



FINANCIAL SUSTAINABILITY OF SHGS VIS –A –VIS YEARS OF LINKAGE

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Abstract

This paper tries to bring forth the relation between Financial sustainability over the years gradually. It's an attempt to see the changes in the composition and functioning of SHGs over a period of time. The impact of SHG-Bank Linkage Programme on various aspects like credit, savings and repayment pattern is studied in detail. The major focus is on the sustainability of these SHGs and how it is changing as the linkage progresses.

Financial Inclusion and Sustainability

Financial Inclusion/exclusion has varied depending on the dimensions such as 'breadth', 'focus' and 'degree' of inclusion/exclusion. The Report of the Committee on Financial Inclusion with C. Rangarajan as chairman in 2008 laid more emphasis on access to financial services, and, timely & adequate availability of credit. The definition given is "The process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at affordable cost" (RBI Report on Currency and Finance 2006-08, Vol. II⁴⁶).

The operational definition of financial Inclusion based on this underscores the role of Financial Institutions or service providers in this process. The major reason for non-expansion of financial services are physical access, high charges and penalties, conditions attached to products make them inappropriate or complicated, perceptions of providers of financial services are thought to be unwelcoming to low income people. All over the world it has been recognised that it's the poorer sections of the population that do not access to financial services both formal as well as informal. Thus a significant proportion of low income households is dependent on unsustainable, subsidy-dependent and poorly performing institutions (RBI Report⁴⁴). So the major global issue is to provide sustainable financial system in order to provide a high quality of life for current and future generations. Sustainability is envisaged to have three dimensions the economy, the society and the natural environment. Socially achieving sustainability will require effectively dealing with a plethora of social issues like population growth, economic development, human rights, human health, gender equity, education, food security etc, facing communities and nations worldwide. Here we are discussing on the access to financial service and its sustainability.

Microfinance through SHGs

All measures were ambitious and laudable but did not reach the poor people in adequate measure (Emergence and growth of microfinance in India: Book Women empowerment through Capacity Building). Various studies (World Bank 2003⁷⁴; Robin et al. 2004⁷⁵; Nair 2000; Yunus 2003⁷⁶) revealed that in India banking services tended to remain out of the reach of poor people. The formal credit delivery system found difficulties in dealing effectively and economically with a large group of borrowers who require credit frequently and in small quantities. Hence there exist a perceived need for an alternate credit delivery system to cater to the needs of this segment of our population.

It is in this backdrop that Microfinance has emerged as a powerful tool to provide financial services to those who do not have access to financial services or are neglected by formal financial institutions (I. A Hamze, 2001¹⁸). In the last decade microfinance has gained prominence and expanded further from the narrow concept of micro credit to savings, insurance, remittance etc. The government of India while launching most of it's poverty alleviation programmes emphasises on formation of groups so as to channelize the benefit of these programmes to the poor people. This paper also tries to assess how sustainable is this means of providing finance.

Research Methodology

In this paper an attempt has been made to study the functioning of the SHGs under SHG Bank Linkage Programme (SBLP) and examine the performance of these groups since the linkage happened. The study covers 104 bank-linked SHGs spread over three districts of Vidarbha Region of Maharashtra. The details about the number of sample SHGs selected from these three district selected for study as stratified on the basis of the type of model are presented in 1.

Table 1 : Stratification of Sample based on the Type of Model

Stratification					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Model II Urban	38	36.5	36.5	36.5
	Model II Semi-urban & Rural	48	46.2	46.2	82.7
	Model III Urban	16	15.4	15.4	98.1
	Model III Semi-urban & Rural	2	1.9	1.9	100.0
	Total	104	100.0	100.0	

For the purpose of this study the sample SHGs were stratified as

- (i) Model I: SHGs directly promoted and nurtured by banks.
- (ii) Model II: SHGs promoted by NGO's and government agencies but directly linked to banks.
- (iii) Model III: SHGs promoted, nurtured and financed by agencies linked to banks.

Sample is further stratified as Urban (U) and Semi-Urban & Rural (SU/R). In the context of this study Urban is understood to be including SHGs/SHG members those are present at the district level or have a close proximity (within 5 Kms) to the district. Whereas Semi-Urban & Rural included those SHGs/SHG members which are located at Thesil, Taluka & Village level. For analyses Model I has been clubbed with Model II as the number of groups where less than 5% and most were closing the group.

Structure and Performance of SHGs : Off all the SHGs under study it was observed that only two SHGs had 1-2 male members in their groups and one group from Parchode-Village, Thesil-Umrer, District-Nagpur was of 16 male members which happens to be a Farmers Club. Thus of the total sample more than 98% are women groups. Most of the groups are promoted by the NGOs and Government Agencies as is evident from the sample stratification itself wherein almost 82% as seen in Table1 comes under *model II*.

Table 2: General Profile of SHGs Model-type wise

	Model II U	Model II SU/R	Model IIIU	Model III SU/R	All Models
Percentage distribution of SHGs as per number of members					
* <10 members	10.5%	0.0%	87.5%	0.0%	17.3%
* 10-12 members	26.3%	75.0%	0.0%	0.0%	44.2%
* 13-15 members	52.6%	12.5%	0.0%	0.0%	25.0%
* >15 members	10.5%	12.5%	12.5%	100%	13.5%
Total	100%	100%	100%	100%	100%
Percentage distribution of SHGs as per number of years of bank linkage.					
* 1-2 years	15.8%	25.0%	75%	0.0%	28.8%
* 3-4 years	21.1%	45.8%	12.5%	100%	32.7%
* 5-6 years	26.3%	12.5%	12.5%	0.0%	17.3%
* >6 years	36.8%	16.7%	0.0%	0.0%	21.2%
Total	100%	100%	100%	100%	100%

Source : Survey data

It can be seen from the Table 2 that the number of members per SHG are mostly between 10-15 members with the average around 13 members. This is in agreement with the ideal size of a SHG which is between 10 and 20 (impact study-NCAER⁴). If the number of members is more active participation of members is not possible. The average size of different SHGs in the semi-urban as well as urban area is observed (Table 2) to be lying in this range with almost 87% of the groups from the semi-urban area have group size of 10-15 members. Model III is totally out of this range with its group size varying from 5-40 members. Most of the MFIs follow the Grameen Bank Model.

Of the 104 SHGs in the sample nearly (Table 2) 71% of sample groups have been in existence for more than three years. Whereas only 28.8% of the groups are in existence for less than three years. Some of the groups have completely winded up their activity and some others have closed and then restarted again so the groups in existence for more than three years could well be around 75%. For all the SHGs under study the bank was within accessible limit in urban area but in some villages the members had to travel more than 30 Kms to & fro. Members of SHGs benefit by becoming a part of a federation. In our sample we came across only one such group that was getting linked to a federation that was from village Parchode in Umrer.

Composition of SHGs : The distribution of all the SHGs as per their socio-economic characteristics is as given in Table 3. More than 98% SHGs are women groups. As observed in Table 3 the socio-economically backward sections of the society seem to be getting the access to banking services through the SHGs. The socially deprived sections especially the SC/ST groups constitute 15.4% and along with the other backward communities it is 48.1% of the sample population. was observed in the field that some of the groups in these 48.1% have merely 1-3 members from the SC/ST communities.

As per the distribution of SHGs according to the level of literacy of members it is seen that almost 75% SHGs .have more than 50 % literate members but as it graduates one interesting think happens that the number of literate is decreased as these people move on to start their own businessesin.

Table 3: Characteristics of members in the Sample SHGs as per the group age

	1-2yrs	3-4yrs	4-6yrs	>6yrs	Total
Percentage distribution of SHGs as per the caste of members					
* SC/ST					
* Only OBC	13.3%	11.8%	11.10%	27.3%	15.4%
* SC/ST & OBC	13.3%	23.5%	0.0%	18.2%	15.4%
* SC/ST & OBC & others	46.7%	47.1%	55.6%	45.5%	48.1%
Total	26.7%	17.6%	33.3%	9.1%	21.2%
Total	100%	100%	100%	100%	100%
Percentage distribution of SHGs as per the level of literacy					
	6.7%	5.9%	0.0%	0.0%	3.8%
* More than 90% Illiterate	66.7%	47.1%	33.3%	45.5%	50.0%
* Atleast 50% literate	26.7%	29.4%	33.3%	18.2%	26.9%
* More than 50% literate	0.0%	17.6%	33.3%	36.4%	19.2%
* Almost all literate					
Total	100%	100%	100%	100%	100%

Source : Survey Data

More than 85% of these groups are consisting of members who are below the poverty line (BPL). The above poverty line groups (APL) which was around 5% have reported closing down of group due to changes in policies related to funding of SHGs. In the remaining groups only 1-3 APL members were there. This itself indicates the penetration of the SHG-Bank linkage Programme to the population living BPL.

An ideal SHG should have members having similar social and financial backgrounds. It is quite evident that the percentage of SHGs with only SC/ST members was 15.4% of the total sample. Of these 27.3% were formed more than six years back

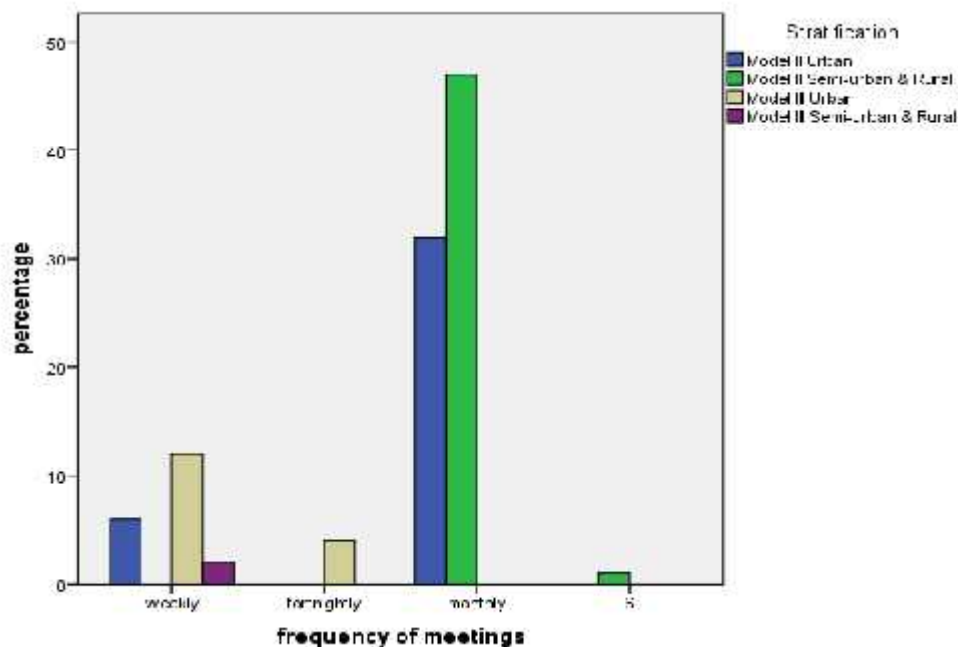
whereas only 13.3% groups are formed in the past two years. The percentage of SHGs with members from the SC/ST category and OBCs was consistent all along around 48%.

Functioning of SHGs : Functioning of the SHGs to a great extent depends upon the leader of the group and general management practices such as frequency of meetings, participation of members etc.

1. Conduct of meetings and participation of members.

Banks before taking decision on extending credit facilities to SHGs look out for whether the group functions in a democratic manner or not. Holding of regular meetings ideally weekly or atleast once a month, was one activity that ensures effective participation of members of the group. SHGs in these meetings have been found to undertake financial transactions, such as collection of savings and disbursement of loans. It is used as an occasion by the members to discuss their common problems and other issues that need intervention of group members or representatives of banks and other intermediary agencies, to sort them out.

Figure 1: conduct of meetings by sample SHGs



Source: Survey Data

It is clearly evident from Figure 1 that the frequency of SHG meetings occurring on monthly basis is predominant with 76.9%. Followed by weekly meetings (19.2 %, Table 4) and fortnightly meetings being merely 3.8% (Table 4). In case of about two SHGs the conduct of meetings was observed to be irregular, whereas four SHGs were closing their activities due to some inherent problems.

In most of the groups the attendance of members in meetings was observed to be above 80%. However in case of members not attending the meetings the major reason were:

- preoccupation with household activities and work (usually the wage labourers),
- difficulty in adhering to fixed time schedule and
- as most of these members are daily wagers its inconvenient for them to find date and time for such activities.

Some groups do charge penalties for late payment by members which is an activity taken up during meetings

Table 4 : General management practices of Sample SHGs as per age of group

	1-2yrs	3-4yrs	4-6yrs	>6yrs	Total
Conduct of meetings					
* Weekly	40.0%	11.8%	22.2%	0.0%	19.2%
* Fortnightly	13.3%	0.0%	0.0%	0.0%	3.8%
* Monthly	46.7%	88.2%	77.8%	0.0%	76.9%
Total	100%	100%	100%	100%	100%
Nature and awareness about byelaws of the group.					
* Written and strong awareness	14.3%	13.3%	0.0%	18.2%	12.2%
* Oral but strong awareness	21.4%	53.3%	66.7%	18.2%	38.8%
* Oral and unaware	50.0%	26.7%	11.1%	36.4%	32.7%
* No byelaws	14.3%	6.7%	22.2%	27.3%	16.3%
Total	100%	100%	100%	100%	100%

Source: Survey Data

As seen in Table 4 monthly meetings were also common in older groups of 3 years and above as compared to recently formed groups. The groups of recent origin are mostly meeting once a week it is so because most of these groups belong to the MFIs which take collections from members weekly. The meetings of these groups are held at a fixed time usually around 7.30 am at a fixed place. The groups of Model II both in the urban and semi-urban & rural areas meet at the residence of one of the group members at a time that suits majority of the members. Some groups meet at Panchayat offices, Buddha-Vihars or community place, Anganweadi etc to conduct their meetings. So it calls for strengthening of village as well as urban infrastructure in terms of providing atleast one-room community halls where these members can meet.

Awariness of Banking Operations : The SHGs are involved in a number of activities mostly of financial nature. So it's very important for them to maintain the records related to monetary transactions in a systematic order with posting of timely updates. The financial management practices of the SHGs are an integral part of the successful running of a SHG.

Table 5 : Financial management practices of sample SHGs by model type

	Model II U	Model II SU/R	Model III U	Model III SU/R	All Models
Persons operating bank account					
* President & secretary	47.1%	33.3%	0.0%	0.0%	32.0%
* President & treasurer/secretary & treasurer	52.9%	41.7%	0.0%	0.0%	38.0%
* Any two members	0.0%	16.7%	0.0%	0.0%	8.0%
* Member him/herself	0.0%	0.0%	100%	100%	18.0%
* Through representatives	0.0%	8.3%	0.0%	0.0%	4.0%
Total	100%	100%	100%	100%	100%
Awareness about financial practices and bank loans					
* Well informed	11.8%	16.7%	12.5%	0.0%	14.0%
* Moderately informed	47.1%	41.7%	37.5%	0.0%	42.0%
* Ill informed	23.5%	25%	37.5%	100%	28.0%
* Unaware	17.6%	16.7%	12.5%	0.0%	16.0%
Total	100%	100%	100%	100%	100%

Source: Survey Data

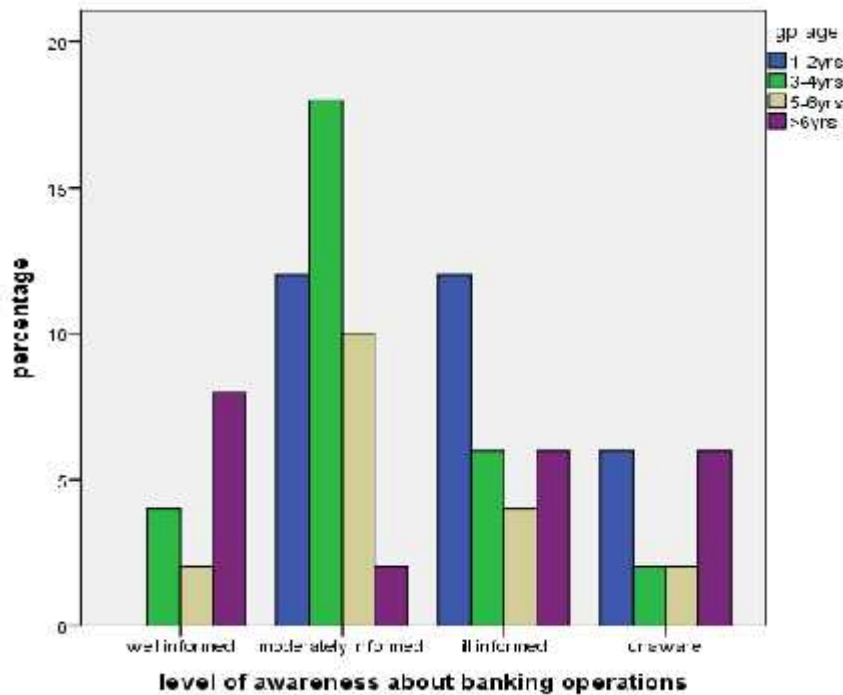
Maintenance and operation of Accounts : SHGs apart from maintaining their accounts register also maintain passbooks which show transactions of the SHGs. In the above table it is seen, that, most of the groups under study the persons operating the bank account of the SHGs were either the president, secretary or treasurer of the group. There is not much variation in the urban and semi-urban & rural groups, of model type II (almost 100%). Except for a small difference in model type II urban,

and, model type II semi-urban & rural as some of the groups from the rural parts get it done from their representative due to the travel distance and transportation problems in order to reach the bank.

The NGO (Ramabai Ambedkar Bahuudash Mahila Mandad) at Kapse, Thesil Kamptee District Nagpur (Mrs. Navratna Adole-audio recording) has provided the groups with printed account books which is a great aid to these members in maintaining their accounts. At Mauda the NGO field worker Mr. Phatting (Nageshwar Charitable Trust) is providing all assistance in the maintenance of account book and banking activities of SHGs. So it is seen that SHGs promoted by NGOs although directly financed by banks are much better placed in managing their accounts and passbooks.

It was further observed that the accounts are operated mostly by literate members of the groups. So the basic reason for such a high concentration of the SHGs depending on either the president, secretary or treasurer for the banking operations is the low literacy level of the members of the group which happens to be more than 50%. The level of awareness about the banking operations is almost negligible in case of almost 44% of the sample SHGs, the maximum SHGs are of recent origin i.e group age below 2 years as is seen in the figure below.

Figure 2: level of awareness of banking operations-age wise



Source: Survey Data

The level of awareness is increasing with the age of bank linkage of the SHG as observed from Figure 4.3. The groups below two years of linkage are either unaware or ill informed about the financial operations (60%) whereas those with 3-4 years of bank linkage are moderately informed (60%) and lastly the groups that have been linked with banks for more than five years are well informed (over 47%). From the Figure 2 it is clearly evident that sample SHGs directly linked with the banking system for more than six years are very well informed about the financial practices of the group and the banking operations as well.

Mandatory savings of SHGs : The principle behind the SHG-Bank linkage is that the poor can save though in small amounts. In order to get an easy access to hassel free loan at low interest rates, is an additional incentive especially for those who are otherwise not in a position to get bank loan. It inculcates in SHGs a habit of saving.

Table 6: Amount of mandatory savings per member per month

		Stratification					Total
		Model II Urban	Model II Semi-urban & Rural	Model III Urban	Model III Semi-urban & Rural		
save in gp	Rs.50	Count	8	33	0	0	41
		% within Stratification	21.1%	68.8%	0.0%	0.0%	39.4%
	Rs.100	Count	20	13	0	0	33
		% within Stratification	52.6%	27.1%	0.0%	0.0%	31.7%
	Rs150-200	Count	10	2	8	0	20
		% within Stratification	26.3%	4.2%	50.0%	0.0%	19.2%
	not required	Count	0	0	8	2	10
		% within Stratification	0.0%	0.0%	50.0%	100.0%	9.6%
Total	Count	38	48	16	2	104	
	% within Stratification	100.0%	100.0%	100.0%	100.0%	100.0%	

Source: Survey Data

The savings amount is predetermined by the members of the group and are collected during their regular meetings. This amount is saved in the bank in name of the SHG, which constitutes the SHG fund. It is seen that savings on monthly basis is the most preferred option both in the urban and semi-urban/rural population. Almost 76.9% of the SHGs save monthly followed by 19.2% of the SHGs with weekly savings. Here its important to note that a large portion of these are groups of MFIs which take one time initial deposit around 200 followed by loan and weekly collections. The higher percentage of around 77% of the SHGs reporting monthly savings is in agreement with that reported in impact study by NCAER⁵ 2008 wherein they had reported 'among all the states 94 percent of SHGs in Maharashtra offered monthly saving services'.

The sample SHGs saved from Rs. 50 to above Rs. 150 per member per month. Nearly 39.4% of the SHGs saved Rs. 50 per member per month. Almost 32% of SHGs saved Rs. 100 per member per month. There is a remarkable difference in the amount of savings in model II in the urban and semi-urban or rural areas. As observed from Table 6 the savings of Rs. 50 was more preferred (68.8%) by SHGs of the semi-urban and rural areas as compared to savings of Rs. 100 being common (52.6%) in the urban areas. This may be due to the difference in the economic conditions of members or even the economic needs of the members in urban and rural areas. The amount of mandatory savings have been revised only in the case of 3-4 groups wherein the initial savings were kept as Rs. 100 per member per month and subsequently changed to Rs. 50 per member per month after one year of it's existence. None of the groups reported flexibility in the amount of savings.

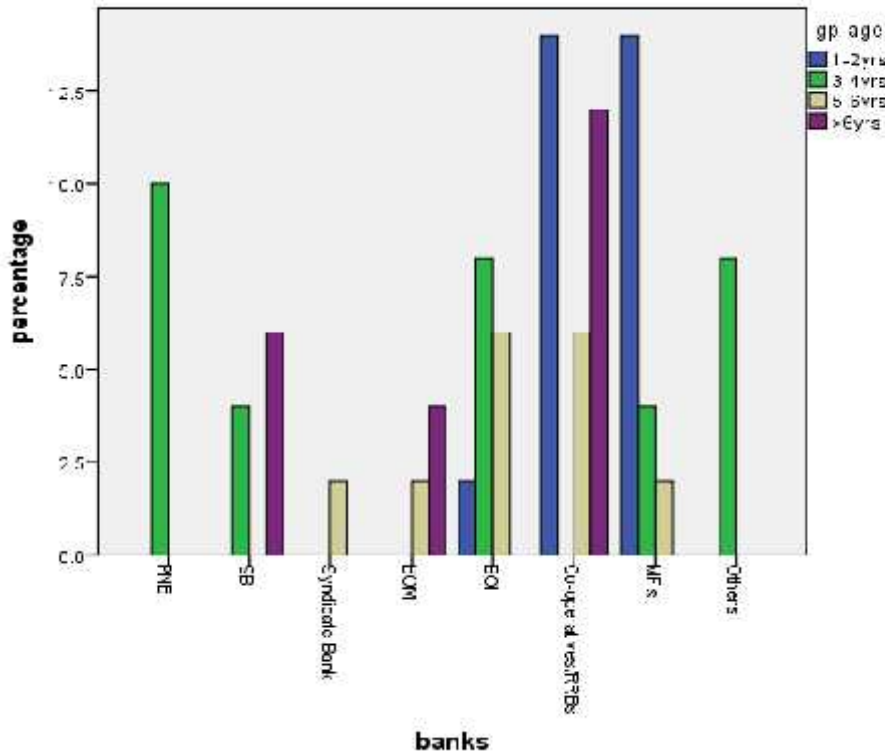
Average annual savings of SHGs : In the present study it was found that the average mandatory savings per member amounted to Rs. 100. The amount of mandatory monthly savings observed in the present study is almost double the monthly savings of members reported in the impact studies conducted by NCAER, which reported the average mandatory savings per member as Rs. 49 with variation across model type.

The average years of bank linkage has worked out to 3.2 for the sample SHGs. Thus average amount of savings per annum per member has risen to Rs. 896.39 (~Rs. 900). No group has reported payment of interest on savings but ofcourse more than 80% of the SHGs have reported the distribution of profits equally among all members. Further it was observed that around 8% of the sample SHGs had revised their savings. From amongst these only 25% of sample SHGs had revised upward whereas 75 % of these revised it downward. The groups that revised it upward was once Rs. 1000 to set up an enterprise and then Rs. 150 per month. The SHGs that revised it downward was because they had started earning enough through their enterprises, thus accumulating some portion of the profits, instead reducing mandatory savings from Rs. 100 to Rs. 50. This finding is to a great extent against that reported by impact studies of NCAER-2008 which states that 'more than one-third of the SHGs have revised upward the minimum savings per member from the time of formation'.

Loaning operations of SHGs : The SHG funds are set aside for lending to members among the group. The interest rate charged on internal borrowing is 2-3% per month. Thus the interest rates are far below the market rates. In addition to this the BPL SHGs and those of members only from the SC/ST categories get subsidies from the government based on their repayment pattern, these funds are also added to the SHG funds.

The percentage distribution of sample SHGs as per the external source of borrowings is very much in consonance with all India statistics with the commercial banks linking almost 50% (others includes the commercial banks) of the sample SHGs, followed by the Co-operative banks and RRBs (30.8%) then finally the private MFIs (19.2%).

Figure 3 Sources of external borrowings vs years of bank linkage



Source : Survey Data

It is observed from Figure 3 that the share of the MFIs has been continuously increasing. The Lead Bank in Maharashtra is Bank of India. In the above figure its clearly seen that nearly 33% of sample SHGs linked to the banking system by commercial banks belong to BOI. SBI has a share of around 23% followed by PNB with almost 21% of the sample SHGs linked to commercial banks. The banking network of commercial banks seems to have penetrated the rural areas, as much over 60% of the sample SHGs linked to these banks are from the semi-urban and rural parts of the area under study. The average amount of external borrowed funds by sample SHGs after linkage was around Rs. 91,533 indicating an average increase of Rs. 28,604 per year (this value is reported as Rs. 25,216 by NCAER⁵ - 2008). The reason for such an increase in external loans is due to increased accessibility of bank –linked SHGs to bank loans.

Purpose of loan usage by SHGs : The increased access to external funds has helped in providing more credit to the members of SHGs, which they can invest in income generating activities. Even from Table 7 it is observed that almost 50% of the loans are used for income generating activities (micro-enterprises).

Table 7: usage of loan by sample SHGs as per type of model

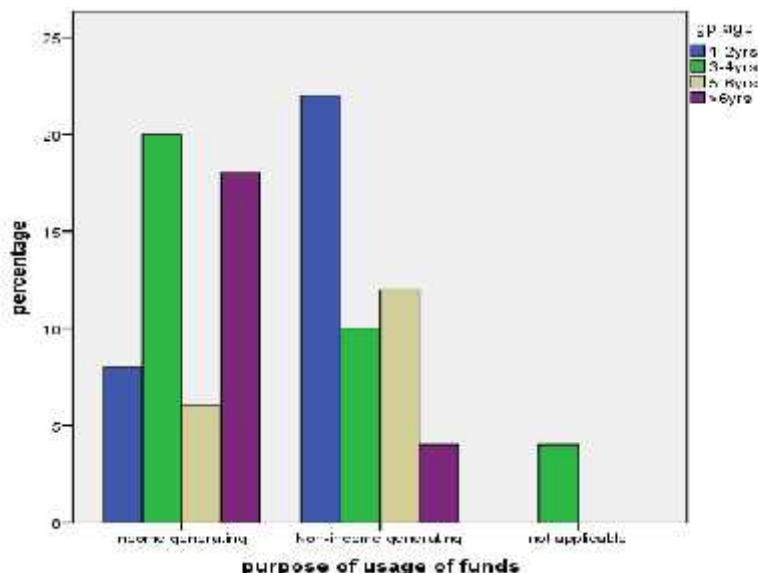
Purpose of usage	Model II U	Model II SU/R	Model III U	Model III SU/R	All Models
Income generating	47.4%	58.3%	25.0%	100%	50%
Non-income generating	42.1%	41.7%	75.0%	0.0%	46.2%
Loan was not availed from bank	10.5%	0.0%	0.0%	0.0%	3.8%

Source: Survey Data

However for study purpose the loan availed by the sample SHG members have been classified into two categories. The income generating purposes include resources/inputs for agriculture, petty trade and other non-farm activities. The Loan for non-income generating purposes included the repayment of old loans from money lender, basic consumption needs such as meals, clothes, medical expenditures etc. It also involves the investment in social functions like, marriage and funeral ceremonies, etc.

The average loan size for the groups surveyed was found to be around Rs. 91,533 of which 50% had been used for income generating purposes (impact assessment-V Puhazhendi⁴⁹ : reported this as Rs. 32,685 of which 72 % used for income generating purpose). Around 46% of these funds had been used for non-income generating purpose.

Figure 4.: usage of external funds as per years of linkage



Source: annexure 1

The Figure 4 clearly indicates that the older groups are using these funds more for income generating activities (81.8%) as compared to recently formed SHGs (26.7%).this finding is totally in consonance to that reported by V Puhazhendi⁴⁹.

Financial sustainability of SHGs : Financial sustainability is linked to the repayment pattern of SHGs which in turn depends on the repayment behaviour of its members. The recovery of loan is also linked to the decision on the disbursement of loan to members.

Table 8: financial sustainability of sample SHGs

	Model II U	Model II SU/R	Model III U	Model III SU/R	All Models
Percentage distribution of SHGs by periodicity of availing credit services					
* Within a year	26.3%	10.4%	43.8%	100%	23.1%
* Between 1-2yrs	57.9%	43.8%	56.2%	0.0%	50.0%
* Within 4yrs	0.0%	12.5%	0.0%	0.0%	4.8%
* After 4yrs	0.0%	12.5%	0.0%	0.0%	5.8%
Total	100%	100%	100%	100%	100%
Repayment of loan by members					
* Mostly on time	52.9%	52.2%	50.0%	100%	53.1%
* Late with penalty	23.5%	26.1%	50.0%	0.0%	28.6%
* Late without penalty	17.6%	21.7%	0.0%	0.0%	16.3%
* Defaulters	5.9%	0.0%	0.0%	0.0%	2.0%
Number of members availing loan					
* almost all	58.8%	65.2%	100%	100%	69.4%
* very few	35.3%	34.8%	0.0%	0.0%	28.6%
Decision about loans					
* president	11.8%	17.4%	0.0%	0.0%	12.2%
* president & secretary	11.8%	21.7%	0.0%	0.0%	14.3%
* consensus of members	76.5%	60.9%	12.5%	0.0%	57.1%
* provider	0.0%	0.0%	87.5%	100%	16.3%

Source : Survey Data

From the percentage distribution of sample SHGs by periodicity of availing loans from financial institutions (Table 8) it is seen that most of the model type II SHGs from the urban area (84.2%) availed loan in just 2 years of linkage. Whereas of all SHGs from semi-urban and rural areas of model type II only 54.2% availed bank loans, it was further observed that some of the groups from rural parts have got them sanctioned but not yet availed it or just partly availed the sanctioned amount keeping in consideration their repayment capacities. MFIs provide loans immediately (Table 8) without getting the members attuned to the banking system and thus it is observed that some of these turn defaulters and have to forgo lot of things even their own life at times.

For the SHGs to be sustainable the repayment to banks have to be on time, this becomes possible only if the payment/repayment are made by members on time. As observed from Table 8 almost 53% of the sample SHGs are making payments on time. However the defaulters are just around 2%. The number of members availing loans indirectly affects the sustainability. SHGs collect funds from interest paid by members so if more loans are availed from the groups the savings of the SHG increases. Almost 70% of the sample SHGs are availing loans which indicates that a considerably high number of members have taken up income generating activities.

Conclusions

In this paper it is very well established as to how the people who had been left out of the banking system had been brought in its ambit. The SHGs are found to have improved and streamlined their functioning over a period of time. As the group matures their is a shift from usage of funds for income generating purposes from that of consumption. The Repayment capacity also is found to increase, thus making the SHGs Financially Sustainable.

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Annexure 1

purpose of usage of funds by sample SHGs as per years of linkage

		Years of linkage of SHGs				Total	
		1-2yrs	3-4yrs	5-6yrs	>6yrs		
purpose	Income generating	Count	8	20	6	18	52
		Expected Count	15.0	17.0	9.0	11.0	52.0
		% within gp age	26.7%	58.8%	33.3%	81.8%	50.0%
	Non-income generating	Count	22	10	12	4	48
		Expected Count	13.8	15.7	8.3	10.2	48.0
		% within gp age	73.3%	29.4%	66.7%	18.2%	46.2%
	not applicable	Count	0	4	0	0	4
		Expected Count	1.2	1.3	.7	.8	4.0
		% within gp age	0.0%	11.8%	0.0%	0.0%	3.8%
Total	Count	30	34	18	22	104	
	Expected Count	30.0	34.0	18.0	22.0	104.0	
	% within gp age	100.0%	100.0%	100.0%	100.0%	100.0%	

Source: Survey Data