

ORIGINAL RESEARCH PAPER

Engineering

MICRO FINANCE THROUGH SHG- BANK LINKAGE PROGRAMMEIN INDIA

KEY WORDS: Microfinance, Self Help Groups, SHG-BLP

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ABSTRACT

The present research paper is an attempt to study the status of Micro-Finance and Self-Help-Groups (SHGs) in India. The overall development of a country depends on the development of the poorer section of the society and due to the high levels of poverty and unemployment in developing countries, the overall development can never be achieved. For this development, Government of India has launched a programme known as SHG-BLP. This paper provides some details of thisprogramme and the progress of the programme in India.

Introduction-

The major issues with which most of the developing countries are suffering is Poverty and unemployment. Finance is one of the basic needs of the poorer section of the society for their socio-economic development.

In India, most of the people live belowpoverty line and fulfilling their financial needs is their major concern. Microfinance through Self Help Groups (SHG) is considered as one of the bestoption for the upliftment of this section of the society. Micro finance is a broad term that includes deposits, loans, payment services and insurances to poor section of the society. It started in India in late 80s with the development of SEWA Bank in Gujarat. Since then it has grown so much that now India occupies a significant place and a niche in global microfinance sector.

Objectives of the paper-

The main objective of this paper is to study the status of Microfinance and Self-Help-Groups (SHGs) in India. The paper also includes some statistics related to the SHG- Bank Linkage Programme.

Methodology-

For the purpose of the present study secondary datahave been used. The secondary data was collected from different journals, reports, relevant documents, articles, etc.

Concept and Evolution of Micro Finance:

Micro finance is a broad term that includes deposits, payment services, loans and insurances to poor section of the society.

Microfinance is the "provision of thrift, credit and other financial services and products of very small amounts to the poor in rural, semi-urban or urban areas for enabling them to raise their income levels and improve living standards" (NABARD, 1999)

Microfinance Institutions in India emerged in the late 1980s due to the lack of availability of banking services for the poor population. Most of the institutions that entered the field were from the social sector and hence they took the legal form of trusts or Societies. However, not-for-profit status of those institutions started becoming a limitation for their sustainability forcing them to get registered as NBFC-MFIs. NBFCs are companies registered under Companies Act, 1956 and regulated by Reserve Bank of India. The establishment of SIDBI Foundation for Micro Credit (SFMC) in 1999 gave a further flip to the sector.

In India microfinance operates through two channels - banking system through the SHGs under SHG-Bank Linkage Programme (SHG-BLP) &JLG bank lending programme and through Micro Finance Institutions (MFIs).

Evolution of MFIs

Microfinance is not a new concept. It originated in the year 1976,when Muhammad Yunus set up the Grameen Bank in Bangladesh. He developed the concept of lending very small

amounts of money to poor entrepreneurs. He started various schemes for the upliftmentof weaker section of rural people. The Self Help Groupscheme with GraminVikas Bank of Bangladesh was also launched by him. Since then many microfinance institutions have launched many schemes and have also succeeded in reaching the poor.

The earliest instance of microfinance in India started with the unorganised sector of Ahmedabad city in Gujarat through the SEWA Bank, set up as an urban cooperative bank in early seventies. The bank since then, has been providing banking services to the poor and self-employed working as hawkers, vendors, domestic servants etc.After that many other forms of microfinance institutions have been operating in the country like NGO-MFIs andNBFCs. After the crisis in the Microfinance sector in Andhra Pradesh in 2010, RBI set up a Sub-Committee of its Board (Malegam Committee) to go into the issues relating to the sector. Based on the recommendations of the Malegam Committee, RBI came up with a range of guidelines to ensure the orderly growth of the sector.

Till now there is no authentic data on the number of MFIs operating in India. The estimates from various sources range from 300 to 800. To overcome this issue Sa-Dhan started bringing out the 'MFI Directory' from the year 2014 onwards, with verified data on each MFI. As per the latest version of this directory there are 223 MFIs functioning in the country. These function under a variety of legal forms.

Of these 223 institutions only 28 MFIs have a client outreach of more than 2.5 lakhs. 45 MFIs have client coverage between 50,000 and 2.5 lakhs. The remaining 150 are relatively small catering to less than Rs. 50,000. But these small institutions cover poorer clients in remote geographies and they are crucial for development of the nation.

Number of MFIs in India

Legal form	No. of MFIs			
Society	78			
Trust	19			
Section 8 (Sec 25) Company	29			
MACS/Cooperative	12			
Local Area Bank	1			
NBFC	13			
NBFC-MFI	71			
Total	223			

752

Source-Sa-Dhan (2016)

Even though the microfinance industry is growing rapidly but still there is a lot to be done further. The basic hindrance for its growth relates to the issue of accessing public deposits. Deposits from the public are less volatile and more cost-effective sources of funds than alternative sources such as refinance from second-tier institutions, lines of credit from banks or funds from donor agencies. A reliable funding source like savings can expand loaning operations and hence also benefit poor borrowers. Institutions receiving public deposits need to be regulated and supervised by the central banks for superintendence of financial entities as well as the existence of supportive legal framework. Absence of such enabling environment in many countries has restricted the growth of MFIs into full-fledged financial institutions.

In India, the Task Force on Regulation of Microfinance was of the view that since SHGs do not access public savings, there is no need for specific regulation for these entities. As the deposit taking NBFCs are already regulated by RBI, any MFI desirous of accessing public savings should evolve into a deposit taking NBFC and get itself registered under the relevant statutes. All other MFIs should subject themselves to their own Self-Regulatory Organizations (SROs) (NABARD, 1999).

Despite having many issues, the sector has shown tremendous growth in last few decades. Today, India occupies a significant place in the global microfinance industry. The following figure shows the growth in the sector in last few years.



NABARD (2016)

Concept of Self-Help-Groups (SHGs):

Every individual wants to live a life with dignity. Poverty is an obstruction to that dignified life. Entrepreneurship a significant step to remove these shackles of Poverty and this can be done through microfinance. The major form of Microfinance in India is through Self Help Groups (SHGs).

A SHG is an informal organization of people from a homogeneous poor section of the society who come together for giving economic and social support to each other. They start the group with savings and then use these savings to give loans to members to meet their needs. The members decide on savings per members, maximum size of loans, guarantee mechanisms in loan sanction.

There are different types of SHGs which are categorized according to their origin andsources of funds. Some SHGs have been made out of larger groups, formed under preexisting NGO programmes. Some have been promoted by NGOs within the parameters of the bank linkage scheme but as part of an integrated development programme. Others have been promoted by banks and the district rural development agencies (DRDAs). While the term 'self-help group' or SHG can be used to describe a wide range of financial and non-financial associations, in India it has come to refer to a form of Accumulating Saving and Credit Association (ASCA) promoted by government agencies, NGOs or banks. Thus, SHGs fall within the latter category of groups described above.

The types of families handled through Self-Help Groups are capital scarce, labourSurplus, have little knowledge &management skills. Given the financial support with appropriate knowledge and

skill input, the poor people have the propensity to make better use of labour and capital. Thus, installation of income- generation activities and micro enterprises in these areas helps promote first-generation micro entrepreneurs with resource mobilization on their ownthrough their SHGs.

Features of Self-Help Groups-

- SHG is a group for the poor and marginalized and are normally formed by NGOs, CBOs, Network of Community-based Coordinators, or team of dedicated functionaries of thegovernment.
- These groups are self-managed and work on the principle of participatory and collectivedecision making.
- The purpose of the SHG is to build the financial mcapacity of the poor and themarginalized in the field of employment and income generating activities
- Most groups are of the size of 10-20 persons, with the exception of deserts, hills and disabled persons where the number of members may vary from 5 to 20.
- Special focus is given on the formation of exclusive women Self-Help Groups.
- Primarily, single income-generating activity by the group is givenpreference under group loan. They may however go for multipleactivities also.
- Every individual is equal and responsible and decision is based on the principles of consensus.
- Fund support is made available to organize training of beneficiaries in group processes and skill development.

Self Help Group-Bank linkage programme (SHG-BLP)

The SHG-Bank Linkage Programme was started as an Action Research Project in 1989 which was the offshoot of a NABARD initiative during 1987 in whichRs. 10 lakhs were sanctioned to MYRADA as seed money assistance for experimenting Credit Management Groups. Also the Ministry of Rural Development launched PRADAN to establish self-help groups in Rajasthan. The experiences of these early efforts led to the approval of a pilot project by NABARD in 1992. The pilot project was designed as a partnership model between three agencies, the SHGs, banks and NGOs. A working group was reviewed in 1995 which gave the path for the evolution of this much awaited programme. Both NABARD and RBI gave commitment to provide financial and promotional support to SHGs. A set of guidelines were issued to the banks who were giving finance to these SHGs. Initially there was a slow progress in the programme as only 32,995 groups were credit linked during the period 1992 to 1999. But from then the programme has been growing rapidly. This programme has brought a paradigm shift in the credit system of the country by introducing financial inclusion of the poor section of the society. Presently Self Help Group- Bank linkage programme is the largest microfinance programme in the world with 101 million households under 7.9 million SHGs with thrift & deposits of about INR 1,36,914 million, annual loan offtake of INR 3,72,869 million and loan outstanding of nearly INR 5,71,192 million. Despite this huge success, a large section of the poor population still remain unreached and even majority who are in the SHGs face the issues of inadequate credit.

While discussing the contribution of SHG-BLP, more emphasis is given on financial aspects rather than the social aspects of the SHG programme for which they are primarily working. We need to remember the fact that SHG is a tool for holistic empowerment of poor and not just a provider of credit. To bring more and more poor women into SHG programmesand torejuvenatethe institutions for imparting training to the members on various crucial aspects is very important.

Rejuvenation of SHG-BLP requires coordinated efforts by all participants to tackle the issues of heavy south concentration, stagnation in growth, multiple membership, lower bank linkage both in number and quantum, rising NPAs, etc. Efforts at coordination level with all parties and capacity building of bankers have improved the performance of SHG-BLP during 2015-16. The number of SHGs having savings linkage increased to 79.03 lakh as on 31 March 2016 from 76.97 lakh in 2015. There was a net

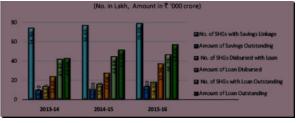
addition of 2.06 lakh SHGs during the year. The domain of SHGs consists of 85.6% women groups which play a crucial role in empowerment of the poor rural women. During the year 2015-16, the coordination between NABARD and National Rural Livelihoods Mission (NRLM/ SRLM) ensured that more and more SHGs got bank loans. NRLM is working since April 2013 with its agenda to cover 7 crore rural poor households across the country with sustainable livelihoods through self-managed SHGs and federations. During the year, 18.32 lakh SHGs were disbursed bank loan of Rs.37287 crore. About 44.5% of total SHGs receiving bank credit during the year were covered under NRLM and they availed 45% (16,786 crore) of the total amount disbursed.

The following tableshows the account of savings, credit disbursement and credit outstanding of total SHGs and under NRLM and NULM during past three years.

Overall Progress under SHG-Bank Linkage Programme during past three years

	0200.00	3-14	2014	1-15	2015-15		
	Particulars	No. of SHGs	Amount	No. of SHGs	Amount	No. of SHGs	Amount
	Total SHG Nos.	74.30 (1.53%)	9897.42 (20.45%)	76.97 (3.59%)	11059.84 (11.74%)	79.03 (2.68%)	13691,39 (23.79%)
	All women SHGs	62.52 (5.27%)	8012.89 (22.99%)	66.51 (6.38%)	9264.33 (15.61%)	67.63 (1.68%)	12035.78 (29.92%)
SHG Savings	Percentage of Women Groups	84.15	80.96	86.41	83.77	85.58	87.91
with Banks as on 31 # March	Of which NRLM/SGSY	22.62 (10.46%)	2477.58 (36.01%)	30.52 (34.92%)	4424.03 (78.56%)	34.57 (13.27%)	6244.97 (41.16%)
	% of NRLWSGSY Groups to Total	30.45	25.03	39.65	40.00	43.74	45.61
	Of which NULWSJSRY	NA.	NA	4.33	1071.81	4.46 (3.00%)	1006.22 (6.12%)
	% of NULM/SJSRY Groups to Total	NA.	NA	5.63	9.69	5.64	7.35
	No. of SHGs extended loans	13.66 (12.02%)	24017.36 (16.67%)	16.26 (19.03%)	27582.31 (14.84%)	18.32 (12.67%)	37285.90 (35.18%)
	All women SHGs	11.52	21 037.97 (17.83%)	14.48 (25.69%)	24419.75 (16.07%)	16.29 (12.50%)	34411.42 (40.92%)
Loans	Percentage of Women Groups	84.3	87.6	89.05	83.53	88.92	92.29
Disbursed to SHGs during	Of which NRLM/SGSY	2.26 (24.56%)	3480.60 (57.67%)	6.43 (28.45%)	9487.69 (27.26%)	8.16 (26.91%)	16785.78 (76.92%)
the year	% of NPLM/SGSY Groups to Total	16.52	14.49	39.54	34.40	44.54	45.02
	Of which NULW/SJSRY	NA.	NA	1.05	1871.55	1.11 (5.71%)	2620.22 (40.00%)
	% of NULAVSJSRY Groups to Total	NA.	NA	6.46	6.79	6.06	7.03
	Total No. of SHGs linked	41.97	42927.52 (9.02%)	44.68 (6.46%)	51 545 46 (20.06%)	46.73 (4.59%)	57119.23 (10.81%)
	No. of all Women SHGs linked	34.06	36151.58 (10.08%)	38.58 (13.27%)	45901.95 (25.97%)	40.35 (4.61%)	51428.91 (12.04%)
Loans	Percentage Of Women SHGs	81.2	84.2	86.35	89.05	86.37	90.04
Outstanding against SHGs	Of which NRLM/SGSY	13.07 (9.55%)	10177.42 (18.38%)	18.45 (41.24%)	19752.74 (94.08%)	21.91 (18.59%)	26610.16 (34.72%)
as on 31March	% of NPLM/SGSY Groups to Total	31.1	23.7	41.32	38.32	46.89	46.59
	Of which NULWSJSRY	NA	NA	3.18	3462.62	3.13 (-1.57%)	3979.75 (14.93%)
	% of NJLM/SJSRY Groups to Total	NA	NA.	7.12	6.72	7.00	6.97

Progress of SHG-BLP during past three years



From the above figure, it is clear that the number of SHGs and the amount of Savings outstanding has increased in the past three years. Moreover savings and loans outstanding both have increased simultaneously. There was a net addition of 2.06 lakh SHGs during the year increasing the number of SHGs having savings linkage to 79.03 lakh as on 31 March 2016. During the year, banks disbursed loan of 37,287 crore, recording 35% increase over the last year. The savings outstanding of SHGs with banks as on 31 March 2016 has reached an all-time high of 13,691 crore. The total bank loan outstanding to SHGs increased by 10.8% and stood at 57,119 crore against 51,545 crore as on 31 March 2015.

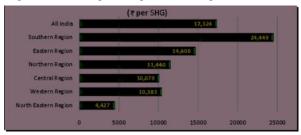
Following table shows the agency-wise status of SHG-BLP in the year 2015-16. Majority of the share is through Commercial-banks.

Agency-wise status of SHG-BLP in 2015-16

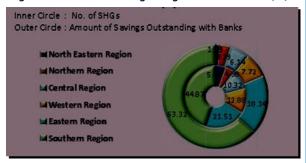
Name of	Total Sa SHGs with on 31 Ma	Banks as	Loans di to SHGs during t	by Banks	Total Outstanding Bank Loans against SHGs		NPA	s
the Agency	No. of SHGs	Savings Amount	No. of SHGs	Loans dis- bursed	No. of SHGs	Loan Out- standing	Amount of Gross NPA	NPA (%)
Commercial Banks	4140111	903389	1132281	2518497	2626364	3714562	232140	6.25
% Share	52.6	66.0	61.8	67.5	56.2	65.0	62.98	
Regional Rural Banks	2256811	24 8428	470399	916493	1445476	1610935	106429	6.61
% Share	28.56	18.1	25.7	24.6	30.9	28.2	28.87	
Cooperative Banks	1506080	21 7322	229643	293700	600781	386426	30054	7.78
% Share	19.1	15.9	12.5	7.9	12.9	6.8	8.15	
Total	7903002	1369139	1832323	3728690	4 672 621	5711923	368623	6.45

Following figures depict the region wise average savings outstanding and Region-wise Share of Savings linkage of SHGs respectively. The first figure shows that the majority share of SHGs savings belong to the southern region and the least is in the north eastern zone. The same is shown in the next figure. Southern region has a share of 63.32% and the north eastern with 1.79%.

Region-wise Average Savings Outstanding: 2015-16(%)



Region-wise Share of Saving linkage of SHGs: 2015-16(%)



SHG-BLP is sometimes compared with MFI led Micro finance programmesignoring its contribution in terms of thrift & savings, support in providing financial literacy, bringing community participation and building social capital etc.

In the last few years, it was noticed that SHG-BLP had lost its focus and has been overshadowed by the MFI sector in the country. While the growth of MFI sector has been remarkable, the SHG Bank Linkage Program has also been growing steadily despite its slow growth in priority states, concerns regarding book keeping, quality of groups and diminishing attention of banks. The following tables are showing the growth in MFI-bank linkage programmeand details regarding the loan disbursement.

Progress under MFI-Bank Linkage Programme

Particulars	201	3-14	201	4-15	2015-16		
	No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount	
Loans disbursed by banks/Fis to MFIs	545	10282.49 (31.16%)	589	15190.13 (47.73%)	647	20795.57 (36.90%)	
Loans outstanding against MFIs as on 31 March	2422	16517.43 (14.50%)	4662	22500.46 (36.22%)	2020	25580.84 (13.69%)	
Loan Outstanding as % of fresh loans		160.64		148.13		123.00	

Loans to MFIs by Banks/Financial Institutions

se disbursed to MFIs duri as on 31 March (7 Crore) (F Crore) 3858.64 18720 6 2015-16 9324.14 22682 8 2013-14 163.18 124 222.00 47.69 1186.62 4.48 7.97 2014-15 2015-16 6.00 11.76 2013-14 646.01 84 1979.90 1283 80 2593.23 2013-14 545 10282.49 16517.43 2422 2014-15 15190.13 22500.48 2015-16 647 20795.57 25580.84

		- 6		0.000				(Amount 7 bid)	
	Region/State	Commercial Banks		Regional Boral Banks		Cooperative Banks		Total	
N.		No. of SHifts	Laura Disbursed Amount	No. of SHGs	Loom Dictored Amount	No. of SHGs	Loans Disbursed Amount	No. of SHife	Disbursed Amount
HORT	HERN RESION							_	
1	Chandigath	5	8.00		0.00	0	0,00	. 5	8.00
2	Haryana	2649	4249.12	1166	1082.00	. 52	67,79	3869	5398.91
3	Himachal Prodesh	1093	1886.37	669	996.00	1454	1864.91	3226	4527.28
4	Jammu & Kashinir	1778	1200.07	1049	980.34	2	2.00	2829	2162.41
5	New Delhi	263	216.58	0	0.00	2	4.00	271	220.58
6	Punjab	1636	2940.01	763	631.97	257	211.50	2658	3783.57
7	Rejection	17932	23130.12	3816	2641.57	8502	6196.50	25250	32177.19
	Total	70354	33419.27	7405	8531.88	10265	8348.79	28106	45257.54
NORT	H EASTERN REGION				1000				
1	Assam	7772	5361.48	14308	10165.58	547	338.52	22625	15865.56
2	Arunachai Pradesh	27	39.34	-	11.00	24	16.45	57	66.70
3	Marieur	80	100.26	214	220.33	80	40.00	382	360.50
4	Meghalaya	41	36.06	149	125.75	14	18,45	204	180.25
3	Missians	4	2.00	315	459.85		11.20	327	473.05
6	Nagaland	123	231.45	47	1.49	1085	1127.35	1258	1380.D9
7	Saure	112	64.28	9	0.00	22	26.00	134	90.28
	Tripusa	626	415.23	21	2967.00	406	189.86	1053	3577.00
	Total	8793	6250.00	15858	13950.98	2186	1797.63	26037	21968.70
EAST	ERN REGION	1							
1	A & N Islands (UT)	29	41.45	0	0.00	223	359.47	252	400.92
2	Biras	31675	22955.82	66633	38100.57		3.00	96606	61056.30
3	Justinet	7303	4506.79	3494	1895.93	21	128.45	10818	8621.17
4	Odisha	32315	44837.94	25399	35480.94	5950	5713.09	63554	86001.97
5	West Rengal	99085	61940.43	40508	70983.69	99641	52445.50	239234	105379.62
	Total	170407	134386.43	134334	146461.13	185835	88647.51	412576	34948E.E7
CENT	NAL REGION								
1	Christingsch	8616	6551.84	3220	2235.00	1249	849.21	11085	9636.05
2	Madhys Prodesh	35469	54568.78	7625	4415.08	91	101.63	42185	59085.49
3	Ultar Prodesh	18172	23935.33	7892	5500.17	43	4.79	25908	29440.29
4	Uttersichand	1611	1877.86	1101	729.50	1392	18297.54	4104	20904.90
	Total	01000	04033.01	19638	12879.75	2775	19253.17	14282	119066.73
WEST	ERN REGION								
1	Gea .	501	1359.91	. 0	0.00	262	616.87	763	1978.76
2	Gagarat	17748	20355.57	5127	4560.51	1263	1709.60	23538	25025.58
235	Maharastera	84119	139493.66	8380	9978.46	15685	10557.63	88184	160027.75
	Yorkel .	21262	161299.14	13567	14536.87	17156	12006.10	112525	188632.21
TUOL	HERM REGION								
110	Andhra Pradesh	290983	830537.96	107761	304992.55	5327	15017.15	404071	1150547.66
2	Kamdaka	195477	483737.82	43056	65159.58	42858	77010.73	281389	625906.13
3	Kerata	58677	98974.43	8562	21089.00	11999	20624.85	79268	140688.38
4	Lakshadweep	0	3.00	0	0.90	0	0.00		0.00
5	Puducheny	620	1223.25	490	1429.20	295	774.23	1408	3425.68
6	Tamii Nodu	121937	356545.13	29738	67453.56	27684	58816.63	170359	482615.52
	Tetangana	121294	325285.00	97757	262009.28	3251	10754.80	222302	598049.07
7									
7	Total	700100	2096304.49	278397	722132.17	91412	182796.78	1158797	3001235.44

R.	Region/State	Conmercial Banks		Regional Forei Books		Cooperative Banks		(Amount 7 late)	
ä		No. of SHEs	Savings	No. of SHGs	Serings	Ma. of SHGs	Savings	No. of SHGs	Springs
ior:	HERN REGION	2							
1	Chandigath	225	127.85	0	0.00	0	0.00	225	127.8
2	Haryana	21967	13709.97	17031	1844.00	3903	337.47	42921	15891.4
3	Himachal Pradesh	14976	1417.40	9649	786.00	19560	1207.72	44185	3411.1
4	Jamesu & Kashenir	3772	1038.53	3927	1355.27	687	16.70	8386	2410.5
5	New Delta	3221	464.57	. 0	0.00	447	71.30	3668	535.6
8	Purpati	15246	2761.84	7966	888.39	6759	517.97	29971	3978.2
1	Rajasthan	94710	6538.92	81882	7098.37	87527	5021.77	264119	18659.0
	Total	154137	25000.00	120455	11792.03	112220	7172.60	383475	45014.0
(CA	N EASTERN REGION	The Land of the Local Division in the Local							
1	Assam	£7045	5612.88	221073	5232.14	25588	283.20	333666	11128.2
2	Arunachai Pradesh	1652	223.69	1496	101.25	1409	92.39	4617	417.3
3	Manipur	3947	201.73	7129	133.07	2544	22.18	13620	356.9
4	Meghalaya	1406	125.86	4194	545.82	2506	266.09	8196	937.7
5	Missan	290	11.89	7327	465.54	542	19.71	9072	497.1
4	Registend	3037	297.75	801	0.45	7594	400.00	11432	696.2
2	Saaim	1186	291.85	0	0.00	356	104.57	1542	396.4
8	Tripura	9261	843.77	29295	3235.00	10112	515.50	48658	4594.2
	Total	107737	7909.42	271306	9713.27	98781	1703.64	429623	19025.2
ATT	EAN NEGION								
	A & N Inlands (UT)	341	25.76	0	0.00	4134	634.73	4475	860.4
2	Baw	154216	20640.83	124392	15365.54	0	0.00	278608	36006.3
1		62490	6731.65	36789	2820.41	67	6.19	99326	9558.4
4	Odena	218514	23599.70	184452	18638.31	83720	6349.71	486686	48587.72
5	West Bergal	259065	37912.68	207401	49864.52	364525	65761.45	831011	153538.7
	Total	954646	88910.02	383014	26688.35	452446	72752.00	1700106	248351.70
T	TAL REGION								
1	Chhatisgath	43826	5064.85	98070	10131.00	18565	850.52	160461	16046.3
2	Madhya Pradesh	138100	18027.00	97995	5987.23	12520	816.90	248618	24831.13
1	Utter Pradesh	129172	25933.39	233625	12230.09	1182	42.81	363979	38206.2
4	Uttarakhand	13740	2786.20	22996	1532.99	6159	645.69	42565	5024.8
900	Total	324838	\$1811.44	452388	29941.31	38429	2255.92	#15453	94106.6
WES	ERN REGION								-
	Gos	3926	665.23	0	0.00	3613	878.72	7541	1543.90
2	Gogarat	136431	11420.15	51287	4589.62	33632	2404.46	221350	18414.2
3	Maharashtra	336380	40136.52	104400	5589.59	348378	40039.57	789158	85745.6
	Total	476730	92221.90	155887	10159.21	365423	43322.76	1013049	105793.0
OUT	HERN REGION	100	name of the		Same of	- manufa			
n	Andhra Pradesh	613603	357298.05	270560	49869.79	17354	7397.12	901517	414561.9
2	Kamelaka	905154	79879.15	137921	16132.89	219371	48230.09	962446	144242.1
1	Kerala	176301	47962.29	54527	7548.00	42001	7696.89	272859	62907.1
4	Lakshadenep	2	0.10	0	0.00	0	0.00	2	0.10
5	Publisherry	9062	3254.68	3961	576.92	1740	250.11	14763	4089.7
i	Tarril Natu	640316	65754.35	42467	4381.37	169221	21867.44	852034	92003.1
1	Telanganu	337576	122930.49	194450	21634.46	16201	4565.14	542275	149130.0
	Total	2342014	878778.11	702064	199143.43	450918	90014.79	2545010	B04034.21
	Grant Total	4140111	903348.77	2256811	248429.13	1506000	217302.11		1300139.01

Suggestions for strengthening SHG-Bank linkage program-

- Encouraging SHGs in Excluded Regions like North-Eastern Region. The major reason why there are less number of SHGs in this region is due to weak banking network, NGO networks and social backwardness. There is a need to evolve SHG models suited to this region.
- The staff in all the relevant agencies and NGOs should be properly trained so that there is no mistake or any chances on corruption in the disbursement of loans. There should be a committee set for timely checking on these kinds of problems like selection of wrong people for loan, misutilisation of loansetc.
- 3. The clients or members should be properly identified. NABARD has alreadyidentified 16 States with large population of the poor, but exhibiting low performance in implementation of the programme. The ongoing efforts of NABARD to upscale the programme in the identified States should be given a fresh momentum.
- There should be a system to maintain transparency in maintenance of records. The system should be simple and applicable to all.
- 5. Training should now be provided for some other types of activities other than the traditional types like computers and sewing. The Identification of income generating activities for the unskilled is very important. The SHGs should train their members to graduate intomatured levels of enterprise.

Conclusion-

Finance plays an important role in the socio-economic development of poor people in any country. Access to this finance is the major concern for these people. Microfinance helps a lot in reducing this problem. Microfinance is expected to play a significant role in povertyalleviation and rural development particularly of women. Indian Microfinance Industry has shown great development in last few decades. The major form of Microfinance in India is through Self help groups (SHGs). Self Help Group- Bank linkage programmeis the largest microfinance programme in the world with 101 million households under 7.9 million SHGs with annual loan offtake of INR 3,72,869 million, thrift & deposits of about INR 1,36,914 million and loan outstanding of nearly INR 5,71,192 million. This programme has shown tremendous growth and is still growing at a consistent pace. The only problem which still resides in Indian Microfinance Sector is the focus given majorly on southern areas or rural areas of the country. A lot of urban poor have been ignored in majority of the plans and policies. Though there are some institutions working towards the upliftment of urban poor but the area still needs a little more focus.

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