

ROLE OF COMMERCIAL BANKS IN FINANCING OF SELF HELP GROUPS IN INDIA

Rajinder Kumar* and Dr. Harpreet Singh**

(* Research scholar Punjabi University Patiala,

** Assistant Professor University School of Management Punjabi university Patiala)

Abstract-The concept of self help group has been evolved along the rural and semi urban people to improve their living conditions. In India, this scheme is implemented with the help of NABARD as a main nodal agency in rural development. The banks, Commercial Banks, Regional Rural Banks and Co-operative banks playing an important role in Saving mobilization and financing to various activities of SHGs.

The present paper is an attempt to study the agency wise analysis of savings of SHGs and loan outstanding of SHGs and loan disbursement to SHGs in India. The study is based on secondary data and the time period of the study is 2007-08 to 2016-17. The data has been tabulated and analysed by using ratio analyses, percentage and compound growth rate (CGR). The study revealed that commercial banks play an important role in financing to SHGs in India. The growth rate of commercial banks is also higher than that of regional rural bank and cooperative banks, as regards number of saving account, saving amount, number of loan account and amount of loan disbursement

Introduction

In a developing economy, the rural sector dominates and set the pace of development. In India, there are some factors that keep the rural economy backward and unsatisfactory. The proportion of rural population in our country was 72.81 per cent as per census 2001 and which was reduced to 68.84 per cent as per census 2011. This can be attributed to the factor that every requirement the villages have to go the cities and there is a huge gap between the basic facilities in the rural and urban areas. Therefore, the people are continually migrating from rural areas to urban areas, and may be the poor who cannot afford to leave the villages, live mainly live in the villages (Dhingra, 1991:p.3.).

Notwithstanding the development of the other sector which may be considered as more productive or promising, the rural sector continues to play an important role in the economy. Thus, the growth and development of the Indian economy depends on the development of the rural sector. One of the important obstacles in the development of the rural sector has been the absence of adequate credit facilities for the rural poor.

In India, various banking and non-banking institutions have been assigned the role to provide the required credit facilities to the rural poor from time to time. The co-operatives are the oldest and the largest institutional agency providing agriculture and rural credit. In 1951, the co-operatives were able to meet only 3.1 per cent of the rural credit needs in India. The informal sector was prevalent with all its limitations for meeting the rural credit needs. With the set up of the State Bank of India in 1955 and with the introduction of the policy of the social control over the banks in 1968, and the subsequent nationalizations of banks in 1969 carried the process of financing the credit needs of needy farmers and the poor by commercial banks in India. Further, in 1975 the Regional Rural Banks were set up mainly to provide loan and advances to small farmers, agricultural, labourers, rural artisans, small entrepreneurs and person of small means in rural areas. The RRBs were required, in particular, to undertake the business of providing credit facilities to the poorer sections of rural society (kaur, 2007:p.5).

The National Bank of Agriculture and Rural Development (NABARD) was established in 1982 for agriculture and rural development in India. Thus, the commercial banks play an important role for providing credit to rural poor in India. However, various studies revealed the continuous presence of a large credit gap in India. Various programme have been launched from time to time to fill this credit gap. One of the important such programme was Integrated Rural Development Programme (IRDP). It has been considered as the first microfinance intervention on at a large scale where loans and advances were provided to purchase livestock and other assets. Further, the khadi and village industrial commission and state khadi boards are providing credit facilities under various schemes. All of this, a large section of populations has been excluded from the process of formal finance. The existence of formal institutional system was not able to meet the credit needs of small poor specially for consumption needs. In order to remove this gap, the micro finance came into being. The origin of Self Help Group has come from the Gramin Bank of Bangladesh in the year 1975 mainly to provide microfinance to rural poor women in the country, which was developed Prof. Mohammed Yunus, economist of Chittagong University of Bangladesh. The loans are provided by the Gramin Bank to the landless poor, particularly to women, to promote Self-employment. In Bangladesh, the concept of microfinance has been developed as a most powerful mechanism to remove the poverty. Bangladesh Rural Advancement Committee (BRAC), Association for Social Advancement (ASA) and PROSHIKA included by Micro Finance Institutions (MFIs) and spread all its activities all the districts of Bangladesh. The largest NGO of Bangladesh was BRAC with a total membership of 41.38 lakh and its main activities are poverty reduction, empowerment to women, high literacy, education, health and human right etc. India has adopted the Bangladesh model in different shapes because microfinance has a most powerful mechanism to develop the economy and to remove the poverty, to empower the women in India. The movement of SHGs has extends all over in India with availability micro-finance, Self Help Groups (SHGs) and credit management groups. Microfinance Institutions (MFIs) in India exist as NGOs and Non-Banking Financial Companies (NBFCs). Commercial Banks, Regional Rural Banks (RRBs), Co-operative Banks and other large lenders have played an important role in providing refinance facility to MFIs.

SELF HELP GROUP

Self-help group is a small voluntary association grouping of 10-20 women to form a group which is a home grown model for poverty reduction which simultaneously works to empower and improve the lives of its members.

SHG's originated in the year 1975 at Bangladesh by Mohammed Yunus. The government of India contemplated in the early eighties to promote apex bank to take care of the financial needs of the poor, informal sector and rural areas. During this time, NABARD initiated a search for alternative methods to fulfill the financial needs of the rural poor and informal sector. NABARD initiated in 1986-87, but the real effort was taken after 1991-92 from the linkage of SHGS with the banks.

Review of Literature

Mehta et al (2011) in their research paper studied the economic and social impact of microfinance and studied empowerment of member of SHGs during the pre and post period. The study was based on primary data and data was collected through convenience sampling technique from a sample of 10 SHGs consisting of 162 members of Kathua district of Jammu region in India. The research indicated that there was 74 per cent increased in SHGs members who were save more than 2000 per month and who were saving nothing in pre Self Help Group period. The majority of SHGs members had started taking loan from SHGs and benefited by joining the SHGs. It was found that after joining SHGs, the members had improved their status in family, become helpful in family finance and getting access to amenities like medical, sanitation, education etc. The author concluded that the rural people had benefited by microfinance and helped in their socio economic upliftment.

Chary and Savvasi (2011) in their research paper discussed the SHG-Bank linkage Programme in India. The main objective of the study was to examine the loan outstanding of Bank against the SHGs and agency wise loan outstanding of a bank against SHGs in India for 5 year from 2006-07 to 2010-11. The study revealed that the main work of the programme was financial inclusion by extending outreach to poor household in rural area, making available of credit service their at their door step with easy and cost effective manner. It was found that total amount of loan outstanding against SHGs was increased from Rs. 12366.49 crore in 2007 to Rs. 31221.16 crore in 2011. The study showed that highest value of average loan was in commercial bank Rs. 71578 per SHGs, followed by regional rural bank Rs. 58002 per SHGs and co-operative bank Rs. 42303 per SHGs. The author concluded that amount of loan outstanding was maximum with commercial banks as compared to RRBs and co-operative banks.

Narag (2012) in her research paper evaluated the growth of Self Help Groups and current position of women empowerment of women after joining the Self Help Groups in India. The time period of study was 2005-06 to 2009-10. The study was based on secondary data. The study revealed that the highest growth of number of women Self Help Groups was 71.28 per cent for the period 2007-08. It was found that majority of Self Help Groups were women group and their participation in saving and credit was increased out of total number of Self Help Group. The problem of unemployment was reduced and poverty were removed in women Self Help Groups after joining the Self Help Groups. The author concluded that Self Help Groups had showing the way ahead to alleviate the poverty of India along with women empowerment.

Anila (2012) in his research paper examined the role of Self Help Group in developing socio economic status of rural women. The objective of the study was to identify the satisfaction level of Self Help Groups members in Self Help Groups activities during the period of 1999-2010. The primary data was collected through questionnaire from 120 members of Self Help Groups in Tirunelveli district, block was selected for the study. The study revealed that maximum Self Help Groups members were living in rural area. The income of Self Help Groups increased after joining the Self Help Groups. Most of the women satisfied were highly satisfied with the activities of Self Help Groups. The author concluded that Self Help Groups was an important tool which helped the rural women to acquire power for their self- supportive life and nation building efforts.

Bidnur (2012) in his paper analyzed the demographic factor of sample respondents and women power empowerment through Self Help Groups of Sangli Miraj and Kupward corporation area of North Karnataka. The sample for study was comprised of 125 Self Help Groups members. The study revealed that majority of respondents had joined Self Help Groups mainly to get loan and utilized for business purpose. The women respondents were more prompt for repayment of loan they borrowed from Self Help Groups. The saving of Self Help Groups member rose with their income. The author concluded that the economic progress of India depends on the productivity of both male and female workforce.

OBJECTIVES OF THE STUDY

The present paper aims to study the following aspects of SHGs.

1. To analyse the Agency-wise financing of Self Help Groups in India

RESEARCH METHODOLOGY

The present study is based on the secondary data and time period of the study is 2007-08 to 2016-17. The secondary data has been collected from various reports of NABARD, various books, Journals, newspapers, published literature, websites and annual reports. The data has been tabulated and analysed by using ratio analyses, percentages, and compound growth rate (C.G.R.).

DATA ANALYSES AND RESULTS DISCUSSION

AGENCY-WISE ANALYSIS OF SHGS

The total Self Help Groups in India has been assessed in terms of different variables. The savings accounts, amount of savings, loan outstanding accounts, amount of loan outstanding, loan accounts and amount of loan disbursed by different agencies have been discussed as under:

a) Savings of SHGs

Savings play important role in poverty alleviation. So, SHG members voluntarily contribute their savings regularly to a common fund and which is utilized for providing credit to the group members. When the bank opens its savings bank account the process of linkage of the SHG with a bank starts. The agency wise number of saving accounts and amount of savings of SHGs from the period 2007-08 to 2016-17 is shown in table 1

Table-1 Agency wise Saving Account of SHGs with Banks during the year 31st march

Year	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Mean	CGR
Name of Agency	Number of Saving Account											
Public Sector Banks	2727160 (97.03)*	3451501 (97.24)*	3919680 (96.71)*	4163434 (96.30)*	4451853 (96.40)*	3869440 (94.88)*	3744161 (93.07)*	3717761 (89.89)*	3569590 (86.22)*	3815662 (85.85)*	3743024	3.42%
Private Sector Banks	83590 (2.97)*	98008 (2.76)*	133235 (3.29)*	160039 (3.70)*	166233 (3.60)*	207546 (5.09)*	278649 (6.93)*	418060 (10.11)*	570521 (13.78)*	628766 (14.15)*	274465	22.36%
Total- All Commercial Banks	2810750 (56.11)	3549509 (57.99)	4052915 (58.29)	4323473 (57.94)	4618086 (58.01)	4076986 (55.72)	4022810 (54.15)	4135821 (53.73)	4140111 (52.39)	4444428 (51.82)	4017489	4.69%
Regional Rural Banks	1386838 (27.68)	1628588 (26.61)	1820870 (26.19)	1155076 (15.48)	2127368 (26.72)	2038008 (27.85)	2111760 (28.52)	2161315 (28.08)	2256811 (28.56)	2586318 (30.15)	1927295	6.43%
Co-operative Banks	812206 (16.21)	943050 (15.41)	1079465 (15.52)	1983397 (26.58)	1214895 (15.26)	1202557 (16.43)	1294930 (17.43)	1400333 (18.19)	1506080 (19.06)	1546129 (18.03)	1298304	6.65%
Grand Total	5009794 (100.00)	6121147 (100.00)	6953250 (100.00)	7461946 (100.00)	7960349 (100.00)	7317551 (100.00)	7429500 (100.00)	7697469 (100.00)	7903002 (100.00)	8576875 (100.00)	7243088	5.52%
	Amount of Saving (Rs. In crore)											
Public Sector Banks	2044 (98.37)*	2635.63 (95.05)*	3533.4 (96.18)*	4156.54 (98.26)*	4041.57 (97.32)*	5422.47 (98.01)*	6395.52 (96.44)*	6272.77 (94.60)*	8614.01 (95.35)*	9581.34 (94.21)*	5269.73	16.71%
Private Sector Banks	33.73 (1.62)*	137.35 (4.9)*	140.49 (3.82)*	73.52 (1.74)*	111.4 (2.68)*	110.09 (1.99)*	235.92 (3.56)*	357.9 (5.40)*	419.87 (4.65)*	588.67 (5.79)*	220.894	33.10%
Total- All Commercial Banks	2077.73 (54.89)	2772.98 (50.00)	3673.89 (59.27)	4230.06 (60.29)	4152.97 (63.39)	5532.56 (67.33)	6631.44 (67.00)	6630.67 (59.95)	9033.88 (65.98)	10170.01 (63.11)	5490.62	17.21%
Regional Rural Banks	1166.48 (30.82)	1989.75 (35.88)	1299.37 (20.96)	1350.84 (19.25)	1300.13 (19.85)	1527.1 (18.58)	1959.85 (19.80)	2346.57 (21.22)	2484.28 (18.14)	3631.76 (22.54)	1905.61	12.03%
Co-operative Banks	541.16 (14.30)	782.87 (14.12)	1225.44 (19.77)	1435.39 (20.46)	1098.29 (20.46)	1157.58 (16.76)	1306.1 (13.20)	2082.59 (18.83)	2173.22 (15.87)	2312.44 (14.35)	1411.51	15.63%
Grand Total	3785.37 (100.00)	5545.6 (100.00)	6198.7 (100.00)	7016.29 (100.00)	6551.39 (100.00)	8217.24 (100.00)	9897.39 (100.00)	11059.83 (100.00)	13691.4 (100.00)	16114.21 (100.00)	8807.74	15.59%

source: Various reports on progress of SHGs Bank Linkage in india and status of microfinance in india, NABARD, Mumbai.

NOTE: Figure in parentheses (*) represent the per centage of commercial banks.

Figure in parentheses () represent the per centage of total.

The table 1 shows that the number of saving accounts of SHGs increased from 50.09 lakh in 2007-08 to 85.76 lakh in 2016-17 and registered growth rate of 5.52 per cent during the same period. The number of saving accounts of SHGs were highest in commercial banks (Mean= 40.17 lakh), followed by regional rural banks (Mean=19.27 lakh) and by co-operative banks (Mean=12.98 lakh) during the period 2007-08 to 2016-17. The growth rate of the number of saving accounts of SHGs was highest in co-operative bank (6.65%), followed by regional rural banks (6.43%) and by commercial banks (4.69%) during the period of the study.

Among the commercial banks, the public sector banks has the major share 85.85 per cent in 2016-17, and the mean value of savings accounts of SHGs was 37.43 lakh during the period of 2007-08 to 2016-17. The share of private sector was 14.15 per cent in the year 2016-17, and the mean value of number of saving accounts was 27.44 lakh during the period of study. However, the growth rate in number of savings accounts was higher in private sector banks (22.36%) as compared to that of public sector banks (3.42%) during the same period.

The amount of savings of SHGs increased from Rs. 3785.37 crore in 2007-08 to Rs.16114.21 crore in 2016-17 and registered the growth rate 15.59 per cent during the same period. The savings amount of SHGs were highest in commercial bank (Mean=Rs. 5490.62 crore), followed by regional rural banks (Mean=Rs.1905.61 crore) and by co-operative banks (Mean=Rs.1411.51 crore) during the period 2007-08 to 2016-17. The growth rate of amount of savings of SHGs was highest in commercial banks (17.21%), followed by co-operative bank (15.63 %) and by regional rural bank (12.03%) during the same period.

The share of public sector banks in total savings of SHGs in all commercial banks was 94.21 per cent and that of private sector banks was just 5.79 per cent in the period of study. However, the growth rate in amount of savings was higher in private sector banks (33.10%) as compared to public sector banks (16.71%) during the period 2016-17.

b) Loan outstanding against SHGs

The loan outstanding against SHGs indicates that the amount of loan unpaid by SHGs to banks in India. The agency wise number of loan outstanding accounts and amount of loan outstanding against SHGs from the period 2007-08 to 2016-17 is shown in table 2

Table2 Agency wise loan Outstanding against SHGs during the year 31st march

Year	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Mean	CGR
Name of Agency	Number of Loan Account											
Public Sector Banks	2298200 (96.61)*	2756250 (97.35)	3176691 (98.13)*	2990785 (97.95)*	2554897 (97.62)*	2538550 (96.01)*	2370091 (94.76)*	2359493 (90.66)*	2315030 (88.15)*	2397461 (89.78)*	2575745	0.42%
Private Sector Banks	80647 (3.39)*	75124 (2.65)*	60572 (1.87)*	62687 (2.05)*	62302 (2.38)*	105421 (3.99)*	131173 (5.24)*	242991 (9.34)*	311334 (11.85)*	272843 (10.22)*	140509	12.96%
Total- All Commercial Banks	2378847 (65.61)	2831374 (67.03)	3237263 (66.73)	3053472 (63.79)	2617199 (60.10)	2643971 (59.40)	2501264 (59.59)	2602484 (58.24)	2626364 (56.21)	2670304 (55.08)	2716254	1.16%
Regional Rural Banks	875716 (24.15)	977834 (23.15)	1103980 (22.76)	451798 (9.44)	1293809 (29.71)	1327367 (29.82)	1227563 (29.25)	1272274 (28.47)	1445476 (30.94)	1611842 (33.25)	1158766	6.29%
Co-operative Banks	371378 (10.24)	415130 (9.83)	510113 (10.51)	1281493 (26.77)	443434 (10.18)	480096 (10.78)	468511 (11.16)	593422 (13.28)	600781 (12.86)	566141 (11.68)	573050	4.31%
Grand Total	3625941 (100.00)	4224338 (100.00)	4851356 (100.00)	4786763 (100.00)	4354442 (100.00)	4451434 (100.00)	4197338 (100.00)	4468180 (100.00)	4672621 (100.00)	4848287 (100.00)	4448070	2.95%
Amount of Loan Outstanding (Rs. In crore)												
Public Sector Banks	10930.3 (95.24)*	15694.2 (97.18)*	19724.41 (97.82)*	21412.7 (97.85)*	24406.6 (94.56)*	25371.2 (95.24)*	28000.99 (95.28)*	30228 (87.85)*	32598.98 (87.76)*	34244.1 (88.56)*	24261.2	12.10%
Private Sector Banks	545.14 (4.75)*	455.2 (2.82)*	440.29 (2.18)*	470.5 (2.15)*	1403.71 (5.44)*	1268.32 (4.76)*	1387.41 (4.72)*	4179.02 (12.15)*	4546.64 (12.24)*	4424.32 (11.44)*	1912.06	23.29%
Total- All Commercial Banks	11475.5 (67.50)	16149.4 (71.20)	20164.7 (71.91)	21883.2 (70.09)	25810.3 (71.02)	26639.4 (67.65)	29388.4 (88.98)	34407 (66.75)	37145.62 (65.03)	38668.5 (62.79)	26173.2	12.92%
Regional Rural Banks	4421.04 (26.01)	5224.41 (23.04)	6144.58 (21.91)	1907.85 (6.11)	8613.57 (23.70)	10521.2 (26.72)	1148.94 (3.48)	13824.5 (26.82)	16109.34 (28.20)	19119.9 (31.05)	8703.54	15.77%
Co-operative Banks	1103.39 (6.49)	1305.99 (5.76)	1728.98 (6.17)	7430.05 (23.80)	1916.13 (5.27)	2214.62 (5.62)	2490.16 (7.54)	3313.91 (6.43)	3864.26 (6.77)	3792.92 (6.16)	2916.04	13.14%
Grand Total	16999.9 (100.00)	22679.8 (100.00)	28038.26 (100.00)	31221.1 (100.00)	36340 (100.00)	39375.3 (100.00)	33027.5 (100.00)	51545.4 (100.00)	57119.22 (100.00)	61581.3 (100.00)	37792.8	13.74%

source: Various reports on progress of SHGs Bank Linkage in india and status of microfinance in india, NABARD, Mumbai.

NOTE: Figure in parentheses (*) represent the per centage of commercial banks.

Figure in parentheses () represent the per centage of total.

The table 2 reveals that the number of loan outstanding accounts of SHGs increased from 36.25 lakh in 2007-08 to 48.48 lakh in 2016-17 and registered a growth rate of 2.95 per cent during the same period. The number of loan outstanding accounts of SHGs were highest in commercial banks (Mean= 27.16 lakh), followed by regional rural banks (Mean=11.58 lakh) and by co-operative banks (Mean=5.73 lakh) during the period 2007-08 to 2016-17. The growth rate of the number of loan outstanding account of SHGs was highest in regional rural banks (6.29 %), followed by co-operative bank (4.31%) and by commercial banks least (1.16%) during the period of the study.

Among the commercial banks, the public sector banks has the major share 89.78 per cent in 2016-17, and mean value of loan outstanding accounts of SHGs was 25.75 lakh during the period of 2007-08 to 2016-17. The share of private sector banks was 10.22% in the year 2016-17, and the mean value of number of loan accounts was 1.40 lakh during the same period. However, the growth rate in number of loan outstanding account was highest in private sector banks (12.96%) as compared to that of public sector banks rate (0.42%) during the period.

The amount of loan outstanding against SHGs increased from Rs.16999.89 crore in 2007-08 to Rs.61581.3 crore in 2016-17 and registered the growth rate 13.74 per cent during the same period. The amount of loan outstanding to SHGs were highest in commercial bank (Mean=Rs.26173.02 crore), followed by regional rural banks (Mean= Rs.8703.54 crore) and by co-operative

banks (Mean=Rs.2916.04 crore) during the period 2007-08 to 2016-17. The growth rate of amount of loan outstanding to SHGs was highest in regional rural bank (15.77%), followed by co-operative bank (13.14%) and by commercial bank (12.92%) during the same period.

The share of public sector banks in total loan outstanding to SHGs in all commercial banks was 88.56 per cent and that of private sector banks was 11.44 per cent in the period of study. However, the growth rate in amount of loan outstanding was in private sector banks (23.29%) as compared to public sector banks (12.10%) during the period.

c) Loan Disbursed to SHGs

All the banks disburse loan to SHGs to start their own venture and to remove the poverty. The SHGs members invest the amount of loan in income generating activities which provide employment to rural poor and economic empowerment to the poor. The agency wise number of loan accounts and amount of loan disbursed to SHGs from the period 2007-08 to 2016-17 is shown in table 3

Table 3: Agency wise Loan Disbursed to SHGs During the year ending 31st march

Year	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Mean	CGR
Name of Agency	Number of Loan Account											
Public Sector Banks	702667 (95.59)*	931396 (92.71)*	959668 (98.17)*	645881 (96.44)*	571250 (95.08)*	665734 (90.51)*	679277 (88.53)*	685426 (80.10)*	938510 (82.89)*	944760 (84.62)*	772457	3.00%
Private Sector Banks	32452 (4.41)*	17574 (1.74)*	17853 (1.82)*	23860 (3.56)*	29557 (4.91)*	69843 (9.49)*	87976 (11.47)*	170298 (19.90)*	193771 (17.11)*	171682 (15.38)*	81486.6	18.13%
Total- All Commercial Banks	735119 (59.87)	1004587 (62.41)	977521 (61.60)	669741 (55.99)	600807 (52.34)	735577 (60.30)	767253 (56.15)	855724 (52.62)	1132281 (61.79)	1116442 (58.82)	859505	4.27%
Regional Rural Banks	327650 (26.69)	405569 (25.20)	376797 (23.75)	229620 (19.20)	304809 (26.55)	312010 (25.58)	333420 (24.40)	522139 (32.11)	470399 (25.67)	557540 (29.37)	383995	5.46%
Co-operative Banks	165001 (13.44)	199430 (12.39)	232504 (14.65)	296773 (24.81)	242262 (21.11)	172234 (14.12)	265748 (19.45)	248375 (15.27)	229643 (12.53)	224138 (11.81)	227611	3.11%
Grand Total	1227770 (100.00)	1609586 (100.00)	1586822 (100.00)	1196134 (100.00)	1147878 (100.00)	1E+06 (100.00)	1E+06 (100.00)	1626238 (100.00)	1832323 (100.00)	1898120 (100.00)	1471111	4.45%
	Amount of Loan Disbursed (Rs. In crore)											
Public Sector Banks	5039.44 (93.26)*	7896.91 (97.97)*	9564.78 (97.80)*	9430.12 (96.97)*	546.78 (5.50)*	12092 (90.34)*	14114 (88.01)*	13595.1 (78.43)*	20520.5 (81.48)*	19845 (81.68)*	11264.4	14.69%
Private Sector Banks	364.45 (6.74)*	209.82 (2.60)*	215.4 (2.20)*	294.42 (3.03)*	9395.26 (94.50)*	1293.3 (9.66)*	1923.6 (11.99)*	3739.01 (21.57)*	4664.51 (18.52)*	4451.97 (18.32)*	2655.18	28.44%
Total- All Commercial Banks	5403.9 (61.07)	8060.53 (65.78)	9780.18 (67.67)	9724.55 (66.85)	9942.04 (60.13)	13385 (65.02)	16037 (66.77)	17334.1 (62.85)	25185 (67.54)	24297 (62.65)	13915	16.22%
Regional Rural Banks	2651.84 (29.97)	3193.49 (26.06)	3333.2 (23.06)	1625.56 (11.17)	5026.05 (30.39)	5626.5 (27.33)	6288.1 (26.18)	7725.22 (28.01)	9164.92 (24.58)	11613 (29.94)	5624.79	15.92%
Co-operative Banks	793.51 (8.97)	999.49 (8.16)	1339.91 (9.27)	3197.61 (21.98)	1566.67 (9.48)	1573.8 (7.65)	1691.7 (7.04)	2522.96 (9.15)	2936.99 (7.88)	2871.13 (7.40)	1949.38	13.72%
Grand Total	8849.25 (100.00)	12253.5 (100.00)	14453.3 (100.00)	14547.7 (100.00)	16534.8 (100.00)	20585 (100.00)	24017 (100.00)	27582.3 (100.00)	37286.9 (100.00)	38781.1 (100.00)	21489.2	15.92%

source: Various reports on progress of SHGs Bank Linkge in india and status of microfinance in india, NABARD, Mumbai.

NOTE: Figure in parentheses (*) represent the per centage of commercial banks.

Figure in parentheses () represent the per centage of total.

The table3 highlights that the number of loan accounts of SHGs increased from 12.27 lakh in 2007-08 to 18.98 lakh in 2016-17 and registered a growth rate 4.45 per cent during the same period. The number of loan accounts of SHGs were highest in commercial banks (Mean=8.59 lakh), followed by regional rural banks (Mean=3.83 lakh) and by co-operative banks (Mean is 2.27 lakh) during the period 2007-08 to 2016-17. The growth rate of the number of loan accounts of SHGs was highest in regional ruralbank (5.46%), followed by commercial banks least (4.27%) and by cooperative banks (3.11%) during the period of the study.

Among the commercial banks, the public sector banks has the major share 84.62 per cent in 2016-17, and mean value of loan accounts of SHGs was 8.59 lakh during the period of 2007-08 to 2016-17. The share of private sector banks was 15.38 per cent in the year 2016-17, and the mean value of number of loan accounts 0.81 lakh during the period of study. However, the growth rate

in number of loan accounts was higher in private sector banks (18.13%) as compared to that of public sector banks negative growth rate (3%) during the same period.

The amount of loan disbursed to SHGs increased from Rs.8849.25 crore in 2007-08 to Rs.38781.1 crore in 2016-17 and registered the growth rate 15.92 per cent during the same period. The amount of loan disbursed to SHGs were highest in commercial bank (Mean= Rs.13915 crore), followed by regional rural banks (Mean= Rs.5624.79 crore) and by co-operative banks (Mean=Rs.1949.38 crore) during the period 2007-08 to 2016-17. The growth rate of amount of loan disbursed to SHGs was highest in commercial bank (16.22%), followed by regional rural bank (15.92%) and by co-operative bank (13.72%) during the same period.

The share of public sector banks in total loan disbursed to SHGs in all commercial banks was 81.68 per cent and that of private sector banks was just 18.32 per cent in the period of study. However, the growth rate in amount of loan disbursed was higher in private sector banks (28.44%) as compared to public sector banks (14.69%) during the period.

Findings of the study

1. The number of saving accounts of SHGs increased from 50.09 lakh in 2007-08 to 85.76 lakh in 2016-17 and registered growth rate of 5.52 per cent and amount of savings of SHGs increased from Rs. 3785.37 crore in 2007-08 to Rs.16114.21 crore in 2016-17 and registered the growth rate 15.59 per cent during the same period.
2. The growth rate of the number of saving accounts of SHGs was highest in co-operative bank (6.65%), followed by regional rural banks (6.43%) and by commercial banks (4.69%) during the period of the study.
3. The growth rate in number of savings accounts was higher in private sector banks (22.36%) as compared to that of public sector banks (3.42%) during the same period.
4. The number of loan outstanding accounts of SHGs increased from 36.25 lakh in 2007-08 to 48.48 lakh in 2016-17 and registered a growth rate of 2.95 per cent and amount of loan outstanding against SHGs increased from Rs.16999.89 crore in 2007-08 to Rs.61581.3 crore in 2016-17 and registered the growth rate 13.74 per cent during the same period.
5. The amount of loan outstanding to SHGs were highest in commercial bank (Mean=Rs.26173.02 crore), followed by regional rural banks (Mean= Rs.8703.54 crore) and by co-operative banks (Mean=Rs.2916.04 crore) during the period 2007-08 to 2016-17.
6. The amount of loan disbursed to SHGs increased from Rs.8849.25 crore in 2007-08 to Rs.38781.1 crore in 2016-17 and registered the growth rate 15.92 per cent during the same period.
7. The amount of loan disbursed to SHGs were highest in commercial bank (Mean= Rs.13915 crore), followed by regional rural banks (Mean= Rs.5624.79 crore) and by co-operative banks (Mean=Rs.1949.38 crore) during the period 2007-08 to 2016-17.
8. The growth rate in amount of loan disbursed was higher in private sector banks (28.44%) as compared to public sector banks (14.69%) during the period.

Conclusion

In India, various banking and non-banking institutions have been assigned the role to provide the required credit facilities to the rural poor from time to time. Commercial Banks, Regional Rural Banks (RRBs), Co-operative Banks and other large lenders have played an important role in providing refinance facility to SHGs in India. The study concluded that commercial banks play an important role for development and growth of SHGs in India. It was observed that private sector banks has highest growth in savings of SHGs, Loan outstanding of SHGs and loan disbursement of SHGs in India.

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