535220	17590.99
8	Punjab And Sind Bank	23122	218510	3115.62	22125	208805	3020.15	18052	171690	2601.44	17259	163900	2530.01
9	Punjab National Bank	580836	5808360	125737.70	557793	5577930	122837.22	299294	2992940	59305.66	289882	2898820	58796.28
10	State Bank Of India	1295584	16039466	387376.00	1159289	14351708	356180.00	997643	12350640	348558.00	892680	11051035	321461.00
11	Uco Bank	279373	2821681	70677.77	252557	2560852	65122.29	215741	2178959	57533.19	198371	2003534	53056.82
12	Union Bank Of India	790214	9482568	433929.72	651055	7812660	384387.72	557929	6695148	313560.91	557929	6695148	313560.91
	<b>Total All Public Sec. Comm. Banks</b>	<b>5367382</b>	<b>70492017</b>	<b>1839189.05</b>	<b>4478395</b>	<b>56634612</b>	<b>1585340.36</b>	<b>3081776</b>	<b>39711518</b>	<b>1050368.02</b>	<b>2866619</b>	<b>36875750</b>	<b>991703.55</b>

(Source: Status of Micro Finance in India 2020-21)

Table 3.9 shows the Savings of SHGs with total all Public Sector Commercial Banks as on 31-30-2021. The data in the table shows that the total all Public Sector Commercial Banks have 53,67,382 number of Self Help Groups and had 7,04,92,017 group members with total of Rs. 18,39,189.05. The data consists of total 12 banks in all Public Sector Commercial Banks. Among these Banks State Bank of India stands on the top having 12,95,584 Self Help Groups having 1,60,39,468 members with a saving of Rs. 3,87,376. Bank of Baroda stood at second followed by Canara Bank serving 1,03,85,094 members and 71,33,506 members in SHGs having savings of 1,38,265.90 and Rs.2,35,446.28. Punjab And Sind Bank is having least number of Self Help Groups i.e. 23,122 SHGs only. Among total all Public Sector Commercial Banks Exclusive Women SHGs savings total amounted to Rs.15,85,340.36 having 44,78,395 Self Help Groups with 5,65,34,612 members in the groups. However the data in Table 3.9 shows that Public Sector Commercial Banks are performing very well in reaching out the Self Help Groups and successful in modeling the group members towards utilization of Banking Services.

Table 3.10: Savings of SHGs with Private Sector Commercial Banks as on 31 March 2021

(Amount ₹ lakh)

Sr. No.	Name of Bank	Details of SHGs Saving linked with Banks			Out of Total SHGs - Exclusive Women SHGs			Out of Total SHGs - Under NRLM/SGSY Scheme			Out of NRLM/SGSY SHGs - Exclusive Women SHGs		
		No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings - Amount
1	Axis Bank Limited	363	5445	105.61	363	5445	105.61	345	5175	101.09	345	5175	101.09
2	Bandhan Bank Limited	3767	37670	974.64	0	0	0.00	0	0	0.00	0	0	0.00
3	City Union Bank Limited	11197	55985	372.91	9540	47700	269.19	31	155	2.38	31	155	2.38
4	Federal Bank Ltd	21383	106915	4435.78	181	905	18.46	20	100	5.76	2	10	0.20
5	Hdfc Bank Ltd.	103650	1122266	247991.22	103650	1122266	247991.22	0	0	0.00	0	0	0.00
6	Icici Bank Limited	457744	5950672	39000.32	457744	5950672	39000.32	412841	5366933	32745.68	412841	5366933	32745.68
7	Idbi Bank Limited	93335	1120020	10144.82	81031	972372	8047.07	93334	1120008	10143.56	81030	972360	8045.81
8	Idfc Bank Limited	178	1908	204.22	178	1908	204.22	79	1328	202.93	79	1328	202.93
9	Indusind Bank Ltd												
10	Karnataka Bank Ltd	9197	92032	2439.95	6939	70979	1819.72	13	154	0.88	12	142	0.87
11	Karur Vysya Bank Ltd	3728	55920	22.61	233	3495	21.87	0	0	0.00	0	0	0.00
12	Kotak Mahindra Bank Ltd.	154	1540	24.60	154	1540	24.60	0	0	0.00	0	0	0.00
13	Nainital Bank Ltd	219	2190	8.19	190	1900	7.10	219	2190	8.19	190	1900	7.10
14	Ratnakar Bank Ltd												
15	South Indian Bank Ltd	4305	51648	722.11	2916	34992	495.84	0	0	0.00	0	0	0.00
16	Tamilnad Mercantile Bank Ltd	124	1693	8.21	116	1583	8.11	0	0	0.00	0	0	0.00
17	The Dhanalakshmi Bank Ltd	13199	92393	4991.17	13141	91987	4975.63	1053	7371	431.41	1053	7371	431.41
18	Yes Bank Ltd.	36516	434684	409.51	36516	434684	409.51	0	0	0.00	0	0	0.00
	<b>Total All Private Sec. Comm. Banks</b>	<b>759059</b>	<b>9132981</b>	<b>311855.87</b>	<b>712892</b>	<b>8742428</b>	<b>303398.47</b>	<b>507935</b>	<b>6503414</b>	<b>43641.88</b>	<b>495583</b>	<b>6355374</b>	<b>41537.47</b>

(Source: Status of Micro Finance in India 2020-21)

Table 3.10 shows the Savings of SHGs with Private Sector Commercial Banks as on 31-3-2021. The data shows that total all Private Sector Commercial Banks have 7,59,059 lakh Self Help Groups with 91,32,981 group members having total savings of Rs. 3,11,855.87. Out of this total SHGs, Exclusive Women SHGs were 7,12,892 SHGs in number with 87,42,428 members with a savings of Rs. 3,03,398.47. There are total of 18 Private sector Commercial Banks are available as on 31-03-2021. ICICI Bank Limited stood at top having Rs. 39,000 lakh as savings and Tamilnadu Mercantile Bank limited has least in all Private Sector Commercial Banks as on 31-3-2021 having savings of Rs.1,583 lakh only. However the above data shows that SHGs are active in knowing and adopting savings among women SHGs in the Country.

Table 3.11: Savings of SHGs with Regional Rural Banks as on 31 March 2021

Sr. No.	Name of Bank	Details of SHGs Saving linked with Banks			Out of Total SHGs - Exclusive Women SHGs			Out of Total SHGs - Under NRLM/SGSY Scheme			Out of NRLM/SGSY SHGs - Exclusive Women SHGs		
		No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings - Amount
38	Andhra Pradesh Grameena Vikas Bank	242689	2499474	235107.94	242689	2499474	235107.94	123956	1255068	119646.43	123956	1255068	119646.43
39	Telangana Grameena Bank	80500	934172	40078.04	80500	934172	40078.04	44052	518750	22951.50	44052	518750	22951.50
	<b>Total</b>	<b>323189</b>	<b>3433646</b>	<b>275185.98</b>	<b>323189</b>	<b>3433646</b>	<b>275185.98</b>	<b>168008</b>	<b>1773818</b>	<b>142597.93</b>	<b>168008</b>	<b>1773818</b>	<b>142597.93</b>
	<b>Total Southern Region</b>	<b>937821</b>	<b>10728191</b>	<b>505705.46</b>	<b>912644</b>	<b>10393283</b>	<b>500687.48</b>	<b>499090</b>	<b>5707249</b>	<b>233693.90</b>	<b>494512</b>	<b>5645105</b>	<b>232177.36</b>

Rs.2,75,185.96. Overall, in Southern region having 9,37,821 SHGs with 1,67,28,191 members having total savings of Rs. 5,05,705.46 savings. Out of which only extension women SHGs contribute total savings of Rs. 5,00,687.48 . It shows the effective performance of RRBs.

Table 3.12: Savings of SHGs with Cooperative Banks as on 31 March 2021

Sr. No.	Name of Bank	Details of SHGs Saving linked with Banks			Out of Total SHGs - Exclusive Women SHGs			Out of Total SHGs - Under NRLM/SGSY Scheme			Out of NRLM/SGSY SHGs - Exclusive Women SHGs		
		No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings - Amount	No. of SHGs	No. of Members	Savings - Amount
<b>TELANGANA</b>													
260	The Adilabad District Co-Operative Central Bank Ltd.	382	4310	190.10	333	3820	181.75	382	4310	190.10	333	3820	181.75
261	The District Co-Operative Central Bank Ltd., Khammam	418	4180	342.44	418	4180	342.44	418	4180	342.44	418	4180	342.44
262	The District Co-Operative Central Bank Ltd., Medak	954	9625	825.69	954	9625	825.69	0	0	0.00	0	0	0.00
263	The District Co-Operative Central Bank Ltd., Warangal	0	0	0.00	0	0	0.00	0	0	0.00			
264	The Hyderabad District Co-Operative Central Bank Ltd.	0	0	0.00	0	0	0.00	0	0	0.00			
265	The Karimnagar District Co-Operative Central Bank Ltd.	1472	16195	220.80	1472	16195	220.80	0	0	0.00	0	0	0.00
266	The Mahbubnagar District Co-Operative Central Bank Ltd.	9	172	1.26	9	172	1.26	9	172	1.26	9	172	1.26
267	The Nalgonda District Co-Operative Central Bank Ltd.	1071	10710	102.76	1071	10710	102.76	0	0	0.00	0	0	0.00
268	The Nizamabad District Co-Operative Central Bank Ltd.	3585	37181	361.18	3585	37181	361.18	0	0	0.00	0	0	0.00
269	The Telangana State Co-Operative Bank Ltd.	3047	30156	1558.00	2990	29855	1548.11	0	0	0.00	0	0	0.00
	<b>Total</b>	<b>10938</b>	<b>112529</b>	<b>3602.23</b>	<b>10832</b>	<b>111738</b>	<b>3583.99</b>	<b>809</b>	<b>8662</b>	<b>533.80</b>	<b>760</b>	<b>8172</b>	<b>525.45</b>
	<b>Total Southern Region</b>	<b>545824</b>	<b>7200378</b>	<b>242860.69</b>	<b>505604</b>	<b>6705992</b>	<b>233834.11</b>	<b>209780</b>	<b>2692289</b>	<b>165273.14</b>	<b>195970</b>	<b>2555343</b>	<b>160515.71</b>

(Source: Status of Micro Finance in India 2020-21)

Table 3.12 shows the Savings of SHGs with Cooperative Banks as on 31 March 2021. The data shows that the total SHGs are 10,938 with 1,12,529 members having savings of Rs. 3502.23. In total Southern Region the total SHGs are 5,45,824 with 1,12,529 members with a savings of Rs. 2,42,860.69 . It shows that Cooperative Banks enlarges their scope of operations for SHGs.

Table 3.13: Bank Loans disbursed by total all Public Sector

Commercial Banks To SHGs during

Sr. No.	Name of Bank	Total Loans disbursed during the year		Out of Total - Loan disbursed to Exclusive Women SHGs		Out of Total - Loan disbursed under NRLM/SGSY		Out of Total NRLM/SGSY SHGs - Loan disbursed to Exclusive Women SHGs		Out of Total SHGs - Under NULM/SJSRY	
		No. of SHGs	Loans Disbursed	No. of SHGs	Loans Disbursed	No. of SHGs	Loans Disbursed	No. of SHGs	Loans Disbursed	No. of SHGs	Loans Disbursed
1	Bank of Baroda	106082	167143.81	96521	143743.96	92911	147752.89	84641	130929.58	1018	2062.32
2	Bank of India	37275	37427.00	36037	36495.00	29135	27660.00	28630	27175.00	1121	893.00
3	Bank of Maharashtra	13658	15172.80	11899	12904.82	7313	8380.00	6485	7009.65	197	178.57
4	Canara Bank	245288	644124.54	238134	622347.71	82049	199732.72	80197	193739.73	863	1687.28
5	Central Bank of India	168342	179879.58	14630	17922.89	14630	17922.89	14630	17922.89	4	0.09
6	Indian Bank	232651	544245.00	227969	533371.00	73013	75199.00	72282	74449.00	2662	7132.00
7	Indian Overseas Bank	88840	85682.70	61311	74183.92	20415	22323.50	20415	22323.50	1624	1477.98
8	Punjab And Sind Bank	2969	3226.44	2709	2992.43	2300	2483.20	2148	2354.89	669	743.24
9	Punjab National Bank	130053	145681.21	127070	143405.07	21283	44213.26	21075	43784.14	2517	4414.20
10	State Bank of India	178202	388375.00	174624	380069.00	135859	271411.00	133247	265937.00	875	799.00
11	Uco Bank	14223	23177.68	13122	21665.55	13395	21923.89	12572	20718.34	828	1253.79
12	Union Bank of India										
	<b>Total All Public Sec. Comm. Banks</b>	<b>1217681</b>	<b>2234045.76</b>	<b>1004056</b>	<b>1989111.35</b>	<b>492303</b>	<b>839002.35</b>	<b>476322</b>	<b>806343.72</b>	<b>12378</b>	<b>20641.47</b>

2020-21

(Source: Status of Micro Finance in India 2020-21)

Table 3.13 Bank Loans disbursed by total all Public Sector Commercial Banks to SHGs during 2020-21. The table data shows that the total all Public Sector Commercial Banks has 12,17,681 SHGs with Rs.22,34,045.76 lakh loan disbursed. Out of these exclusive women SHGs are having 1004056 with a loan of Rs. 19,89,111.35 lakh. It shows the women SHGs are active to raise loan from all Public Sector Commercial Banks during 2020-21.

Table 3.14: Bank loans disbursed by total all Private Sector Commercial Banks To SHGs during 2020-21

(Amount ₹ lakh)

Sr. No.	Name Of Bank	Total Loans disbursed during the year		Out of Total - Loan disbursed to Exclusive Women SHGs		Out of Total - Loan disbursed under NRLM/SGSY		Out of Total NRLM/SGSY SHGs - Loan disbursed to Exclusive Women SHGs	
		No. of SHGs	Loans Disbursed	No. of SHGs	Loans Disbursed	No. of SHGs	Loans Disbursed	No. of SHGs	Loans Disbursed
1	Axis Bank Limited	0	0.00	0	0.00	0	0.00	0	0.00
2	Bandhan Bank Limited	0	0.00	0	0.00	0	0.00	0	0.00
3	City Union Bank Limited	236	749.00	56	194.90	0	0.00	0	0.00
4	Federal Bank Ltd	116	310.73	2	7.01	6	4.50	0	0.00
5	Hdfc Bank Ltd.	65212	223015.67	65212	223015.67	0	0.00	0	0.00
6	Icici Bank Limited	76139	204999.91	76139	204999.91	62333	176473.08	62333	176473.08
7	Idbi Bank Limited	89569	88979.51	57331	59649.11	15549	20740.16	12649	17450.15
8	Idfc Bank Limited								
9	Indusind Bank Ltd								
10	Karnataka Bank Ltd	322	1662.07	287	1504.21	0	0.00	0	0.00
11	Karur Vysya Bank Ltd	0	0.00	0	0.00	0	0.00	0	0.00
12	Kotak Mahindra Bank Ltd.	80	0.00	0	0.00	0	0.00	0	0.00
13	Nainital Bank Ltd	66	74.93	66	74.93	66	74.93	66	74.93
14	Ratnakar Bank Ltd								
15	South Indian Bank Ltd	183	287.91	183	287.91	0	0.00	0	0.00
16	Tamilnad Mercantile Bank Ltd	50	105.04	49	104.09	1	0.01	1	0.01
17	The Dhanalakshmi Bank Ltd	5778	37848.65	5764	37750.25	507	1514.94	507	1514.94
18	Yes Bank Ltd.								
	Total All Private Sec. Comm. Banks	237751	558033.42	205089	527587.99	78462	198807.62	75556	195513.11

(Source: Status of Micro Finance in India 2020-21)

Table 3.14: Bank loans disbursed by total all Private Sector Commercial Banks to SHGs during 2020-21. The table consists of total 18 private sector commercial banks. The Total All Private Sector Commercial Banks provided Rs. 5,58,033.42 lakh as loan to 2,37,751 SHGs during 2020-21. Exclusive women SHGs availed a loan of Rs. 5,27,587.99 lakh. Among these banks IDBI Bank limited has contributed to highest loan provider to SHGs during 2020-21. The table shows that most of the all Private Sector Commercial Banks are lagging behind providing loans to SHGs during 2020-21. It could be better to enhance the lending facilities to Women SHGs in future.

Table 3.15: Bank Loans disbursed by Regional Rural Banks to SHGs during 2020-21

Sr. No.	Name of Bank	Total Loans disbursed during the year		Out of Total - Loan disbursed to Exclusive Women SHGs		Out of Total - Loan disbursed under NRLM/SGSY		Out of Total NRLM/SGSY SHGs - Loan disbursed to Exclusive Women SHGs	
		No. of SHGs	Loans Disbursed	No. of SHGs	Loans Disbursed	No. of SHGs	Loans Disbursed	No. of SHGs	Loans Disbursed
38	Andhra Pradesh Grameena Vikas Bank	198849	276748.91	198849	276748.91	118252	166048.14	118252	166048.14
39	Telangana Grameena Bank	32694	161754.29	32694	161754.29	3473	95203.37	3473	95203.37
	<b>Total</b>	<b>231543</b>	<b>438503.20</b>	<b>231543</b>	<b>438503.20</b>	<b>121725</b>	<b>261251.51</b>	<b>121725</b>	<b>261251.51</b>
	<b>Total Southern Region</b>	<b>444131</b>	<b>1358794.52</b>	<b>437421</b>	<b>1330212.97</b>	<b>225040</b>	<b>699758.17</b>	<b>222124</b>	<b>687849.10</b>

(Source: Status of Micro Finance in India 2020-21)

Table 3.15 presents the Bank Loans disbursed by Regional Rural Banks to SHGs during 2020-21. The data shows that there are only two RRBs are in active participation for Bank loans disbursement to SHGs during 2020-21. Among these two RRBs, APGV Bank has playing a dominant role having 1,98,849 SHGs with a loan disbursement of Rs. 2,76,748.91. In Total RRBs has disbursed Rs. 4,38,503.20 and in total Southern Region loan disbursed Rs. 13,58,794.52.

Table 3.16: Bank Loans disbursed by Co-operative Banks to SHGs during 2020-21

Sr. No.	Name of Bank	Total Loans disbursed during the year		Out of Total - Loan disbursed to Exclusive Women SHGs		Out of Total - Loan disbursed under NRLM/SGSY		Out of Total NRLM/SGSY SHGs - Loan disbursed to Exclusive Women SHGs	
		No. of SHGs	Loans Disbursed	No. of SHGs	Loans Disbursed	No. of SHGs	Loans Disbursed	No. of SHGs	Loans Disbursed
260	The Adilabad District Co-Operative Central Bank Ltd.	141	388.30	136	380.80	141	388.30	136	380.80
261	The District Co-Operative Central Bank Ltd., Khammam	291	595.22	291	595.22	291	595.22	291	595.22
262	The District Co-Operative Central Bank Ltd., Medak	6138	28384.23	6138	28384.23	0	0.00	0	0.00
263	The District Co-Operative Central Bank Ltd., Warangal	245	1405.80	245	1405.80	245	1405.80	245	1405.80
264	The Hyderabad District Co-Operative Central Bank Ltd.	0	0.00	0	0.00	0	0.00	0	0.00
265	The Karimnagar District Co-Operative Central Bank Ltd.	1472	8759.85	1472	8759.85	0	0.00	0	0.00
266	The Mahbubnagar District Co-Operative Central Bank Ltd.	0	0.00	0	0.00	0	0.00	0	0.00
267	The Nalgonda District Co-Operative Central Bank Ltd.	97	283.80	97	283.80	0	0.00	0	0.00
268	The Nizamabad District Co-Operative Central Bank Ltd.	1854	5149.58	1854	5149.58	0	0.00	0	0.00
269	The Telangana State Co-Operative Bank Ltd.	1480	3819.54	1480	3801.45	0	0.00	0	0.00
	<b>Total</b>	<b>11728</b>	<b>48786.32</b>	<b>11713</b>	<b>48760.73</b>	<b>677</b>	<b>2389.32</b>	<b>672</b>	<b>2381.82</b>
	<b>Total Southern Region</b>	<b>122709</b>	<b>406881.46</b>	<b>118246</b>	<b>395075.99</b>	<b>50051</b>	<b>151976.98</b>	<b>48698</b>	<b>147976.42</b>

(Source: Status of Micro Finance in India 2020-21)

Table 3.16 presents Bank Loans disbursed by Co-operative Banks to SHGs during 2020-21. The data shows that in total Southern Region SHGs are 1,22,709 with Rs. 4,06,881.46 loan distribution. In Telangana State total of Rs. 48,786.32 has been distribute to SHGs and in extensively women SHGs Rs. 48,760.73. It shows most of the Co-operative Banks are helping SHGs in scaling and development.

## **Initiatives of NABARD for the Microfinance Sector:**

The SHG-BLP programme has emerged as a powerful intervention for SHG promotion, women empowerment, financial services delivery and overall poverty alleviation through holistic financial inclusion. The programme has evolved through various phases and NABARD has initiated various interventions to strengthen the programme from time to time for providing access to a range of financial services to the financially excluded through various products and delivery channels in a cost effective and sustainable manner. During the year 2020-21, NABARD continued with its role as the facilitator of microfinance initiatives in the country through sanction of grant assistance for SHG formation, nurturing and credit linking of SHGs with the banks, refinance support to Banks and MFIs. Further, capacity building of various stakeholders through training, exposure visits, seminars, workshops, sanction of MEDP and LEDPs for promoting sustainable and holistic livelihood opportunities, commissioning of studies and so on.

1. **Grant Support to Partner Agencies for Promotion and Nurturing of SHGs:** NABARD has been providing grant support to NGOs, Federations of SHGs, CBs, RRBs, NGO-MFIs, CCBs, PACS, Farmers' Clubs, Individual Rural Volunteers (IRVs) and so on, for promotion, nurturing and credit linkage of SHGs with the banks. This support for SHG promotion activities has proved to be catalysts for the SHG-BLP programme. The commitment and efforts of the Self Help Promoting Institutions (SHPIs) is underscored, the spectacular growth of the movement in all parts of the country is noteworthy and as a result we have 112.23 lakh SHGs that are savings linked to banks. The financial support extended by NABARD to various SHPIs till 31 March 2021. Cumulatively the grant support sanctioned is to the tune of ` 42635.85 lakh, out of which ` 17123.45 lakh has been released as on 31 March 2021.

During 2020-21 a total of ` 867.46 lakh was sanctioned for promotion of 9849 SHGs. While there has been no new sanction for promotion of women SHGs in LWE affected and backward districts, however ` 651.64 lakh was released during the year from the previous sanctions. Agency wise, State wise details of grant assistance extended to partner agencies is given in Statements IX-A to IX-K. Funding for the SHPIs/agencies were from „Financial Inclusion Fund“ and „Women Self Help Group Development Fund“ to support initiatives that are focused on mentoring, handholding, financial literacy and for various microfinance related activities such as formation and linkage of SHGs/JLGs through SHPIs/JLGPIs, training and capacity building of stakeholders, livelihood promotion, studies, documentation, awareness, innovations and so on. As against ` 78.84 crore expended during the year 2019-20, an amount of ` 118 crore was expended during 2020-21 from

these funds for the above mentioned activities, which was nearly 50% increase over the previous year.

2. **Scheme for Promotion of Women SHGs in backward districts of India:** This is a targeted scheme which NABARD implements in association with the Department of Financial Services, Ministry of Finance, and Government of India. NABARD continued to implement the scheme for promotion and financing of Women Self Help Groups in 150 identified Left Wing Extremism (LWE) and backward districts of the country. As on 31 March 2021, 2.11 lakh WSHGs were promoted / savings linked and 1.29 lakh WSHGs were credit linked to banks. Further, during the year 2020-21 support has been extended for newly introduced activities like Gram-Dukan, funding of impact assessment studies, films, exposure visits, publications, exhibition, melas, promotion of tie-ups for marketing and so on.

3. **Promotion of JLGs:** Under its JLG promotion support initiative NABARD extends grant support for formation and nurturing of JLGs to Banks and other JLG promoting institutions. For strengthening JLG financing, NABARD also extends (a) financial support for awareness creation and capacity building to all stakeholders of the programme and (b) Refinance support to those banks which finance JLGs. In 2020-21 a total of 41.27 lakh JLGs were promoted as compared to 41.80 lakh JLGs promoted during 2019-20. Cumulative JLGs promoted figure is at 133.83 lakh JLGs as on 31 March 2021, a net growth of 45% over 2019-20. The Eastern States top the list with over 43.47 lakh JLGs organized cumulatively, Southern States follows closely with 39.35 lakh JLGs. During 2020-21, Southern States top the list with more than 12.73 lakh JLGs financed during the year followed by the Eastern States with 12.46 lakh JLGs financed.

As on 31 March 2021, the cumulative amount of loans disbursed to JLGs by banks stood at ` 213164.87 crore which had increased from ` 154853.09 crore as on 31 March 2020, registering a growth of 37.6%. Northern region with total disbursements at 20855 crore had registered the highest growth at 51%, followed by Central region at 46% (Figure 3.2). NABARD provides grant assistance to Banks for using corporate BC/ NGO- as JLGPIs and for capacity building to create a pool of trainers from bank staff for formation, nurturing and financing of new JLGs. During the year 2020- 21, in order to encourage JLG formation and promotion, the grant assistance sanctioned to JLGPIs has been enhanced by 100% from ` 2000 to ` 4000 per JLG with a revised release structure. In order to boost JLG financing NABARD has brought out a business model scheme whereby NABARD has proposed entering into an MOU with the RRBs with assured support to such banks from NABARD, where the concerned bank shall take the onus of extending credit support to JLGs on terms and



conditions as specified in the guidelines. This Scheme is now also being promoted through Public Sector banks as also through StCBs and DCCBs. Banks have an option to also do directly. Under the business model there is a provision for taking fee-based help by engaging BC/JLGPI as BF for JLG lending. Under this business model of JLG promotion and financing, NABARD has entered into 70 MoUs with banks in 22 States; comprising 49 MoUs with RRBs, 15 MoUs with SBI, one MoU each with Syndicate Bank, Allahabad Bank, Union Bank, Bank of Baroda and two MoUs with State Cooperative Banks in Jharkhand and Odisha. This initiative has not only added to forming and financing of JLGs but also serves as a business model for improving the business of the banks.

4. **SHG based Livelihood Interventions of NABARD:** Self-employment generation and creating employment opportunities through businesses are the two important aspects from entrepreneurship development perspective which will augment income earning potential and thus help to make a significant dent on poverty. NABARD recognizes that microfinance alone may not break the vicious circle of poverty in rural India. NABARD recognizes that livelihood promotion activities are essential for holistic financial inclusion. For this an important task is to groom and skill the SHGs members to the next stage of taking up livelihood activities. What is needed is a combination of both finance and non-monetized resources and a comprehensive approach which begins with the willingness to utilize the credit in a productive way and to plough back the profit or revenue from the economic activity to business over a long period of time. MEDP and LEDP are the two skill development programmes supported by NABARD for providing necessary impetus to enterprise promotion activities amongst SHG members. These are now seen as the two major tools with NABARD for stimulating micro entrepreneurship movement in rural India. These schemes and programmes are regularly reviewed and features upgraded from time to time and by doing so NABARD is addressing issues like lack of motivation and knowledge, lack of vocational skills, lack of access to information and expertise on various aspects of starting an enterprise, potential demand and market, finance, branding, packaging, advertisement, improving customer management skills.

5. **Micro Enterprise Development Programme (MEDP):** Launched in 2006, the main objective of the programme is to enhance the capacities of participants through appropriate skill up-gradation in existing or new livelihood activities in farm or non-farm activities and enrich knowledge of participants on enterprise management, business dynamics and rural markets. Training activities under MEDP being short duration in nature, are organized for 15 days and with 30 participants. A maximum grant assistance of ` 1 lakh is available under NABARD's support towards conduct of farm or non-farm based MEDPs. In special cases, the total duration of the programme is

permitted to be increased up to 3 weeks but within this monetary ceiling.

6. **Livelihood and Enterprise Development Programme(LED P):** Taking cue from the feedback generated from implementing MEDPs for ` 10 years, prompted NABARD to conceive a more comprehensive and holistic approach towards sustainable livelihood generation and in December 2015, the Livelihood and Enterprise Development Programme (LEDP) was initiated on a pilot basis. LEDP also envisaged conduct of livelihood promotion in both farm and off -farm activities but under project mode in clusters in contiguous villages, with a provision for intensive training for skill building, refresher training, backward-forward linkages, handholding and escort support for credit linkage. The focus was also on value chain support and promotion and working closely to off er end- to-end solutions to the SHG members. So from a one off trainings there was a movement to project mode and working in close proximity with the stakeholders.

7. **EShakti:** In line with Government of India"s "Digital India" mission, EShakti, a pilot project for digitisation of SHGs was launched by NABARD in the year 2015 in two districts Ramgarh (Jharkhand) and Dhule (Maharashtra) and later expanded to 100 districts across the country during 2016 and 2017. It aims at digitization of data of all SHGs for enhancing the ease of doing business with SHGs. NABARD conceptualized Project EShakti, to bridge the digital divide in the SHG-BLP space and technologically catapult the SHGs into Banking forefront through Project EShakti on digitization of SHG records. The USP of the EShakti project is „one-click" availability of the social and financial information of the Self Help Groups maintaining Saving Bank accounts with the banks. The project captures information on the existing SHGs; bank wise, branch wise and block wise in the selected districts. It also captures all financial transactions taking place within the group and with banks on a real time basis. The database thus generates and provides reliable and up to date information on SHGs and its members to Banks and other stakeholders, enabling them to take credit decisions.

8. **Refinance support to Banks:** NABARD has been extending 95% refinance to banks towards their lending to SHGs, JLGs, RMGs and MFIs to supplement their resources and boost bank credit to SHGs. Figure 3.4 shows the refinance extended by NABARD to the banks towards the SHG lending activity. During 2020-21, NABARD extended refinance of 12227.16 crore to the banks as against ` 15434 crore disbursed during the year 2019- 20. Covid impact is possible reason for this slow down. NABARD"s refinance towards SHG lending formed 13% of the total refinance provided to banks for investment credit. As on 31 March 2021, cumulative disbursement of refinance by NABARD for SHG lending stood at Rs. 90,821.81 crore.

Table 3.17: SUPPORT FROM NABARD

<b>9</b>	<b>Support from NABARD</b>		
(i)	Capacity building for partner institutions		
	<b>Under SHG-BLP and JLGs</b>		
	Number of programmes conducted during 2020-21 (in no. only)	20034	
	Number of participants covered during 2020-21 (in lakh)	1.71	
	Cumulative number of participants trained upto 31 March 2021 (in lakh)	42.17	
	<b>Under WSHG Scheme (in LWE affected and backward districts)</b>		
	Number of programmes conducted during 2020-21 (in no. only)	1156	
	Number of participants covered during 2020-21 (in lakh)	0.91	
(ii)	<b>Refinance Support</b>		
	Refinance to banks during 2020-21		12,227.16
	Cumulative refinance released upto 31 March 2021		90,821.81
(iii)	<b>Revolving Fund Assistance (RFA) and Capital Support to MFIs</b>		
	RFA outstanding as on 31 March 2021		3.61
	Capital support outstanding as on 31 March 2021		3.59
	Refinance disbursed to NBFC-MFIs during 2020-21		13,513.33
(iv)	<b>Grant Assistance to SHPIs for promotion of SHGs under SHG-BLP</b>		
	Grant Assistance sanctioned during 2020-21		0.54
	Cumulative sanctioned upto 31 March 2021		418.22
(v)	<b>Cumulative grant assistance sanctioned to anchor NGOs for promotion of SHGs under WSHG Development Scheme upto 31 March 2021</b>		<b>204.38</b>
(vi)	<b>Cumulative grant assistance sanctioned to JLGPIs for promotion of JLGs upto 31 March 2021</b>		<b>219.73</b>

(Source: Status of Micro Finance in India 2020-21)

Table 3.17 shows the Support from NABARD. Various schemes have been launched to help and strengthen the SHGs throughout the Country. Capacity building for partner Institutions, Refinance support, Revolving Fund Assistance (RFA) and capital Support to MFIs, Grant Assistance to SHPIs for promotion of SHGs under SHG-BPL schemes are some of the initiatives taken by NABARD to strengthen SHGs in India. The cumulative grant assistance sanctioned to SHGs as on 31<sup>st</sup> March, 2021 amounted to 418.22 crore having grant assistance sanctioned during 2020-21 is 0.54 crore. Under SHG-BLP and JLGs the number of programmes conducted during 2020-21 total 20,034 and covered 1.71 lakh participants during 2020-21. To conclude, it could be the great initiation from the Government to encourage and to strengthen Self Help Groups in India.

**CHAPTER 4**  
**SUMMARY,**  
**CONCLUSION &**  
**SUGGESTIONS**

**SUMMARY:**

SHGs are playing a vital role in the development of our country. As such women consist of 50% of our population, without their contribution towards GDP; we cannot achieve the Millennium goals. The data depicts the effectiveness and efficiency of SHGs working towards their economic, political and social empowerment. Being part of a SHG does not automatically lead to greater economic autonomy for poor rural women. It cannot be assumed in a simple way that women will take control over loans and additional incomes just because they belong to a group. To achieve noticeable changes in their position within the household and the community; education, training and awareness-building programs are some of the measures that are missing in the studied group and have to be taken into consideration. This study attempted to determine if rural women of a SHG are more empowered compared to non-members and the answer of this research question is yes. Indeed, the SHG approach is helping its members but some similarities and differences were found between the two samples. In the saving area, for instance, all the women from the SHG have learned the importance of keeping savings for some unexpected situations, what have changed, somehow, their short term view of life.

Empowerment needs to go together with information, and this is something the members of the group are missing and without it, no development can take form. This SHG succeed in organizing the poor women to get together but it is not creating opportunities for them to participate into income earning activities. If the members do not start creating income, they could not go out of poverty. To achieve this, a spirit of self and mutual help is needed if the great promises of poverty reduction and empowerment want to become true. Unfortunately, until now the studied SHG is not taking efforts to help the members to identify suitable income-generating activities based on their skills and aptitudes and this should be the next step to follow trying to focus on several activities, particularly dairy, handicrafts and pickle/sweets making which have enormous possibilities of growth in the zone using the available raw material, resources, and market channels. In the domestic violence area some improvements can be seen in favour of the members of the SHG, but not because the group is doing something, rather because the men have realized the value women have or they are afraid their wives can go and tell everything to the other members.

## FINDINGS:

- Establishment of Self Help Groups helped in Empowerment of Women in all aspects, especially Economic and Social empowerment has been achieved by the Women members in the SHGs.
- Progress under SHG BPL during 2018-19 to 2020-21: The total SHGs in number has increased from 14.52% to 43.31% in 2018-19 to 2020-21. In this only Women SHGs has shown tremendous growth.
- The total women SHGs has shown increase 85.31 lakh in 2018-19 to 32687 lakh groups in 2020-21. The Loan disbursed to SHGs during the year has shown the increase from 19.33% in 2018-19 to 25.22 % in 2020-21. It shows that women SHGs have shown increase in the loan disbursement.
- Region-wise comparative data reveals that in terms of number of SHGs savings linked with banks, positive growth was registered across all regions during 2020-21. Among the regions, Central region registered the highest growth of 19%, whereas the Western Region registered the lowest growth of 5%.
- Six States/UTs viz., Uttarakhand, Nagaland, Chandigarh, New Delhi, Karnataka, Daman & Diu, registered a negative growth. As many as 19 States/UTs viz., Chhattisgarh, Madhya Pradesh, Andaman & Nicobar, Bihar, Odisha, Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Tripura, Haryana, Jammu & Kashmir, Punjab, Andhra Pradesh, Lakshadweep, Puducherry, Telangana and Gujarat registered growth rates higher than the All India average.
- In terms of savings amount, the Northern Region had the highest growth of 193%, followed by the Western Region (85%), North Eastern Region (73%), Southern Region (45%), Central Region (24%) and the lowest growth of 17% was registered by the Eastern Region.
- The highest disbursement during 2020-21 was in the Southern Region amounting to Rs. 37860.63 crore to Rs. 13.37 lakh SHGs, whereas the lowest disbursement was in the Northern Region ( Rs. 940.45 crore to Rs. 0.68 lakh SHGs).
- Region wise comparison for 2020-21 reveal that the average loan size is highest in the Southern region, followed by North Eastern Region and Western Region. Among the States/ UTs, 9 States viz., Madhya Pradesh, Uttarakhand, Jharkhand, Manipur, Meghalaya, Haryana, Himachal Pradesh, Jammu and Kashmir and Punjab registered increase in the average loan size, 3 States viz., Assam, Mizoram and Rajasthan maintained status-quo, while the remaining States registered lower average loan disbursements. The decline was substantial in Andhra Pradesh, Kerala, Tamil Nadu, Telangana and Gujarat which had a significant impact on the aggregate

average loan size.

## **CONCLUSION:**

Mahatma Gandhi states that the position of women the society is an index of its civilization.

*“Train a man and you train an individual, Train a woman and you build a nation”.*

Self Help Groups (SHGs) have been successful in empowering rural women through entrepreneurial activities. The SHGs had major impact on social and economic life of rural women. The study revealed an increase in social recognition of self, status of family in the society, size of social circle and involvement in intra family and entrepreneurial decision making. There was an increase in self confidence, self reliance and independence of rural women due to the involvement in the entrepreneurial and other activities of SHGs. As women were found technologically less empowered, they are to be imposed to the technologies which are labour saving, drudgery reducing, income generating and productivity increasing. Entrepreneurship education and trainings could be introduced at all levels from basic education. It could be helpful in inducing positive self concept, self reliance, self confidence and independence in rural women.

## **SUGGESTIONS AND RECOMMENDATIONS:**

1. An increase in social recognition of self, status of family in the society, size of social circle and involvement in intra family and entrepreneurial decision making need to be improved.
2. A good number of women have been benefited out of SHGs. Therefore the government should increase the financial assistance to SHGs.
3. Diversified use of microfinance would be effective to improve the status of women entrepreneurs in rural market.
4. Literacy and training assistance is needed for the poor women to benefit from rural marketing programmes.
5. SHGs should identify new avenues of business activities which are more profitable.
6. Suitable products with proper staffing pattern for the SHGs should be provided.
7. Proper steps should be taken to link SHGs with Banks.
8. SHGs are to be encouraged to get PCs, which can be used to display their products either as pop ups or as advertisements or in the portals of e- commerce companies.
9. Economic empowerment of SHGs can be made by educating them, creating awareness about the social evils, public private partnership, development programmes utilizing IT.
10. Many SHGs suffer from absence of financial discipline and internal controls. This can be avoided



only through structured practices and a good system.

## CHAPTER 5

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## **ANNEXURE**

- SHG: Self Help Group
- BPL: Bank Linkage Programme
- MFIs: Micro-credit Finance Institutions
- NGOs: Non-Governmental Organizations
- ASA: Association for Social Advancement
- RRBS: Regional Rural Banks
- RBI: Reserve Bank of India
- BRAC: Bangladesh Rural Advancement Committee
- DRDA: District Rural Development Agency
- MAVIM: Maharashtra Arthik Vikas Mahamandal
- NABARD: National Bank for Agriculture and Rural Development
- GoI: Government of India
- SGSY: Swarnajayanti Gram Swarozgar Yojna
- NRLM: National Rural Livelihood Mission