

Evaluation of SHG-Bank Linkage: A Case Study of Rural Andhra Pradesh Women

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Abstract:

The main objective of Self-Help Group programme is to empower women by providing financial assistance through bank linkage. An amount of financial assistance through bank linkage is the main source to the SHG members to operate the economic operations towards their improvement. Hence, the study examines the relationship between bank linkage and economic variables are analyzed. This enables to get an overall view of the functioning and sustainability of the SHG bank linkage programme in the study area. In this study an attempt is made to study different processes of SHG bank linkage programme includes SHG bank linkage, purpose of linkage, utilization of linkage, outstanding of linkage amount, distribution pattern of linkage amount among member's repayment capacity and problems in the repayment of the sample SHG women members in the study area. The present study found that out of total respondents, majority of the respondents have taken four bank linkages, followed by five bank linkages and six bank linkages. Under the SHG age group of 5 to 10 years nearly 84.2 per cent of respondents got four bank loans, 15.8 per cent of them got five bank linkages and rest of the other members got six bank linkages. Out of 300 members, majority (47.3 per cent) of the

respondents have received an amount ranging between Rs. 15,000 to Rs. 30,000 and only 2.3 per cent of respondents have received the bank loan amount above Rs. 45,000. About 53 per cent of the respondents are not utilizing the loan amount for investment purpose. It is found majority of the respondents repaid the bank loans regularly. The study reveals that among the respondents who do not repaid the bank loans regularly, 31 respondents have not repaid the loans regularly due to the reason of the facing poverty, 15 respondents have not regularly repaid because they do not have any economic activity and finally 10 respondents do not repaid the loans regularly because of natural hazards.

Key words: SHG Bank Linkage, Purpose of Loan, Utilization, Outstanding and Repayment of Loan Amount.

Introduction

SHG Bank Linkage has provided the capacity for Self-Help Groups (SHGs) to increase their capital base to fund more members and bigger projects. The SHG-Bank Linkage Programme (SBLP) registered a significant growth both in terms of coverage and the outreach of credit to the poor. The Government of India (GoI) made linking SHGs with banks a national priority from 1999 onwards through its periodic policy and budget announcements. This SHG bank linkage programme has come a long way since 1992 passing through stages of pilot (1992-1995), mainstreaming (1995-1998) and expansion phase (1998 onwards) and emerged as the world's biggest microfinance programme in terms of outreach, covering 1.6 million groups as on March, 2005 and it occupies a pre-eminent position in the sector accounting for nearly 80 per cent market share in India (Alok Misra, 2006). Today the programme is growing at a pace of about 2.5 million households annually. In 1999, the Government of India merged various credit programs together, refined them and launched a new programme Swarnajayanti Gram Swarozgar Yozana (SGSY).

The mandate of SGSY is to continue to provide subsidized credit to the poor through the banking sector to generate self-employment through a SHG approach and the programme has grown to an enormous size. The World Bank Report: South Asia 2007 highlights, that the micro finance groups since 2000 have come up in big way in India and the programme has focus on women's development. In Andhra Pradesh SHGs are linked not only to banks but also to wider development programmes such that SHGs also be organized as community platforms from which women become active in village affairs, stand for local election or take action to address on social or community issues. Thus SHGs are expected to confer many benefits, both economic and social. SBLP programme enable women to grow their savings and to access the credit (Rajani Manikonda, 2014).

SHG-Bank Linkage Programme (SBLP)

The SHG-Bank Linkage Programme was started as an action research project in 1989. The findings of the project led to the launching of the pilot phase of the SHG-Bank Linkage Programme by NABARD in February 1992 with policy support from the Reserve Bank, it is a notable milestone in the SHG movement. The pilot project was designed as a partnership model between three agencies, viz., the SHGs, banks and NGOs. The SHGs were expected to facilitate collective decision making by the poor and provide 'doorstep banking', the banks as wholesalers of credit, were to provide the resources, while the NGOs were to act as agencies to organize the poor, build their capacities and facilitate the process of empowering them. The studies conducted by NABARD, Asia-Pacific Rural and Agricultural Credit Association and International Labour Organization on the informal groups promoted by NGOs brought out that Self-Help savings and credit groups have the potential to bring together the formal banking structure and the rural poor for mutual benefit and that their working has

been encouraging. The main advantage of the programme is timely repayment of loans to banks, reduction in transaction costs both to the poor and banks, doorstep saving and credit facility for the poor and exploitation of the untapped business potential of the rural areas. The banks were able to tap into a large market and the SHGs were able to scale up their operations with more financing and they had access to more credit products. The programme, which started as an outreach programme has not only aimed at promoting thrift and credit, but as part of an overall arrangement for providing financial services to the poor in a sustainable manner and also contributed immensely towards the empowerment of the rural women. In the development paradigm micro finance assistance through SHGs have evolved as a need-based policy and programme to cater to the weeping needs of economically and socially deprived women in the poorest segment of the Indian economy. The main aim of the SHG-Bank Linkage Programme (SBLP) is to tap the potential of the SHG concept to bring banking services to the doorsteps of the poor, especially the women who have been ignored by the formal financial agencies in the past (Shylendra H. S, 2004).

Objective of the study

The main objectives of this study are as follows:

1. To scrutinize the evolution of SHG-Bank Linkage of women SHGs in rural Andhra Pradesh.
2. To find out the reasons for irregular repayments of the bank linkage and suggest the remedial measures to successful implementing of bank linkage process and strengthen the SBLP.

Methodology and Analytical Techniques

A stratified multi stage random sample method is used for the purpose of the study. In the first stage three districts were selected from the three regions of combined Andhra Pradesh. One district was selected from each region. In the second stage one mandal was selected at random from the selected district. In the third stage one village was selected at random from the selected mandal of each district. In the fourth stage hundred SHG members, who have taken minimum of four bank linkages and above were selected at random from each village. Total of 300 women SHG members were randomly selected under SHG scheme. The responses are recorded on the basis of the opinion of the sample respondents themselves on each aspect of bank linkage through schedule method with a well structured questionnaire. The entire study is based on the primary data. For the statistical analysis of the data pertaining to the study, the collected data is processed through using Statistical Package for Social Sciences (SPSS) software.

SHG-Bank Linkage

The SHG bank linkage is providing financial services to the poor in a sustainable manner leading to empowerment of the members of the SHG. Under SHG Bank Linkage Programme (SBLP) SHGs usually get the first credit linkage between six months to one year. As the age of the SHGs increases, the number of linkages also increases.

The age wise distribution of the sample respondents by the bank linkage pattern is presented in the table-1. The table shows that out of total 300 respondents 75.7 per cent of the respondents have taken four bank linkages, followed by 14.7 per cent have taken five bank linkages and only 9.7 per cent of the respondents have received six bank linkages. It reveals that

majority of the respondents received four bank linkages or four doses of loans from the bank.

According to age wise distribution of bank linkage among the respondents out of the total 300 respondents 61 per cent have 5 to 10 years of experience, followed by 25 per cent have 10 to 15 years and 14 per cent have above 15 years of experience. Under the age group of 5 to 10 years nearly 84.2 per cent (154 respondents) of the respondents got four bank loans and 15.8 per cent (29 respondents) of them got five bank linkages. Further, in the age group of 10 to 15 years, there are 75 respondents. Out of that 75 respondents 65.3 per cent (49 respondents) got the four linkages, 20 per cent (15 respondents) got five linkages and 14.7 per cent (11 respondents) got six banks linkages, respectively. There are 42 respondents have above 15 years of experience as SHG. Out of 42 respondents 57.1 per cent (24 respondents) got four bank linkages and 42.9 per cent (18 respondents) got five bank linkages.

Table-1 Age wise Distribution of the Sample Respondents by Bank Linkage Pattern

Formation Year Ranges	Bank Linkage			Total
	4 th	5 th	6 th	
5 to 10 years	154 (84.2)* (67.8)**	29 (15.8) (65.9)	0 (0.0) (0.0)	183 (100.0) (61.0)
10 to 15 years	49 (65.3) (21.6)	15 (20.0) (34.1)	11 (14.7) (37.9)	75 (100.0) (25.0)
Above 15	24 (57.1) (10.6)	0 (0.0) (0.0)	18 (42.9) (62.1)	42 (100.0) (14.0)
Total	227 (75.7) (100.0)	44 (14.7) (100.0)	29 (9.7) (100.0)	300 (100.0) (100.0)

*Row percentages. ** Column percentages

Source: Primary Data.

Note: Figures in parentheses are percentages to total.

It is concluded that there are only 9.7 per cent (29 respondents) of the respondents are received the sixth bank linkage and they belong to the age groups of 10 to 15 years and above 15 years. It is evident that under the age group of 5 to 10 years sample respondents also received the number of bank linkages of fourth and fifth doses of bank loans in a considerable manner. It shows that the good manner of functioning of SHGs.

Amount of Bank Loan

Table-2 represents the linkage wise bank loans distribution of the respondents. It is inferred that, out of 300 respondents 47.3 per cent of the respondents have received amount ranging between Rs. 15,000 to Rs. 30,000, followed by 29.7 per cent have received the bank loan amount below Rs. 15,000, 20.7 per cent of the respondents got loan amount between Rs. 30,000 to Rs. 45,000 and only 2.3 per cent of respondents have received the bank loan amount above Rs. 45,000.

Table-2 Linkage wise Distribution of Amount to the Sample Respondents by Bank Linkage

Number of Bank Linkages	Range of Bank Loan Amount (in Rupees)				Total
	Below Rs. 15,000	Rs. 15,000 to Rs. 30,000	Rs. 30,000 to Rs. 45,000	Above Rs. 45,000	
4 th	67 (29.5)* (75.3)**	104 (45.8) (73.2)	51 (22.5) (82.3)	5 (2.2) (71.4)	227 (100.0) (75.7)
5 th	10 (22.7) (11.2)	22 (50.0) (15.5)	10 (22.7) (16.1)	2 (4.5) (28.6)	44 (100.0) (14.7)
6 th	12 (41.4) (13.5)	16 (55.2) (11.3)	1 (3.4) (1.6)	0 (0.0) (0.0)	29 (100.0) (9.7)
Total	89 (29.7) (100.0)	142 (47.3) (100.0)	62 (20.7) (100.0)	7 (2.3) (100.0)	300 (100.0) (100.0)

*Row percentages. ** Column percentages

Source: Primary Data.

Note: Figures in parentheses are percentages to total.

According to the current bank linkage of the respondents, it is observed that 41.4 per cent of the sixth linkage respondents have received loan amount below Rs. 15,000, followed by 29.5 per cent of respondents under fourth bank loan and 22.7 per cent of the fifth linkage respondents. Further, it is observed that 45.8 per cent of the fourth bank linkage respondents received the loan amount ranges between Rs. 15,000 to Rs. 30,000, followed by 55.2 per cent of respondents of sixth linkage and 50 per cent of fifth bank linkage respondents, respectively. It is observed that 22.7 per cent of fifth bank linkage respondents have received the loan in the range between Rs 30,000 to Rs 45,000, followed by 22.5 per cent of fourth bank linkage and only 3.4 per cent of the respondents under the bank linkage. Further, 4.5 per cent of respondents under 5th bank loan have taken the loan about above Rs. 45,000, followed 2.2 per cent of the sixth bank loan respondents. It is concluded that from the study one-third of the respondents have received the loan amount in the range between Rs. 15,000 to Rs. 45,000. However, there has a sharp decline in receiving the loan amount of sixth linkage respondents. This might indicate that the demand for loan of most of the respondents have decreased from an amount range above Rs. 30,000. This could be the result that sample respondents are less dependent on bank for loans to manage their economic activities or reached a point beyond which they cannot absorb high amount of credit.

Purpose of Bank loan

The sample respondents borrowed loans for two purposes namely, investment and consumption. The distribution of the respondents for the purpose of loan is presented in the table-3. It is evident that out of the total sample respondents 94 per cent of the respondents were taken loans for the purpose of investment to run the income generating activities and micro

entrepreneurs and only 6 per cent of the respondents were taken loans for the purpose of consumption. If SHGs utilize more loans for production or investment than consumption it is likely to result in improving their livelihoods.

Table-3 Linkage wise Distribution of the Sample Respondents by the Purpose of the Bank Loan

Number of Bank Linkages	Purpose of Bank Loan		Total
	Investment	Consumption	
4 th	215 (94.7)* (76.2)**	12 (5.3) (66.7)	227 (100.0) (75.7)
5 th	39 (88.6) (13.8)	5 (11.4) (27.8)	44 (100.0) (14.7)
6 th	28 (96.6) (9.9)	1 (3.4) (5.6)	29 (100.0) (9.7)
Total	282 (94.0) (100.0)	18 (6.0) (100.0)	300 (100.0) (100.0)

*Row percentages. ** Column percentages

Source: Primary Data.

Note: Figures in parentheses are percentages to total.

According to the linkage wise purpose of loan taken by the respondents, it is observed that out of those who borrowed for the purpose of investment 76.2 per cent of the respondents belongs to fourth linkage, 13.8 per cent belongs to fifth bank linkage and 9.9 per cent respondents belongs to sixth linkage. Further, 11.4 per cent of respondents have borrowed for the purpose of consumption belongs to fifth linkage, followed by 5.3 per cent of respondents have taken loan for consumption purpose belongs to fourth linkage and 3.4 per cent respondents belongs to the sixth linkage. Therefore, it is concluded that majority of the respondents have taken the bank loan for the purpose of investment.

Utilization of the Bank Loan

The utilization of the bank loan is an important factor for alleviation of poverty of the members of SHG. The utilization pattern of the respondents in the study area is presented in the table-4. It is evident that 46.7 per cent of respondents have utilized their loans for the purpose of investment to run income generating economic activities, followed by about 39 per cent of the respondents have utilized the loans for the purpose of consumption, 11.3 per cent have utilized for repayment of old debts and 2.7 per cent utilized their loans for investment and consumption simultaneously.

Among the various linkages utilization of the loan for the purpose of investment about 73 per cent of the respondents belongs to the fourth linkage and utilized their loans for investment, 15 per cent belongs to sixth linkage and 12.1 per cent belongs to fifth linkage, respectively. Further, under the utilization of bank loan to the purpose of consumption 84.7 per cent of the respondents belongs to the fourth linkage respondents, 8.5 per cent is belongs to fifth linkage and 6.8 per cent has belongs to sixth linkage respondents, respectively. Further, it is also observed that under the utilization of loan for the purpose of investment 75 per cent is belongs to fourth linkage respondents and consumption simultaneously and 25 per cent of the fifth linkage respondents have utilized the loans for the same purpose.

Table-4 Linkage wise Distribution of the Sample Respondents by the Utilization Pattern of Bank Loan

Number of Bank Linkages	Utilization Pattern of Bank Loan				Total
	Investment	Consumption	Investment and Consumption	Old Debt Repayment	
4 th	102 (44.9)* (72.9)**	100 (44.1) (84.7)	6 (2.6) (75.0)	19 (8.4) (55.9)	227 (100.0) (75.7)
	17	10	2	15	44

5th	(38.6) (12.1)	(22.7) (8.5)	(4.5) (25.0)	(34.1) (44.1)	(100.0) (14.7)
6th	21 (72.4) (15.0)	8 (27.6) (6.8)	0 (0.0) (0.0)	0 (0.0) (0.0)	29 (100.0) (9.7)
Total	140 (46.7) (100.0)	118 (39.3) (100.0)	8 (2.7) (100.0)	34 (11.3) (100.0)	300 (100.0) (100.0)

*Row percentages. ** Column percentages

Source: Primary Data.

Note: Figures in parentheses are percentages to total.

Finally, it is revealed that under utilization of loans for the old debt repayment is 55.9 per cent which belongs to fourth linkage and rest of the 44.1 per cent of respondents are belongs to fourth linkage. It is observed that as the frequency of linkage increases, a large portion of loans is used for investment of the Income Generation Activities (IGAs). In the case of sixth linkage, very less respondents used the loan amount for the consumption purpose and no loan used for the purpose of the repayment of old debt. The major portion of the sixth linkage used for investment purpose for setting up own IGAs by the respondents. It seems that respondents able to utilize the loans for production with the increase in the number of linkages.

Outstanding Amount of SHG Bank Loan

In the study area all respondents repay the bank loans regularly. All respondents are repaying the loans on monthly basis. The distribution of respondents according to an amount of outstanding in the bank loan is given in the table-5. It is revealed that 11.7 per cent of the respondents fully repaid the bank loan which means they do not have the outstanding amount. Further, 36.3 per cent of respondents have outstanding loan between Rs. 15,000 to Rs. 30,000, 25.7 per cent of respondents have outstanding loan between Rs. 5,000 to Rs. 15,000, 16.3 per cent of respondents have below Rs. 5,000, 9.3 per cent of respondents have between Rs. 30,000 to Rs. 45,000

and only 0.7 per cent of respondents have outstanding amount above Rs. 45,000 respectively.

According to linkage wise distributing under the fourth linkage category 30.8 per cent of the respondents have outstanding between Rs. 15,000 to Rs. 30,000, 50 per cent of respondents under the fifth bank linkage and 58.6 per cent of sixth linkage respondents, respectively. It is concluded that majority of the respondents have to repay the outstanding amount is between Rs. 15,000 to Rs. 30,000 and 11.7 per cent have no outstanding amount.

Table-5 Linkage wise Distribution of the Sample Respondents by Amount of SHG Bank Loan Outstanding

Number of Bank Linkages	Bank Loan Outstanding (in Rupees)						Total
	Nil Outstanding	Below Rs. 5,000	Rs. 5,000 to Rs. 15,000	Rs. 15,000 to Rs. 30,000	Rs. 30,000 to Rs. 45,000	Above Rs. 45,000	
4 th	18 (7.9)* (51.4)**	44 (19.4) (89.8)	67 (29.5) (87.0)	70 (30.8) (64.2)	26 (11.5) (92.9)	2 (0.9) (100.0)	227 (100.0) (75.7)
5 th	9 (20.5) (25.7)	1 (2.3) (2.0)	10 (22.7) (13.0)	22 (50.0) (20.2)	2 (4.5) (7.1)	0 (0.0) (0.0)	44 (100.0) (14.7)
6 th	8 (27.6) (22.9)	4 (13.8) (8.2)	0 (0.0) (0.0)	17 (58.6) (15.6)	0 (0.0) (0.0)	0 (0.0) (0.0)	29 (100.0) (9.7)
Total	35 (11.7) (100.0)	49 (16.3) (100.0)	77 (25.7) (100.0)	109 (36.3) (100.0)	28 (9.3) (100.0)	2 (0.7) (100.0)	300 (100.0) (100.0)

*Row percentages. ** Column percentages

Source: Primary Data.

Note: Figures in parentheses are percentages to total.

Disbursement Method of Bank Loan

As regards the disbursement of the banks linkage among respondents is decided by the group members in the group

meetings. Generally, the bank linkage amount disbursed by the leaders among the group members mostly based on the equity basis and rarely few groups followed the need basis and rotation basis while disbursement of the bank loan. The disbursement of the bank linkage amount among the respondents is presented in the table-6. It is revealed that 90 per cent of respondents got bank loans on the basis of equity, followed by 8 per cent of the respondents received bank loans on need basis and only 2 per cent of the respondents have taken bank loans on the basis of rotation.

According to the number of linkages wise disbursement of bank loan among the respondents is shown that among the respondents who have received the fourth bank linkage about 87.7 per cent of respondents got loans on equity basis, 10 per cent of respondents have received bank loans based upon need basis and only 2.2 per cent on rotation basis, respectively. Among the fifth linkage respondents cent per cent loans have disbursed according to equity basis. Among the respondents belongs to the sixth linkage about 93 per cent of respondents received the loans by equity basis, followed by need basis and rotation basis disbursement of bank loans equally. It reveals that most of the respondents have received loans as per the equity basis.

Table-6 Distribution of the Sample Respondents by the Method of Bank Loan Disbursement

Number of Bank Linkages	Bank loan Disbursement			Total
	Need Basis	Equity Basis	Rotation Basis	
4 th	23 (10.1)	199 (87.7)	5 (2.2)	227 (100.0)
5 th	0 (0.0)	44 (100.0)	0 (0.0)	44 (100.0)
6 th	1 (3.4)	27 (93.1)	1 (3.4)	29 (100.0)
Total	24 (8.0)	270 (90.0)	6 (2.0)	300 (100.0)

Source: Primary Data.

Note: Figures in parentheses are row percentages to the total.

Method of Repayment of the Bank Loan

The method of repayment which is followed by the respondents to repay the bank loan is to distinguish the economic status of the respondents. Generally, the SHG members repay the loans by reducing the individual savings in the group, pay from own income and pay from the family income. The repayment method of the respondents is presented in the table-7. It is observed that 39.7 per cent of respondents repaid the bank loan from their own income, followed by 38 per cent of the respondents repaid through the family income and 22.3 per cent of the respondents repaid through reduce individual savings in the group, respectively.

Table-7 Distribution of the Sample Respondents by the Method of Repayment of Bank Loan

Number of Bank Linkages	Repayment method of bank loan			Total
	Individual Savings Reduced under SHG and Paid Loan Installments	Pay from Own Income	Pay from Family Income	
4 th	55 (24.2)	95 (41.9)	77 (33.9)	227 (100.0)
5 th	10 (22.7)	11 (25.0)	23 (52.3)	44 (100.0)
6 th	2 (6.8)	13 (44.8)	14 (48.3)	29 (100.0)
Total	67 (22.3)	119 (39.7)	114 (38.0)	300 (100.0)

Source: Primary Data.

Note: Figures in parentheses are row percentages to the total.

According to different linkages gained by respondents, among the fourth linkage respondents 41.9 per cent of the respondents repaid the bank loan from own income, followed by 33.9 per cent repaid from family income and 24.2 per cent repaid the loans through reduce individual group savings, respectively.

Among the fifth bank linkage respondents 52.3 per cent of respondents repaid bank loans from the family income, 25 per cent repaid from own income and 22.7 per cent by reducing their savings, respectively. Further, among the sixth bank linkage respondents 48.3 per cent repaid bank loan from the family income, followed by 44.8 per cent repaid the loan from our income and only 6.8 per cent repaid through reduce savings, respectively. It is concluded that the only 39.7 per cent of the respondents repaid the bank loans from their own income, rest of the respondents based on the other methods to repaid the bank loans.

Repayment of the Bank loan

Timely repayment of the bank loan is very important for the sustainability of the group. The bank sanctions the loan to the SHGs charging the interest rate as per the norms of the bank. The members of the SHGs have repaying the loan installment amount which includes interest calculated as per the bank rate of interest. The Andhra Pradesh State Government encourages the respondents towards the regular repayment of the bank loan through give incentives in the form of three per cent rate of interest. Since the last year onwards, it is reduced to zero per cent interest charged to the upcoming taking bank loans. Table-8 deals with the linkage wise analysis of the timely repayment of the loan by the respondents. It is found that about 81.3 per cent of the respondents repaid the bank loans regularly and 18.7 per cent have not repaid the loans regularly.

Among the fourth bank linkage respondents, 80.6 per cent of respondents repaid the bank loans regularly and 19.4 per cent respondents have not regularly repaying the loan. While the fifth linkage, 77.3 per cent repaid the loans regularly and 22.7 per cent have not repaid the loans regularly. Further, among the sixth linkage respondents about 93 per cent regularly repaid the loans and rest of 6.9 per cent has not

repaying the loans timely. It is concluded that rest of the respondents timely repaid the loans in the study area.

Table-8 Distribution of the Sample Respondents by timely Repayment of the Bank Loan

Number of Bank Linkages	Repayment of Bank Loan		Total
	Regular	Irregular	
4 th	183 (80.6)	44 (19.4)	227 (100.0)
5 th	34 (77.3)	10 (22.7)	44 (100.0)
6 th	27 (93.1)	2 (6.9)	29 (100.0)
Total	244 (81.3)	56 (18.7)	300 (100.0)

Source: Primary Data.

Note: Figures in parentheses are row percentages to the total.

Reasons for Irregular Repayment of the Bank Loan

Though finding the reasons for irregular repayment of the loans of the respondents will help to practice the remedial methods for the sustenance of the SHG programme. The linkage wise reasons for irregular repayment of the loan of the respondents are presented in the table-9. It is revealed that out of 56 respondents who have not repaid the bank loans regularly, 31 respondents (55.4 per cent) have not repaid the loans regularly due to the reason of facing poverty, 15 respondents (26.8 per cent) have not repaid because they do not have any economic activity and finally 10 respondents (17.8 per cent) do not repaid the loans because of natural hazards.

Out of 44 respondents related to the fourth linkage, 28 respondents (63.6 per cent) have not repaid the loan because of poverty or money problems, followed by 11 respondents (25 per cent) due to having no economic activity and 5 respondents (11.4 per cent) because of natural hazards, respectively. Among 10 respondents related to fifth linkage 5 respondents (50 per

cent) irregularly repaid the loan because of natural hazards, 3 respondents (30 per cent) due to no economic activity and 2 respondents (20 per cent) due to poverty. Only 2 respondents related to the sixth linkage have not repaid the bank loan regularly due to poverty and no economic activity.

Table-9 Distribution of the Sample Respondents by the Reason for Irregular Repayment of Bank Loan

Number of Bank Linkages	Reason for Irregular Repayment of Bank Loan			Total Irregular Repayment of the Respondents
	Poverty or Money Problems	No Economic Activity	Due to the Natural Hazards	
4 th	28 (63.6)	11 (25.0)	5 (11.4)	44 (100.0)
5 th	2 (20.0)	3 (30.0)	5 (50.0)	10 (100.0)
6 th	1 (50.0)	1 (50.0)	0 (0.0)	2 (100.0)
Total	31 (55.4)	15 (26.8)	10 (17.8)	56 (100.0)

Source: Primary Data.

Note: Figures in parentheses are row percentages to the total.

Conclusion

The present study found that out of total respondents, majority of the respondents have taken four bank linkages, followed by five bank linkages and six bank linkages. Under the SHG age group of 5 to 10 years nearly 84.2 per cent of respondents got four bank loans, 15.8 per cent of them got five bank linkages and rest of the other members got six bank linkages. Out of 300 members, majority (47.3 per cent) of the respondents have received an amount ranging between Rs. 15,000 to Rs. 30,000 and only 2.3 per cent of respondents have received the bank loan amount above Rs. 45,000. About 53 per cent of the respondents are not utilizing the loan amount for investment purpose.

Further, the study reveals that 11.7 per cent of the respondents fully repaid the bank loan which means that they do not have any outstanding amount with them. Further, 36.3 per cent of respondents have outstanding amount between Rs. 15,000 to Rs. 30,000. 25.7 per cent of respondents have outstanding loan between Rs. 5,000 to Rs. 15,000. 16.3 per cent of respondents have below Rs. 5,000 and 9.3 per cent of respondents have between Rs. 30,000 to Rs. 45,000. Only 0.7 per cent of respondents have outstanding amount above Rs. 45,000 respectively. Around 90 per cent have got bank loans on the basis of equity basis. It is observed that 39.7 per cent of respondents repaid the bank loan from their own income, followed by 38 per cent of the respondents repaid through the family income and 22.3 per cent of the members repaid through reduction in individual savings in the group. It is found majority of the respondents repaid the bank loans regularly. It reveals that among the respondents who do not repaid the bank loans regularly, 31 respondents have not repaid the loans regularly due to the reason of the facing poverty, 15 respondents have not regularly repaid because they do not have any economic activity and finally 10 respondents do not repaid the loans regularly because of natural hazards.

Suggestions

The following suggestions could be offered to improve the functioning of SHG bank linkage programme.

- Women beneficiaries of SHG-bank linkage programme must be trained in technical skills and in product specific training before women entrepreneurs start micro enterprises. During the period of training the trainers must be taken to the field visits of the successful micro enterprises in that region.

- Strict supervision should be maintained by the concerned officials of the SHG programme in respect of eliminate the evils such as inactivity, improper utilization of fund and motivating the members towards the proper utilization of finance for productive purpose and also to avoid diversion of funds for other purposes.
- Supervision should strengthen over the working of SHGs and their federations in various levels to make SHG-bank linkage programme effective and sustainable.

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