



## **BANK FINANCE TO SHGS: A CASE STUDY IN DIBRUGARH DISTRICT OF ASSAM**

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### **INTRODUCTION**

Micro finance is a burning topic now-a days and a great matter of debate and discussion. Micro finance is also one of the best devices to alleviate rural poverty in a developing country, like India. In short, micro finance may be defined as the provision of thrift, credit and other financial services and products of very small amounts to the poor for enabling them to raise their income levels and improve living standards. The study of micro finance is very crucial particularly after financial reforms in India. Alleviation of rural poverty can be achieved by providing income –generating activities to the poor and needy with focus on micro finance as the basic input for socio economic upliftment. The banks of India have been performing well in the field of micro finance particularly after innovation of the concept of micro finance. The Commercial banks, Cooperative banks and Regional Rural Banks have been working for the growth and development of SHGs (Self Help Groups) in India (Singha, R.K.P.G. 2010).

Microfinance concepts have existed since 1904, when the Cooperative Societies Act was passed for ensuring production credit loans for farmers through primary credit societies. The formation of long term cooperative credit institutions to meet investment needs of farmers started in 1928. The syndicate Bank, started in 1921, concentrated on raising micro deposits in the form of daily/ weekly savings and also sanctioned micro loans for its constituents. With the various priority sector targets under social banking in 1967 and bank nationalization in 1969, microfinance concepts in banking institutions once again came to the fore. However, in the rural areas, the moneylenders and traders did extend loans at high rates of interest and even for consumption purposes. Under priority sector norms, microfinance was extended for investment credit purposes but included elements of production credit and even consumption credit. The Integrated Rural Development Programme and the revamped programme named as Swarnajayanti Grameen Swarozgar Yojana (SGSY), laid emphasis on investment credit only (Karmakar, K.G. 2008).

The SGSY launched on 01-04-1999, aims to bring the assisted families above the poverty line by ensuring appreciable sustained level of income over a period of time. The objective is to be achieved by inter alia organizing the rural poor into self-help groups through the process of social mobilization, training and capacity building and provision of income generating assets. The SHG approach helps the poor to build their self-confidence through community action. This process would ultimately lead to strengthening and socio-economic empowerment of rural as well as improving their collective bargaining power ( Sindhuja, P., 2011).

A self-help group is a registered or unregistered voluntary association of poor people of 15-20, from the same socio-economic background, involving primarily in saving and credit activities. A SHG is democratically formed without any political affiliations. It can be all women group, all men group or even a mixed group ( Rao, G.V.J., 2010).

### **LITERATURE REVIEW**

Manoharan, Padmaja et al. (2011) in their paper concluded MFIs must be able to sustain themselves financially in order to continue pursuing their lofty objectives, through good performance and vivid functioning. Thus, there is an urgent need to widen the scope, outreach as also the scale of financial services to cover the unreached population. Bright, A. Oliver et al. (2011) in their article concluded that the growth pattern of micro credit offered by the banks in study area is found to be negative in most of the schemes and plans of micro credit. Singha, R.K.P.G. (2011) in his paper concluded that in order to enable the poor people to access credit, there is a need to strengthen all the available channels of providing credit to the poor such as SHG-Bank Linkage Programs, Micro Finance Institutions, Cooperative Banks, State financial corporations, Regional Rural Banks and Primary Agricultural Credit Societies.

### **PROBLEM STATEMENT OF THE STUDY**

Banks are performing important function towards financing the SHGs under SGSY scheme. Financing to SHGs is considered as one of the focus area of bank. Under the linkage program, the bank provides financial assistance to the SHGs in the form of loan to undertake economic activities. The amount of loan granted depends upon the nature of the scheme of activities. Credit linkage under SGSY is one of the major constituents of the linkage program and covers majority of the SHGs.

### OBJECTIVES OF THE STUDY

The objectives of the present study are to analyze the financial performance of the banks towards SHGs in dibrugarh district under SGSY scheme with the implementation of the scheme by the banks in the study area.

### MICRO FINANCE SERVICES OF BANKS IN DIBRUGARH DISTRICT

Dibrugarh is one of the important towns in Assam. Dibrugarh is situated on the bank of river Brahmaputra and it is about 450 kilometres away from the capital of Assam, dispur. There are many nationalized and private bank branches in the town. In dibrugarh, commercial banks, regional rural banks and cooperative banks are providing micro finance. There is no private bank which is involved in micro finance activities. The names of the banks providing financial services in the area are State Bank of India (SBI), United bank of India (UBI), UCO bank, Central bank of India (CBI), Indian Overseas bank (IOB), Punjab national bank (PNB), Assam Gramin Vikash Bank (AGVB) and Assam Cooperative Apex Bank (CAB), Union Bank of India (UBI), Punjab and Sind Bank (PSB) and Indian Bank (IB) etc.

**RESEARCH METHODOLOGY:** The study is based upon two sources of data namely primary and secondary sources. For the collection of primary data, the researcher approached the manager of lead bank scheme. The data searched for was related to SHG credit linkage with bank under SGSY scheme in Dibrugarh district. The primary source of data was available with the manager for five years from 2008-09 to 2012-13 in hard form. Apart from, the researcher made study of some relevant literatures to have idea in the field of study .The researcher also collected the relevant secondary sources from the research paper published in edited book and sources.

After collection of primary data, the surveyor put the data of all banks providing loan to SHGs in tabulated form for the purpose of analysis to yield result. The study made use of analytical tool viz. percentage analysis to draw the conclusion.

**PERIOD OF DATA COLLECTION:** The researcher collected the data from the lead bank office the period 2014-15.

**LIMITATION OF THE STUDY:** The study is confined to all commercial banks, cooperative banks and regional rural banks providing financial assistance to SHGs under SGSY scheme only in the district of dibrugarh. The period of the study is five years from the year 2007-08 to 2013-14. The study fully relied on the data provided by the manager of the lead bank.

### DISCUSSION AND INTERPRETATION

Under credit linkage government sponsored program of SHGs, discussion is made regarding loan sanctioned, subsidy released and loan disbursed to SHGs separately in this portion. The surveyor also presents the percentage figure of all the banks data providing services in the study area. The analysis of the data of all these banks providing microfinance service to the SHGs in dibrugarh district is as under:

**Table 1: Loan Sanctioned To Number of SHGs during the Study Period**

Banks names	08-09	09-10	10-11	11-12	12-13	Total
	No.	No.	No.	No.	No.	No.
SBI	90	93	103	196	14	496
AB	65	46	23	98	13	245
UBI	47	86	34	136	09	312
UCO	124	102	39	62	00	327
CBI	40	63	20	102	00	225
IOB	04	14	0	03	00	021
PNB	33	21	22	38	00	114
AGVB	51	54	30	78	00	213
CAB	01	05	00	04	00	010
UB	00	00	11	48	01	060
PSB	00	00	00	05	11	016
IB	00	00	00	01	00	001
Total	455	484	282	771	48	2040

Source: Lead Bank, UBI of Dibrugarh

**Table 2: Amount of loan sanctioned during the study period (Amount in Rs. Lakh)**

Banks names	08-09 Amt	09-10 Amt	10-11 Amt	11-12 Amt	12-13 Amt	Total Amt
SBI	82.35	90.95	121.30	193.40	14.75	502.75
AB	58.00	45.05	39.14	96.75	13.00	251.94
UBI	45.45	87.75	38.75	127.90	09.00	308.85
UCO	120.25	104.45	39.00	60.00	0.00	323.70
CBI	35.70	55.90	22.00	99.95	0.00	213.55
IOB	4.00	16.00	0.00	03.50	0.00	023.50
PNB	31.50	21.00	21.00	37.50	0.00	111.00
AGVB	35.75	45.75	32.55	70.50	0.00	184.55
CAB	4.00	2.50	0.00	01.25	0.00	07.75
UB	0.00	0.00	13.93	06.25	01.00	21.18
PSB	0.00	0.00	0.00	69.01	13.75	82.76
IB	0.00	0.00	0.00	02.00	0.00	02.00
Total	413.40	469.35	327.67	768.01	51.50	2029.93

Source: Lead Bank, UBI of Dibrugarh

**Table 3: Percentage of Bank loan sanctioned to Total during study Period**

Banks names	08-09 %	09-10 %	10-11 %	11-12 %	12-13 %	Total %
SBI	16.37	18.09	24.12	38.46	02.93	100
AB	23.02	17.88	15.53	38.40	05.15	100
UBI	14.71	28.41	12.54	41.41	02.91	100
UCO	31.14	32.26	12.04	18.53	00.00	100
CBI	16.71	26.17	10.30	46.80	00.00	100
IOB	17.02	68.08	00.00	14.89	00.00	100
PNB	28.37	18.91	18.91	33.78	00.00	100
AGVB	19.37	24.70	17.63	38.20	00.00	100
CAB	51.61	32.25	00.00	16.12	00.00	100
UB	00.00	00.00	16.59	82.21	01.19	100
PSB	00.00	00.00	00.00	31.25	68.75	100
IB	00.00	00.00	00.00	100.00	00.00	100

Source: Computed

The credit linkage with the bank under SGSY program, it is seen that sanction of loan SBI was 82.35 lakh (16.37 percent) numbering 90 SHGs during 08-09. During the year 09-10 numbers of SHGs rose to 93 but loan sanction increased 90.95 lakh (18.09 percent). Thereafter, the bank sanctioned loan of Rs. 121.30 lakh (24.12 percent) and 193.40 lakh (38.46 percent) to 103 and 196 SHGs during 10-11 and 11-12. The figure of loan sanction went down to 14.75 lakh (14 SHGs only) showing 2.93 percent during 12-13. The sanction of loan of Allahabad bank amounted to Rs.58 lakh (23.02 percent) with 65 SHGs during 08-09. During the year 09-10, loan sanction declined to 45.05 lakh (17.88 percent) numbering 46 SHGs. The loan sanction amount was 39.14 lakh (15.53 percent) with the number of SHGs further declined 23 during the next year. Thereafter, the bank sanctioned loan of Rs. 96.75 lakh (38.40 percent) to 98 SHGs during 11-12. During last year, the amount of loan sanctioned to the SHGs was 13 lakh (5.15 Percent) for lowest number of 13 SHGs among all the years. The loan sanction of UBI was 45.45 lakh (14.71 percent) and 87.75 lakh (28.41 percent) with 47 and 86 SHGs during the year 08-09 and 09-10. The next year shows that number of SHGs declined to 34 with decline of loan sanction 38.75 lakh (12.54 percent). The rising trend of loan sanction of Rs. 127.90 lakh (41.41 percent) for 136 SHGs was observed during 11-12. The figure of loan sanction went down to 9 lakh (2.91 percent) totaling 9 SHGs during last year. The UCO bank sanctioned loan was 120.25 lakh (31.14 percent) and 104.45 (32.26 percent) for 124 and 102 SHGs during the year 08-09 and 09-10. The next year shows that number of SHGs declined to 39 and loan sanction was 39 lakh (12.04 percent). The rising trend of loan sanction of Rs. 60 lakh (18.53 percent) to 62 SHGs was again observed during 11-12. There was no loan sanction to the SHGs during last year. The sanction of CBI loan was 35.70 lakh (16.71 percent), 55.90 lakh( 26.17 percent) to 40 and 63 SHGs during the year 08-09 and 09-10. The next year shows that number of SHGs declined to 20 and loan sanction was 22 lakh (10.30 percent). The rising trend of loan sanction of Rs.99.95 lakh (46.80 percent) for 102 SHGs was again observed during 11-12. There was no loan sanction to the SHGs during last year 12-13. The IOB sanctioned loan 4 lakh(17.02) to 4

SHGs only during 08-09. The rising trend of loan sanction of Rs.16 lakh (68.08 percent) to 14 SHGs was observed during 09-10. There was no loan sanction to the SHGs during year 10-11. During 11-12, bank sanctioned loan amounting to Rs.3.50 lakh (14.89 percent) to 3 SHGs and loan sanction to SHGs during 12-13 was nil. The sanction of loan of PNB was 31.50 lakh (28.37 percent) to 33 SHGs during the year 08-09. The loan amount was 21 lakh (18.91 percent) during 09-10 with declining number of SHGs to 21. The bank sanctioned loan to 22 and 38 SHGs amounting to Rs. 21 lakh (18.91 percent) and 37.50 lakh (33.78 percent) during 10-11 and 11-12. Loan sanction to SHGs during 12-13 was nil. The AGB bank sanctioned loan amounting to Rs.35.75 lakh (19.37 percent) to 51 SHGs during the year 08-09. The next year shows that number of SHGs increased to 54 with loan sanction of 45.75(24.70 percent). Loan sanction to SHG fell to Rs.32.55 lakh (17.63 percent) with decrease of 30 SHGs during 10-11. There was an increase of loan sanction to 70.50 lakh (38.20 percent) during 11-12. Loan sanction to SHGs during 12-13 was nil. The loan sanction of co-operative bank was 4 lakh (51.61 percent) to 1 SHG during the year 08-09. The next year shows that number of SHGs increased to 5 with loan sanction of 2.50 lakh (32.25 percent) during 09-10. There was no loan sanction to SHG during 10-11. There was a loan sanction to 1.25 lakh (16.12 percent) to 4 SHGs during 11-12. Loan sanction to SHGs during 12-13 was nil. The loan sanction of UB was 13.93 lakh (16.59 percent), 69 lakh (82.21 percent) and 1 lakh (1.19 percent) with 11, 48 and 1 SHGs during 10-11, 11-12 and 12-13. PSB loan sanction amounted to Rs. 6.25 lakh (31.25 percent) and 13.75 lakh (68.75 percent) with 5 and 11 SHGs during 11-12 and 12-13 years. The IB sanctioned loan amount of 1.25 lakh (100 percent) to 1 SHG during 11-12 only.

**Table 4: Subsidy released to number of SHGs during the period**

Banks names	08-09	09-10	10-11	11-12	12-13	Total
	No.	No.	No.	No.	No.	No.
SBI	90	93	103	196	14	496
AB	65	46	23	98	13	245
UBI	47	86	34	136	09	312
UCO	124	102	39	62	00	327
CBI	40	63	20	102	00	225
IOB	04	14	00	03	00	021
PNB	33	21	22	38	00	114
AGVB	51	54	30	78	00	213
CAB	01	05	00	04	00	010
UB	00	00	11	48	01	060
PSB	05	00	00	05	11	021
IB	00	00	00	01	00	001
Total	460	484	282	771	48	2045

Source: Lead Bank, UBI of Dibrugarh

**Table 5: Amount of Subsidy released during the period (Amount in Rs. Lakh)**

Banks names	08-09	09-10	10-11	11-12	12-13	Total
	Amt	Amt	Amt	Amt	Amt	Amt
SBI	78.75	90.95	109.75	193.40	14.75	487.6
AB	58.00	45.05	32.00	96.75	13.00	244.8
UBI	45.45	87.75	38.75	127.90	09.00	308.85
UCO	120.25	104.45	39.00	60.00	0.00	232.70
CBI	32.70	55.90	22.00	99.95	0.00	210.55
IOB	4.00	16.00	0.00	03.50	0.00	23.50
PNB	31.50	21.00	21.00	37.50	0.00	111.0
AGVB	35.75	45.75	27.00	70.50	0.00	179.0
CAB	4.00	2.50	0.00	01.25	0.00	07.75
UB	0.00	0.00	12.25	54.25	01.00	67.50
PSB	5.00	0.00	0.00	06.25	13.75	25.00
IB	0.00	0.00	0.00	01.25	0.00	01.25
Total	411.90	469.35	301.75	768.01	51.50	2002.51

Source: Lead Bank, UBI of Dibrugarh

**Table 6: Percentage of subsidy amount of Banks to Total during study Period**

Banks names	08-09	09-10	10-11	11-12	12-13	Total
	%	%	%	%	%	%
SBI	16.15	18.65	22.50	39.66	3.02	100
AB	23.69	18.40	13.08	39.57	5.31	100
UBI	14.71	28.41	12.54	41.41	2.91	100
UCO	37.14	32.26	12.04	18.53	0.00	100
CBI	15.53	26.54	10.44	47.47	0.00	100
IOB	17.02	68.08	00.00	14.89	0.00	100
PNB	28.37	18.91	18.91	33.78	0.00	100
AGVB	19.97	25.55	15.08	39.38	0.00	100
CAB	51.61	32.25	0.00	16.12	0.00	100
UB	0.00	0.00	18.14	80.37	1.48	100
PSB	20.00	0.00	0.00	25.00	55.0	100
IB	0.00	0.00	0.00	100	0.00	100

Source: Computed

The credit linkage with the bank under SGSY program, it is seen that SBI released subsidy of Rs.78.75 lakh (16.15 percent) numbering 90 SHGs during 08-09. During the year 09-10 numbers of SHGs rose to 93 but release of subsidy was 90.95 lakh (18.65 percent). Thereafter, the bank released subsidy Rs. 109.75 lakh (22.50 percent) and 193.40 lakh (39.66 percent) to 103 and 196 SHGs during 10-11 and 11-12. The figure of subsidy went down to 14.75 lakh (14 SHGs only) showing 3.02 percent during 12-13. The Allahabad bank released subsidy amounting to Rs.58 lakh (23.69 percent) with 65 SHGs during 08-09. During the year 09-10, subsidy release declined to 45.05 lakh (18.40 percent) numbering 46 SHGs. The subsidy amount was 32 lakh (13.08 percent) with the number of SHGs further declined 23 during the next year. Thereafter, the bank released subsidy of Rs. 96.75 lakh (39.57 percent) to 98 SHGs during 11-12. During last year, the amount of loan released to the SHGs was 13 lakh (5.31 Percent) for lowest number of 13 SHGs among all the years. The subsidy release of UBI was 45.45 lakh (14.71 percent) and 87.75 lakh (28.41 percent) with 47 and 86 SHGs during the year 08-09 and 09-10. The next year shows that number of SHGs declined to 34 with decline of subsidy to Rs. 38.75 lakh (12.54 percent). The rising trend of subsidy of Rs. 127.90 lakh (41.41 percent) for 136 SHGs was observed during 11-12. The figure of subsidy amount went down to 9 lakh (2.91 percent) totaling 9 SHGs during last year. The UCO bank subsidy amount was 120.25 lakh (37.14 percent) and 104.45 (32.26 percent) for 124 and 102 SHGs during the year 08-09 and 09-10. The next year shows that number of SHGs declined to 39 with subsidy amount of Rs.39 lakh (12.04 percent). The rising trend of subsidy amount of Rs. 60 lakh (18.53 percent) to 62 SHGs was observed during 11-12. There was no subsidy released to the SHGs during last year. The subsidy amount of CBI was 32.70 lakh (15.53 percent), 55.90 lakh (26.54 percent) to 40 and 63 SHGs during the year 08-09 and 09-10. The next year shows that number of SHGs declined to 20 with release of subsidy amount of 22 lakh (10.44 percent). The rising trend of subsidy amount of Rs.99.95 lakh (47.47 percent) with 102 SHGs was observed during 11-12. There was no subsidy to the SHGs during last year 12-13. The IOB released subsidy amount of Rs. 4 lakh (17.02 percent) to 4 SHGs only during 08-09. The rising trend of Rs.16 lakh (68.08 percent) with 14 SHGs was observed during 09-10. There was no subsidy amount released to the SHGs during 10-11. During 11-12, bank released subsidy amounting to Rs.3.50 lakh (14.89 percent) to 3 SHGs and subsidy to SHGs during 12-13 was nil. The subsidy amount of PNB was 31.50 lakh (28.37percent) to 33 SHGs during the year 08-09. The subsidy amount was 21 lakh (18.91) during 09-10 with declining number of SHGs to 21. The bank released subsidy to 22 and 38 SHGs amounting to Rs. 21 lakh (18.91percent) and 37.50 lakh (33.78 percent) during 10-11and 11-12. Subsidy release to SHGs during 12-13 was nil. The AGB bank subsidy amount was 35.75 lakh (19.97 percent) with 51 SHGs during the year 08-09. The next year shows that number of SHGs increased to 54 with loan sanction of 45.75(25.55 percent). Loan sanction to SHG fell to Rs.27 lakh (15.08 percent) with decrease of 30 SHGs during 10-11. There was an increase of subsidy to 70.50 lakh (39.38 percent) during 11-12. Loan sanction to SHGs during 12-13 was nil. The loan sanction of co-operative bank was 4 lakh (51.61 percent) to 1 SHG during the year 08-09. The next year shows that number of SHGs increased to 5 with subsidy amount of 2.50 lakh( 32.25 percent) during 09-10. There was no subsidy amount to SHG during 10-11. There was a subsidy amount of Rs.1.25 lakh (16.12 percent) to 4 SHGs during 11-12. Subsidy amount to SHGs during 12-13 was nil. The subsidy amount of UB was 12.25 lakh (18.14 percent), 54.25 lakh (80.37 percent) and 1 lakh (1.48 percent) with 11, 48 and 1 SHGs during 10-11, 11-12 and 12-13. PSB loan released subsidy amounted to Rs. 5 lakh (20 percent), 6.25 lakh (25 percent) and 13.75 lakh (55 percent) with 5, 5 and 11 SHGs during 11-12 and 12-13 years. The IB released subsidy amount of Rs.1 lakh (100 percent) 1 SHGs during 11-12 only.

**Table 7: Loan/Subsidy disbursement to number of SHGs during study period**

Banks names	08-09	09-10	10-11	11-12	12-13	Total
	No.	No.	No.	No.	No.	No.
SBI	77	93	103	190	14	477
AB	65	46	23	95	13	242
UBI	44	86	34	124	09	297
UCO	43	102	39	59	00	243
CBI	40	63	20	97	00	220
IOB	04	14	00	03	00	021
PNB	33	21	22	35	00	111
AGVB	51	54	30	75	00	210
CAB	01	05	00	04	00	010
UB	00	00	11	48	01	060
PSB	00	00	00	05	11	016
IB	00	00	00	01	00	001
Total	358	484	282	736	48	1908

Source: Lead Bank, UBI of Dibrugarh

**Table 8: Loan/Subsidy disbursement of all Banks during study period (Amt in Rs. Lakh)**

Banks names	08-09	09-10	10-11	11-12	12-13	Total
	Amt	Amt	Amt	Amt	Amt	Amt
SBI	156.90	90.95	231.05	348.90	23.40	851.20
AB	116.00	63.10	71.14	180.26	21.50	452.00
UBI	76.82	87.75	77.50	203.40	15.60	461.07
UCO	47.06	142.55	78.00	112.00	00.00	379.61
CBI	61.67	80.80	44.00	1802.10	00.00	1988.57
IOB	4.00	8.50	0.00	7.00	0.00	19.50
PNB	28.00	28.00	42.00	72.30	00.00	170.30
AGVB	71.50	72.80	59.55	132.30	00.00	336.15
CAB	1.00	4.10	0.00	4.00	0.00	09.10
UB	0.00	0.00	26.18	120.58	2.00	148.76
PSB	0.00	0.00	0.00	12.50	23.50	36.00
IB	0.00	0.00	0.00	02.50	0.00	02.50
Total	562.95	635.88	629.42	2997.84	86.00	4912.09

Source: Lead Bank, UBI of Dibrugarh

**Table 9: Percentage of loan/Subsidy of all Banks to Total during study Period**

Banks names	08-09	09-10	10-11	11-12	12-13	Total
	%	%	%	%	%	%
SBI	18.43	10.68	27.14	40.98	02.74	100
AB	25.66	13.96	15.73	39.88	04.75	100
UBI	16.66	19.03	16.80	44.11	03.38	100
UCO	12.39	37.55	20.54	29.50	00.00	100
CBI	03.10	04.06	02.21	90.62	00.00	100
IOB	20.51	43.58	00.00	35.87	00.00	100
PNB	16.44	16.44	24.66	42.45	00.00	100
AGVB	21.27	21.65	17.71	39.35	00.00	100
CAB	10.98	45.05	00.00	43.95	00.00	100
UB	00.00	00.00	17.59	81.05	01.34	100
PSB	00.00	00.00	00.00	34.72	65.27	100
IB	00.00	00.00	00.00	100	00.00	100

Source: Computed

The credit linkage with the bank under SGSY program, it is seen that disbursement of SBI loan was 156.90 lakh (18.43 percent) and 90.95 lakh (10.68 percent) numbering 77 and 93 SHGs during year 08-09 and 09-10. Thereafter, the bank disbursed loan of Rs.231.05 lakh (27.14 percent) and 348.90 lakh (40.98 percent) to 103 and 190 SHGs during 10-11 and 11-12. The figure of loan disbursement went down to 23.40 lakh (14 SHGs only) showing 2.74 percent during 12-13. The disbursement of Allahabad bank loan was Rs.116 lakh (25.66 percent) with 65 numbers of SHGs during the year 08-09.

During the year 09-10, loan disbursement declined to 63.10 lakh (13.96 percent) numbering 46 SHGs. The loan disbursement amount was 71.14 lakh (15.73 percent) though the number of SHGs further declined during the next year. Thereafter, the bank distributed loan of Rs.180.26 lakh (39.88 percent) to 95 SHGs during 11-12. During last year, the amount of loan disbursement to the SHGs was 21.50 lakh (4.75 Percent) for lowest number of SHGs among all the years. The disbursement of UBI loan was 76.82 lakh (16.66 percent) and 87.75 lakh (19.03 percent) during the year 08-09 and 09-10. The next year shows that number of SHGs declined to 34 but loan disbursement declined to 77.50 lakh (16.80 percent). The rising trend of loan disbursement of Rs. 203.40 lakh (44.11 percent) for 124 SHGs was again observed during 11-12. The figure of loan disbursement went down to 15.60 lakh (3.38 percent) totaling 9 SHGs during last year. The UCO bank disbursed loan was 47.06 lakh (12.39 percent) and 142.55 (37.55 percent) showing up trends to 43 and 102 SHGs during the year 08-09 and 09-10. The next year shows that number of SHGs declined to 39 and loan disbursement was 78 lakh (20.54 percent). The rising trend of loan disbursement of Rs. 112 lakh (29.50 percent) to 59 SHGs was again observed during 11-12. There was no loan disbursement to the SHGs during last year. The disbursement of CBI loan was 61.67 lakh (03.10 percent) and 80.80 lakh (04.06 percent) showing up trends 40 and 63 SHGs during the year 08-09 and 09-10. The next year shows that number of SHGs declined to 20 and loan disbursement was 44 lakh (02.21 percent). The rising trend of loan disbursement of Rs. 1802.10 lakh (90.62 percent) for 97 SHGs was again observed during 11-12. There was no loan disbursement to the SHGs during last year 12-13. The IOB disbursed loan to 4 SHGs with loan disbursement 4 lakh (20.51 percent) during 08-09. The rising trend of loan disbursement of Rs. 8.50 lakh (43.58 percent) to 14 SHGs was again observed during 09-10. There was no loan disbursement to the SHGs during year 10-11. During 11-12, it disbursed loan amounting to Rs.7 lakh (35.87 percent) to 3 SHGs and loan disbursement to SHGs during 12-13 was nil. The loan disbursement of PNB was Rs.28 lakh (16.44 percent) with 33 SHGs during 08-09. The loan amount was similar i.e. 16.44 percent during 09-10 though the number of SHGs declined to 21. The bank disbursed loan to 22 SHGs amounting to Rs.42 lakh (24.66 percent) and 72.30 lakh( 42.45 percent) showing rising trend during 10-11and 11-12. Loan disbursement to SHGs during 12-13 was nil. The AGB bank disbursed loan 71.50 lakh (21.27 percent) with 51 SHGs during 08-09. There was a slight increase of loan disbursement to the tune of 72.80 (21.65 percent) with increase of SHGs to 54. Loan disbursement to SHG fell to 30 amounting to Rs.59.55 lakh (17.71 percent) during 10-11. There was an increase of loan disbursement to 132.20 lakh (39.35 percent) during 10-11. Loan disbursement to SHGs during 12-13 was nil. The disbursement of co-operative bank loan was Rs.1 lakh (10.98 percent). There was an increase of loan disbursement to the tune of 4.10 lakh (45.05 percent) with increase of SHGs to 5 during 09-10. There was no loan disbursement to SHG during 10-11. There was a loan disbursement to 4 lakh (43.95 percent) during 11-12. Loan disbursement to SHGs during 12-13 was nil.

## CONCLUSION AND RECOMMENDATION

From the above analysis, it can be concluded that banks are important microfinance service providers for the rural needy people in the district. Three banks namely commercial banks, regional rural banks and state cooperative banks are the main functionaries of financial service in the district for many years. The banks are disbursing loan to the groups under SGSY scheme of micro finance to undertake economic activities. The amount of loan sanction is based on the economic activities of the group to be undertaken. Banks are giving importance to this sector and disbursement of fund to the groups is the main function of the banks. From the study, it has been observed that SBI has sanctioned loan to highest number of SHGs numbering 496 amounting to Rs.502.75 lakh over a period of five years followed by UCO bank and UBI with 327 and 312 numbers of SHGs amounting to Rs. 323.70 and 308.85 lakh in dibugarh district. But the amount of subsidy released by the SBI, UCO bank and UBI during the study period was 487.6 lakh, 308.85 lakh and 232.70 lakh with the same number of SHGs. In case of disbursement of loan to SHGs, the CBI disbursed highest amount of loan amounting to Rs. 1988.57 lakh to 220 SHGs followed by SBI and UBI Rs.851.20 lakh and 461.07 lakh to 477 and 297 SHGs. Further, the banks should maintain continuity to give priority to the micro sector. Banks should take more steps on their part for proper financing of SHGs in the future.

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