



Growth in Savings and NPAs under SHGs-BLP in Chittoor district

KEYWORDS

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Micro credit is one of the strategies adopted to uplift of the marginalised sections of the society particularly women. The disbursement of credit is linked to savings with their banks. It is hoped that the recovery would be better due to socially pressure among the members of the group. In the literature, in the recent past, it is found that, there is a growing incidence of non-performing assets (NPAs) under self-help groups (SHG)-bank linkage programme (BLP) in the country. Against this backdrop, an earnest attempt is made to analyse the savings of SHGs and the NPAs under SHGs-BLP in terms of number of SHGs, aggregate amount, per SHG and NPAs as a percentage of outstanding advances in Chittoor district.

1. Savings

Table 1 shows savings under SHGs - BLP in Chittoor district during the period 2006-14. There is a gradual increase in the number of SHGs who have savings with banks during the

Table 1: Savings of SHGs under SHGs – BLP in Chittoor district during 2006-14

Year	No. of SHGs	Amount (Rs lakhs)	Per SHG (Rs)
2006	19077	763.08	4000
2007	25268	1768.76	7000
2008	30656	3985.28	13000
2009	33423	6350.37	19000
2010	35798	8949.50	25000
2011	41232	13194.24	32000
2012	49987	18495.19	37000
2013	60789	26139.27	43000
2014	62117	30437.33	49000

Source: Society for Eradication of Rural Poverty, Hyderabad

period. The number of SHGs who have savings with banks was 19077 in 2006 as compared to 62117 in 2014. The savings of these SHGs was Rs 763.08 lakhs in 2006 as against Rs 30437.33 lakhs in 2014. Savings per SHG have also showed a continuous growth during the period of study. It was Rs 4000 in 2006 as compared to Rs 49000 in 2014.

A glance at the Table 2 depicts the bank category –wise savings under SHGs – BLP in Chittoor district for the pe-

riod 2006-14. It can be observed from the Table that the number of

Table 2: Bank Category wise Savings of SHG under SHGs – BLP in Chittoor District during 2006-14 (Rs lakhs)

Year	Commercial banks		SGB		Co-operative banks	
	No. of SHGs	Amount	No. of SHGs	Amount	No. of SHGs	Amount
2006	12242	488.43	6730	273.57	105	1.08
	(64.17)	(64.01)	(35.28)	(35.85)	(0.55)	(0.14)
2007	16043	1102.43	8776	662.06	449	4.27
	(63.49)	(62.33)	(34.73)	(37.43)	(1.78)	(0.24)
2008	19865	2499.41	10646	1439.47	145	46.4
	(64.80)	(62.72)	(34.73)	(36.12)	(0.47)	(1.16)
2009	20987	4011.32	12171	2291.18	265	47.87
	(62.79)	(63.17)	(36.42)	(36.08)	(0.79)	(0.75)
2010	22956	5247.76	12308	3593.72	534	108.02
	(64.13)	(58.64)	(34.38)	(40.16)	(1.49)	(1.21)
2011	26138	8022.81	14505	5137.09	589	34.34
	(63.39)	(60.81)	(35.18)	(38.93)	(1.43)	(0.26)
2012	31856	11798.98	17494	6652.26	637	43.95
	(63.73)	(63.79)	(35.00)	(35.97)	(1.27)	(0.24)
2013	39842	16698.93	20358	9394.58	589	45.76
	(65.54)	(63.88)	(33.49)	(35.94)	(0.97)	(0.18)
2014	40112	19397.92	21401	10991.76	604	47.65
	(64.57)	(63.73)	(34.45)	(36.11)	(0.97)	(0.16)

Note: Figures in brackets indicates the percentage to total

Source: Society for Eradication of Rural Poverty, Hyderabad

SHGs who have saved with banks rose from 12,242 in 2006 to 40,112 in 2014. In percentage terms, these have formed 64.17 and 64.57 in the former and latter respectively. The proportion of their savings in the total savings was 64.01 per cent in 2006 whereas 63.73 per cent in 2014. It can be observed that there is a declining trend in the proportion of savings while a converse situation prevails in the share of SHGs. In the intervening period, there are ups and downs. The proportion of commercial banks in the total number of SHGs who have saved with banks and savings is more or less similar. With regard to SGB, the share of SHGs who have saved was 35.28 per cent with a savings of 35.85 per cent in 2006. By 2014, the proportion of SHGs became 34.45 per cent with a savings of 36.11 per cent. There are fluctuations in the yearly change.

In respect of co-operative banks, the share of SHGs was 0.55 per cent in 2006 vis-à-vis 0.97 per cent in 2014. Their share in savings was 0.14 per cent and 0.16 per cent in the former and latter respectively. The proportion of SHGs has marginally increased in 2014 over 2006 in commercial and cooperative banks. With regard to SGB, there is a decline in the share of SHGs in 2014 over 2006. There is a decrease in the share of savings of commercial banks. A converse situation emerges in the proportion of savings with SGB and cooperative banks.

Bank category-wise savings per SHGs under SHGs - BLP in Chittoor district during 2006-14 are presented in the Table 3. A look at the Table reveals that the savings per SHG in

Table 3: Bank Category wise Savings per SHG under SHGs - BLP in Chittoor District during 2006-14 (Rs lakhs)

Year	Commercial banks	SGB	Co-operative banks
2006	3989.79	4064.93	1028.57
2007	6871.72	7543.98	951.02
2008	12582.00	13521.20	320.00
2009	19113.40	18824.90	18064.20
2010	22860.10	29198.20	20228.50
2011	30694.00	35416.00	5830.22
2012	37038.50	38026.00	6899.53
2013	41912.90	46146.90	7769.10
2014	48359.40	51361.00	7889.07

Source: Society for Eradication of Rural Poverty, Hyderabad

commercial banks was Rs. 3989.79 lakhs in 2006 as compared to Rs. 48359.4 lakhs in 2014. There is a gradual increase in the savings per SHG under commercial banks. With regard to SGB, savings per SHG was Rs.4064.93 lakhs in 2006 as against Rs. 51361.00 lakhs in 2014. There is a continuous increase in the savings per SHG under SGB as in the case of commercial banks. In respect of co-operative banks, the savings per SHG was Rs. 1028.57 lakhs in 2006 vis-a-vis Rs. 7889.07 lakhs in 2014. In the mean time, there are ups and downs. The year 2010 has registered the highest savings per SHG at Rs 20228 lakhs in 2010 while the least at Rs 320 lakhs in 2008. Thus there are wide fluctuations in the savings per SHG in co-operative banks.

2. NPAs

The NPAs under SHGs - BLP in Chittoor district during 2006 – 14 are furnished in the Table 4. A perusal of the Table shows that the gross NPAs were Rs 487.28 lakhs in 2006 as against Rs 6585.44 lakhs in 2014. There is a gradual increase in NPAs during the period. The yearly increment has significantly varied. For instance, the year 2013 registered the highest at 120.86 per cent over the previous year. Whereas 2009 recorded the least at 11.56 per cent. It

Table 4: Share of NPAs in the Outstanding Advances under SHGs - BLP in Chittoor District during 2006-14 (Rs lakhs)

Year	Outstanding advances	Gross NPAs*	% of change	% of NPAs to outstanding advances
2006	16123	487.28	-	3.02
2007	22569	687.87	41.17	3.05
2008	29872	889.45	29.30	2.98
2009	32897	992.26	11.56	3.02
2010	40134	1342.87	35.33	3.35
2011	57238	1789.87	33.29	3.13
2012	76498	2352.19	31.42	3.07
2013	96970	5195.06	120.86	5.36
2014	133096	6585.44	26.76	4.95

*Only those commercial banks who have reported were included

Source: Society for Eradication of Rural Poverty, Hyderabad

shows the degree of fluctuations in NPAs. The reasons for growing NPAs are many. They are not far to seek. The percentage of NPAs to outstanding advances was 3.02 in 2006 vis-à-vis 4.95 in 2014. In the mean time, there are ups and downs. The year 2008 registered the lowest at 2.98 per cent while 2013 the highest at 5.36 per cent

Bank category-wise NPAs under SHGs - BLP in Chittoor district are provided in the Table 5. A perusal of the Table reveals that the NPAs under SHGs - BLP in commercial banks have gradually increased from Rs 306.76 lakhs in 2006 to Rs 4321.87 lakhs in 2014. It can be observed that there are fluctuations in the yearly increase. The proportion of NPAs to outstanding advances was 3.07 per cent in 2006 as against 5.41 per cent in 2014. In the intervening period, there are ups and downs. The year 2012 has registered the least at 2.96 per cent while 2013 the highest at 6.14 per cent. The NPAs of SGB was Rs 180.47 lakhs in

Table 5: Bank Category wise NPAs under SHGs-BLP in Chittoor District during 2006-2014

(Rs lakhs)

Year	Commercial banks		SGB		Co-operative banks	
	NPAs *	% of NPAs to outstanding advances	NPAs	% of NPAs to outstanding advances	NPAs	% of NPAs to outstanding advances
2006	306.76	3.07	180.47	2.96	0.05	0.13
2007	447.76	3.28	240.04	2.72	0.07	0.07
2008	543.87	3.01	345.48	2.94	0.1	0.31
2009	615.98	3.10	367.08	2.85	9.2	7.69
2010	887.76	3.57	420.02	2.81	35.09	11.55
2011	1109.09	3.08	672.55	3.23	8.23	2.13
2012	1399.89	2.96	938.96	3.26	13.34	3.15
2013	3676.98	6.14	1496.26	4.08	21.82	5.21
2014	4321.87	5.41	2245.24	4.25	18.33	4.06

*Only those commercial banks who have reported NPAs were included

Source: Society for Eradication of Rural Poverty, Hyderabad

2006 as compared to Rs 2245.24 lakhs in 2014. There is a progressive increase during the period. However, the rise in 2014 over 2013 is high when compared to the rest of the period. The proportion of NPAs in the outstanding advances was 2.96 per cent in 2006 as against 4.25 per cent in 2014. In the mean while, there are volatile fluctuations. The share of NPAs in the outstanding advances was the least at 2.72 per cent in 2007 while the highest in 2013. In respect of co-operative banks, NPAs were Rs 0.05 lakhs in 2006. They have gone up to Rs 18.33 lakhs by the end of 2014 with ups and downs. For example, NPAs were Rs 0.10 lakhs in 2008 while Rs 35.09 lakhs in 2010. The proportion of NPAs in outstanding advances was 0.13 per cent in 2006 as compared to 4.06 per cent in 2014. In the mean while, there are volatile fluctuations. For example, the proportion of NPAs in the outstanding advances was the lowest at 0.07 per cent in 2007 and the highest at 11.55 per cent in 2010.

3. Conclusion :

There is a steady growth in the number of SHGs who have saved with banks, total savings and savings per SHG during the study period without any exception. Commercial banks account for a lion's share in the number of SHGs who have saved as well as in the amount of savings followed by SGB and co-operative banks. There is a continuous rise in the savings per SHG in both the commercial banks and SGB. A declining trend can be observed in the case of co-operative banks. Further, commercial banks rank first in the savings per SHG followed by SGB and co-operative banks. NPAs in terms of absolute figures and as a proportion of outstanding advances have increased during the period. There is a consistent growth in absolute terms while variations in the yearly rates of increase. A similar picture can be seen in the percentage of NPAs to outstanding advances. There is a progress in NPAs across the categories of banks. The increase in the share of NPAs to outstanding advances is a matter of concern to those who are involved either directly or indirectly in the growth of SHGs - BLP in the district. It may be observed in the literature that there is a growing trend in the percentage of NPAs to outstanding advances at the all India level across the bank categories and aggregate. Hence, the trend in the district is not different from the nation.