



PROGRESS IN DISBURSEMENT OF LOANS AND OUTSTANDING ADVANCES UNDER SHGs-BLP IN CHITTOOR DISTRICT

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ABSTRACT

To empower women culturally, socially, economically, psychologically and politically, micro credit has been delivered through self-help groups (SHGs) – bank linkage programme (BLP) in Chittoor district as elsewhere in the nation. An attempt is made in this article to analyse the progress of SHGs –BLP in terms of disbursement of loans and outstanding advances. The focus is on the number of SHGs covered, amount disbursed in aggregate and per SHG and bank category-wise. Further, these aspects are studied in respect of outstanding advances also.

KEYWORDS: SHGs, BLP, Loans and advances.

INTRODUCTION

Micro credit has proven to be an effective conduit for channeling scarce resources for the benefit of the poor especially women a vital tool to. Therefore, it is faster inclusive growth. A sizeable share of population continues to remain outside the formal banking system despite considerable expansion in branch network. Alternative models are being experimented with a view to meet the objective of financial inclusion. The Self Help Group (SHG)-Bank Linkage model is the indigenous model of micro-credit. It has been widely acclaimed as a successful model. Self Help Group - Bank Linkage Programme (SHG-BLP) has grown into largest initiative within a short period. From linking a meager 500 SHGs representing -unbankable rural poor to the formal sector institutions viz. commercial banks as a pilot project, SHG-BLP has now grown into 7.4 million SHGs representing 97 million rural households. This is the biggest movement of its kind in the whole world at end of 2014. An

attempt is made in this article to analyse the progress of SHGs –BLP in terms of disbursement of loans and outstanding advances.

Disbursement of loans:

A look at the Table 1 reveals that Rs. 6067 lakhs were disbursed to 12,416 SHGs in 2005 as compared to Rs 174290 lakhs over 45,876 SHGs in 2014 under SHGs - BLP. There are fluctuations in the meantime. There is no consistency in the number of SHGs who were provided with loans. There is a decrease during 2010, 2011 and 2012. There is nearly two fold rise in 2014 over 2005. The amount disbursed has gradually gone up during 2005-14 without any decline. The increase in 2014 upon 2013 is more than 200 per cent. The amount per SHG has progressively augmented from Rs 48864 in 2005 as against Rs 379915 in 2014. But there are variations in the yearly increment. The increase in 2014 upon 2013 is not a surprising one. This has been already noted in the progress of number of SHGs and the amount disbursed.

Table 1: Disbursement of Loans under SHGs - BLP in Chittoor District during 2005-14

Year	No. of SHGs	Amount (Rs. lakhs)	Per SHG (Rs.)
2005	12416	6067	48864
2006	15444	11139	72125
2007	20067	19604	97693
2008	20353	35453	174190
2009	25638	46139	179963
2010	24304	51644	212492
2011	20863	55976	268303
2012	20617	67068	325304
2013	23124	81694	353287
2014	45876	174290	379915

Source: Society for Eradication of Rural Poverty, Hyderabad

Disbursement of loans and outstanding advances under SHGs-BLP in Chittoor district

A glance of the Table 2 shows bank category wise disbursement of loans under SHGs - BLP in Chittoor district during 2006-2014. Among the bank categories, commercial banks ranked first in terms of number of SHGs and also in the amount disbursed. The share of commercial banks in the total number of SHGs was in the range of 58.12 – 62.61 per cent, SGB 36.79 – 40.93 per cent and co-operative banks 0.12 – 1.28. The account of commercial banks, in terms of amount disbursed, was in the range of 56.73 – 62.78 per cent, SGB 36.70 – 43.07 per cent and co-operative banks 0.09 – 0.53 per cent during the period. In terms of number of SHGs, the proportion of commercial banks has increased as against a decrease in the account of SGB and co-operative banks in 2014 over 2006. In respect of amount disbursed, the share of commercial banks as well as co-operative banks has

decreased while SGB augmented in 2014 upon 2006. In the case of number of SHGs, there is an increase in the proportion of commercial banks in 2014 over 2006. A converse situation prevails in the amount disbursed under commercial banks. An unlike trend emerges in both the number of SHGs and disbursement in the SGB. The share of co-operative banks has decreased in the number of SHGs as well as amount disbursed in 2014 over 2006. The proportion of commercial banks is high due to the fact that their branch network is more. A greater number of branches of commercial banks might have involved in sponsoring/ promoting/ nurturing/ forming SHGs under SHGs-BLP in the district. This reflects on the strength of commercial banks, their ability and willingness. This is no way different from the picture obtained at the level of the country and state.

Table 2: Bank category wise Disbursement of Loans under SHGs - BLP in Chittoor District during 2006-14 (Rs lakhs)

Year	Commercial banks		SGB		Co-operative banks	
	No. of SHGs	Amount	No. of SHGs	Amount	No. of SHGs	Amount
2006	9234 (59.79)	6993 (62.78)	6114 (39.59)	4087.52 (36.70)	96 (0.62)	58.48 (0.50)
2007	12563 (62.61)	12011 (61.27)	7396 (36.86)	7515.65 (38.34)	108 (0.53)	77.35 (0.39)
2008	12621 (62.01)	20112 (56.73)	7663 (37.65)	15269.67 (43.07)	69 (0.34)	71.33 (0.20)
2009	15298 (59.67)	26672 (57.81)	10159 (39.62)	19309.32 (41.85)	181 (0.71)	157.68 (0.34)
2010	15088 (62.08)	29999 (58.09)	8942 (36.79)	21381.29 (41.40)	274 (1.13)	263.71 (0.51)
2011	12126 (58.12)	33176 (59.27)	8470 (40.60)	22502.90 (40.20)	267 (1.28)	297.10 (0.53)
2012	11988 (58.15)	38991 (58.14)	8439 (40.93)	27834.59 (41.50)	190 (0.92)	242.41 (0.36)
2013	13775 (59.57)	47145 (57.71)	9294 (40.19)	34423.51 (42.14)	55 (0.24)	125.49 (0.15)
2014	28634 (62.42)	106124 (60.89)	17186 (37.46)	68014.15 (39.02)	56 (0.12)	151.85 (0.09)

Notes: Figures in brackets indicate the percentage to total
Source: Society for Eradication of Rural Poverty, Hyderabad

A perusal of the Table 3 indicates that, per SHG, commercial banks have disbursed Rs 75731 lakhs in 2006 vis-à-vis Rs 370622 lakhs in 2014. In the case of SGB, it was Rs 66855.09 lakhs and Rs 395753.23 lakhs in the former and latter respectively. With regard to co-operative banks, the disbursement per SHG was Rs 60916.67 lakhs in 2006

whereas 271160.71 lakhs in 2014. In the case of commercial banks, there is a progressive growth in the disbursements per SHG. A similar situation can be obtained with regard to SGB and co-operative banks leaving 2009. The increase in 2014 upon 2006 is the highest at 5.92 times in SGB followed by commercial banks(4.89) and co-operative banks(4.45 times).

Table 3: Bank category wise Disbursement of Loans Per SHG under SHGs - BLP in Chittoor District during 2006-14 (Rs. Lakhs)

Year	Commercial banks	SGB	Co-operative banks
2006	75731	66855.09	60916.67
2007	95606	101617.77	71620.37
2008	159353	199264.91	103376.81
2009	174350	190071.07	87116.02
2010	198827	239110.83	96244.53
2011	273594	265677.69	111273.41
2012	325250	329832.8	127584.21
2013	342250	370384.23	228163.64
2014	370622	395753.23	271160.71

Source: Society for Eradication of Rural Poverty, Hyderabad

Outstanding advances

The outstanding advances under SHGs - BLP in Chittoor district during 2005-14 are furnished in the Table 4. It can be observed from the Table that the number of SHGs has gradually increased from 16007 in 2005 to 56983 in 2014. There are ups and downs in the incremental progress during the period. The amount outstanding was Rs 6010.35 lakhs in 2005 as against Rs 133096.21 lakhs in 2014. There is a

progressive increase in the outstanding advances throughout the period without any exception. The increase in 2014 over 2013 is highly surprising. It has increased to Rs 133096.21 lakhs from Rs 96969.52 lakhs during the aforesaid period respectively. With regard to per SHG, the outstanding advances were Rs 37548 in 2005 as compared to Rs 233572 in 2014. There is a gradual growth with fluctuations throughout the study period.

Table 4: Outstanding Advances of under SHGs - BLP in Chittoor District during 2006-14

Year	No. of SHG	Amount (Rs lakhs)	Per SHG (Rs)
2005	16007	6010.35	37548
2006	16589	16123.00	97191
2007	21973	22569.00	102712
2008	26523	29872.00	112627
2009	28912	32897.00	113783
2010	29912	40134.00	134174
2011	33498	57238.00	170870
2012	42317	76498.00	180774
2013	52860	96969.52	183446
2014	56983	133096.21	233572

Source: Society for Eradication of Rural Poverty, Hyderabad

Bank category wise outstanding advances under SHGs - BLP in Chittoor district are provided in the Table 5. A perusal of the Table shows that, of the number of SHGs who have outstanding advances under SHGs - BLP, the share of commercial banks was 44.14 per cent in 2014. In the

remaining period i.e 2005 – 13, it fluctuated between 54.66 per cent and 62.44 per cent. In the amount of outstanding advances, the proportion of commercial banks was in the range of 55.38 – 62.89 per cent during the period. In the case of SGB, 43.60 per cent of outstanding advances were spread

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over 43.08 per cent of SHGs in 2005. By the end of 2014, these have gone up during the period with to and fro changes. The proportion of SHGs was 54.80 per cent with 39.65 per cent share in the amount outstanding advances. The co-operative banks came after the commercial banks and SGB. In the case of cooperative banks, 1.02 per cent outstanding advances were spread over 1.49 per cent of SHGs in 2005. During 2014, the proportion of the former and latter was 0.34

per cent and 1.06 per cent sequentially. There is an increase in the proportion of number of SHGs under SGB and co-operatives as against a decline in the share of commercial banks in 2014 over 2005. Same is the case with regard to outstanding advances. However, commercial banks account for a lion's share in the number of SHGs and outstanding advances.

Table 5: Bank Category wise Outstanding Advances under SHGs - BLP in Chittoor District during 2006-14 (Rs lakhs)

Year	Commercial banks		SGB		Co-operative banks	
	No. of SHGs	Amount	No. of SHGs	Amount	No. of SHGs	Amount
2005	8873 (55.43)	3328.25 (55.38)	6896 (43.08)	2620 (43.60)	238 (1.49)	61.72 (1.02)
2006	10237 (61.71)	9983 (61.92)	6260 (37.74)	6101.00 (37.84)	92 (0.55)	39 (0.24)
2007	12011 (54.66)	13659 (60.52)	9810 (44.65)	8813.23 (39.05)	152 (0.69)	96.77 (0.43)
2008	15982 (60.26)	18098 (60.59)	10431 (39.33)	11742.00 (39.31)	110 (0.41)	32 (0.11)
2009	17821 (61.64)	19899 (60.49)	10826 (37.44)	12878.39 (39.15)	265 (0.92)	119.61 (0.36)
2010	18002 (60.18)	24873 (61.97)	11376 (38.03)	14957.17 (37.27)	534 (1.79)	303.83 (0.76)
2011	20917 (62.44)	35998 (62.89)	11992 (35.80)	20854.04 (36.43)	589 (1.76)	385.96 (0.67)
2012	25893 (61.19)	47231 (61.74)	15787 (37.31)	28843.68 (37.71)	637 (1.51)	423.32 (0.55)
2013	32082 (60.69)	59863 (61.73)	20262 (38.33)	36687.87 (37.83)	516 (0.98)	418.65 (0.43)
2014	25152 (44.14)	79874 (60.01)	31227 (54.80)	52770.98 (39.65)	604 (1.06)	451.23 (0.34)

Note: Figures in brackets indicate the percentage to total

Source: Society for Eradication of Rural Poverty, Hyderabad

A look at the Table 6 shows the bank category wise outstanding advances per SHG under SHGs - BLP in Chittoor district during 2006-14. In the case of commercial banks, outstanding advance per SHG were Rs 97518.88 lakhs in 2006 vis-à-vis Rs 317565.20 lakhs in 2014. There is a gradual increase during the period except a decline in 2008 and 2009. The rise in 2014 over 2013 is 1.70 times, which is remarkable during the period. With regard to SGB, the outstanding advances per SHG were Rs 97460 lakhs in 2006 whereas Rs. 168992 lakhs in 2014. Meanwhile, there are ups and downs

during the period. There is a decline in 2007, 2013 and 2014 over the respective previous years. In respect of co-operatives, the outstanding advances per SHG were Rs. 42391 lakhs in 2006 whilst Rs.74707 lakhs in 2014. In the interviewing period, there are to and fro changes. It declined in two years such as 2008 and 2014 over their respective previous years. The amount outstanding per SHG is the highest in commercial banks followed by SGB and co-operative banks. The trend is similar to the conclusion already arrived at in the preceding Table.

Table 6: Bank Category wise Outstanding Advance per SHG under SHGs - BLP in Chittoor District during 2006-14 (Rs lakhs)

Year	CBs	SGB	Co-op
2006	97518.88	97460	42391
2007	113720.76	89839	63664
2008	113239.89	112568	29091
2009	111660.40	118958	45136
2010	138167.98	131480	56897
2011	172099.25	173900	65528
2012	182408.37	182705	66455
2013	186593.73	181067	81134
2014	317565.20	168992	74707

Source: Society for Eradication of Rural Poverty, Hyderabad

CONCLUSION

The disbursement in aggregate and per SHG has continuously raised during the period. There is a growing trend with fluctuations in the number of SHGs covered. The commercial banks account for a lion's share in both the number of SHGs and the total amount disbursed and per SHG throughout the period followed by SGB and cooperative banks. There is a continuous increase in the outstanding advances in terms of number of SHGs, total amount as well as per SHG. This is in consonance with the delivery of loans. In terms of outstanding advances also, commercial banks came first followed by SHB and cooperative banks in both the aggregate and per SHG terms.

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