

International Multidisciplinary  
Research Journal

*Indian Streams  
Research Journal*

Executive Editor  
Ashok Yakkaldevi

Editor-in-Chief  
H.N.Jagtap

---

Indian Streams Research Journal is a multidisciplinary research journal, published monthly in English, Hindi & Marathi Language. All research papers submitted to the journal will be double - blind peer reviewed referred by members of the editorial board. Readers will include investigator in universities, research institutes government and industry with research interest in the general subjects.

### Regional Editor

Manichander Thammishetty

Ph.d Research Scholar, Faculty of Education IASE, Osmania University, Hyderabad.

Mr. Dikonda Govardhan Krushanahari

Professor and Researcher ,

Rayat shikshan sanstha's, Rajarshi Chhatrapati Shahu College, Kolhapur.

### International Advisory Board

Kamani Perera

Regional Center For Strategic Studies, Sri Lanka

Mohammad Hailat

Dept. of Mathematical Sciences, University of South Carolina Aiken

Hasan Baktir

English Language and Literature Department, Kayseri

Janaki Sinnasamy

Librarian, University of Malaya

Abdullah Sabbagh

Engineering Studies, Sydney

Ghayoor Abbas Chotana

Dept of Chemistry, Lahore University of Management Sciences[PK]

Romona Mihaila

Spiru Haret University, Romania

Ecaterina Patrascu

Spiru Haret University, Bucharest

Anna Maria Constantinovici

AL. I. Cuza University, Romania

Delia Serbescu

Spiru Haret University, Bucharest, Romania

Loredana Bosca

Spiru Haret University, Romania

Ilie Pinteau,

Spiru Haret University, Romania

Anurag Misra

DBS College, Kanpur

Fabricio Moraes de Almeida

Federal University of Rondonia, Brazil

Xiaohua Yang

PhD, USA

Titus PopPhD, Partium Christian University, Oradea, Romania

George - Calin SERITAN

Faculty of Philosophy and Socio-Political Sciences Al. I. Cuza University, Iasi

.....More

### Editorial Board

Pratap Vyamktrao Naikwade

ASP College Devrukh, Ratnagiri, MS India

Iresh Swami

Ex - VC. Solapur University, Solapur

Rajendra Shendge

Director, B.C.U.D. Solapur University, Solapur

R. R. Patil

Head Geology Department Solapur University, Solapur

N.S. Dhaygude

Ex. Prin. Dayanand College, Solapur

R. R. Yalikal

Director Management Institute, Solapur

Rama Bhosale

Prin. and Jt. Director Higher Education, Panvel

Narendra Kadu

Jt. Director Higher Education, Pune

Umesh Rajderkar

Head Humanities & Social Science YCMOU, Nashik

Salve R. N.

Department of Sociology, Shivaji University, Kolhapur

K. M. Bhandarkar

Praful Patel College of Education, Gondia

S. R. Pandya

Head Education Dept. Mumbai University, Mumbai

Govind P. Shinde

Bharati Vidyapeeth School of Distance Education Center, Navi Mumbai

G. P. Patankar

S. D. M. Degree College, Honavar, Karnataka

Alka Darshan Shrivastava

Shaskiya Snatkottar Mahavidyalaya, Dhar

Chakane Sanjay Dnyaneshwar

Arts, Science & Commerce College, Indapur, Pune

Maj. S. Bakhtiar Choudhary

Director, Hyderabad AP India.

Rahul Shriram Sudke

Devi Ahilya Vishwavidyalaya, Indore

Awadhesh Kumar Shirotiya

Secretary, Play India Play, Meerut (U.P.)

S. Parvathi Devi

Ph.D.-University of Allahabad

S. KANNAN

Annamalai University, TN

Sonal Singh,

Vikram University, Ujjain

Satish Kumar Kalhotra

Maulana Azad National Urdu University



## GROWTH PATTERN OF SHGS IN BIDAR DISTRICT OF KARNATAKA



**Dr. Sharnappa S. Malgond**

**Asst. Professor & Coordinator ,**

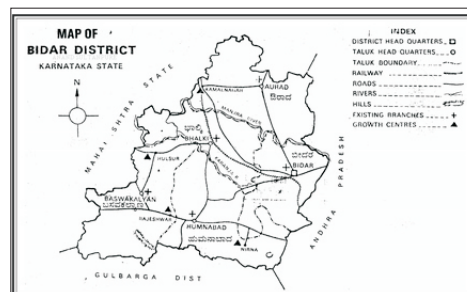
**Dept. of Post-Graduation Studies in Commerce ,**

**Govt. First Grade College, Bidar (Karnataka)**

### ABSTRACT

Since its experimentation with micro credit, the bank has made rapid stride. As on 31st March 2003 a total of 6,520 groups have been formed in the district by different Self-Help group promoting Institutions (SHPIs) is as under.

**KEYWORDS:** *Stress management, IT sector, competitive factors.*



**Table No. 1**

**Groups formed by various institutions in the district**

Sl. No.	Particulars	No. Groups formed
1	Formed by NGOs (50 NGOs are involved)	2607
2	Formed by PACS	2224
3	Formed by Govt. agencies	1689
	Total	6520

Source: SHG Bank linkage – Bidar- DCCB shows the way P. No. 8

**Table No. 2**  
**Year wise promotion & linkage of SHGs and loans disbursed to them since 1996**

Year	SHG formed during the year	Cumulative SHGs formed	SHGs linked during the year	Cumulative SHGs linked	Loan disbursed during the year	Cumulative loan disbursed	Repayment %
1996-97	175	175	24	24	03.20	3.20	98%
1997-98	123	298	121	145	29.79	32.99	97%
1998-99	352	650	209	354	59.03	92.02	97%
1999-00	997	1647	410	764	86.86	178.88	96%
2000-01	1408	3055	724	1488	233.57	412.45	99%
2001-02	1950	5005	1629	3117	374.33	786.78	98%
2002-03	1495	6500	1700	4817	513.22	1300.00	98%

Source: SHG Bank linkage – Bidar DCCB shows the way) (P. No. 17)

In a short span of time, since it had started implementing the programme, the bank could realize the SHG bank linkage programme enabled it to build better rapport with its clients, improved its performance in other related areas like deposit mobilization, lending & recovery of loans, and thereby decisively proving that financing SHG can be adopted as a strategic business proposition by banks.

There are 869 villages in the district and the bank has covered all the villages under the SHG programme one of the taluks viz, Humnabad has been already declared the SHG taluka and the bank is in the process of declaring entire Bidar District as the complete SHG district having covered all the villages under this programme.

The DCCB has introduced computerized Management Information System (MIS) in Co-ordination with NGOs and other functionaries working officials & NGOs are also held regularly to identity bottlenecks and remove the same.

Bidar is one of the socio – economically and industrially backward districts of Karnataka. It is situated in northeastern part of Karnataka. It has 5 taluks. The percentage of rural population to the total population is 77%. Still work as agricultural laborers nearly 88% and farming land is under rain fed conditions. In district industries do not exist in the Household industries were also not picking up; people are migrating to urban areas as an alternative to agriculture as a means of livelihood. 11 commercial Banks and one RRB are operating in the district in addition to the District Central Co-operative Bank (DCCB) Bidar. The DCCB Bidar extends banking service through its 43 branches and 171 Primary Agricultural Credit Societies (PACS) affiliated to it. The banks loan portfolio mainly comprised of crop loans.

No one of, in Bidar, DCCB had any idea about financing SHG till they received the NABARD circular on SHG – Bank Linkage programme in 1996 to familiarize with the SHG concept. Shri. Narayanarao Mannhalli, Vice- President accompanied by Sri. B.S. Kudre, General Manager, visited MYRADA's project office at Kamlapur in the neighboring district of Gulbaraga. The field functionaries not only provided them with the basic tenets of SHG functioning but also took them to a few SHGs, on seeing the SHGs in action, both of them not only got convinced but also were inspired to replicate it in their bank. They realized that SHG could be an effective credit delivery mechanism of reaching the rural households so far not reached by their bank.

**Table No.3**  
**Details of Assistant Supervisors Salary**

Year	% of expenditure towards salary of Assistant Supervisor.	
	DCCB	PACS
1	75%	25%
2	50%	50%
3	25%	75%
4	--	100%

Source: SHG linkage – Bidar – DCCB shows the way P. No. 7.

PACS has so far promoted 2,224 groups (34% of total groups in the districts) and 1,964 of them have been credit linked.

The Government of Karnataka, through its women & child Development Department has formed nearly 75,000 women SHGs under its stree Shakti programme through Anganwadi workers in all the 28 districts of the state. These groups have been provided with revolving fund assistance; about 70000 groups have opened SB accounts with the banks. However, only very few numbers of them have been provided with bank loans. These groups are not as strong as those promoted by other SHPIs likes Banks, NGOs & PACS. This is one of the main reasons for the poor linkage with banks. If such groups are given loans, there is very strong chance is there getting rapid and it will have a disastrous impact on other groups functioning in the state. Recognizing this threat, Bidar, DCCB took upon itself the responsibility of training these Stree Shakti groups. All the officials of the department and anganawadi workers have been trained at SAHARDA to ensure formation of quality groups and nurture them.

As on 31st March 2003 a total of 6,520 groups have been formed in the district by different Self-Help promoting Institutions (SHPI) as under:

**Table No.4**  
**Group formation in the district**

Formed by	No. of groups
NGO (50 NGOs are involved)	2607
PACS	2224
Govt. agencies	1689
Total	6520

Source: SHG bank linkage – Bidar – DCCB shows the way p. No. 8

While promoting groups, the bank staff kept in view the following aspects to ensure promotion of quality groups.

1. SHGs are meant for reaching the un-reached, particularly the poorest among the poor. Hence compelling people to form SHGs may not help in sustainability of SHGs. Homogeneity and affinities of the members are important in binding the group members.
2. The number of members in each group should be in between 10 - 20.
3. Only one member per family to be covered in the SHG.

4. Weekly meetings on fixed day and covered in the SHG.
5. All the transactions and discussion should be done in the meeting only.
6. For the first three months' emphasis should be on regularity of meeting, 100% participation, regular saving and regular remittance to the bank & book writing.
7. Between three to six months SHG concept training has to be arranged for all the group members. In this training emphasis will be given on internal lending and book writing.
8. Grading of groups is compulsory before credit linkage.
9. Participation of bank staff in the SHG meeting at least once in three months is very essential for maintaining the quality of SHG.

### Role of DCCB Bidar in integrated Development of Bidar District (Development through Co-operation A DREAM BEING REALISED) Capacity Building

1. Sahakara Rural Development Academy (SAHARDA) and Saharada Rural Development and Self-Employment Institute (SHARSETI) are established for capacity building and skill development of all stakeholders, SHG members and rural unemployed.
2. Farmers are involved by organizing VVVs (farmers club) for which a separate TIME cell has been established.
3. SAHARDA at Naubad, Bidar also meets the training cum exposure need of DCC Banks, Commercial Banks, RRBs, and NGOs spread all over India.

### Outcome

Poor, especially women, have demonstrated that given an opportunity, they are capable of making rapid strides in their march towards economic development and attainment of Self sustainability utilizing their own savings, working capabilities and within the available resources in the village.

The SHG movement has also demonstrated and established that the village Cooperatives and other village level institution and functionaries could be strengthened and effectively used as change agents in bringing about prosperity and self sufficiency in the villagers.

**Table No. 5**  
**Monthly progress report on promotion Including all taluka of Bidar district As on 31st January 2004**

Sl No.	Particulars	No. of SHGs.
1	a. SHGs prompted up to the end of the previous year	6520
	b. of (a) No. of Women SHGs	6307
2	SHGs Promoted during the Current Year. (i.e., from 1 <sup>st</sup> April - to the end of the reporting month)	
	a. By PACS	629
	b. By NGOs	177
	c. By Stree Shakti	319
	d. Total	1125
	e. of (d) of Women SHGs	1109
3.	Cumulative No. of SHGs promoted (i.e., 1(a) + 2(d)	7645
4	Of 3 above, No. of SHGs more than 6 months old	7128
5	Total No. of women SHGs (i.e., 1(b) + 2(e)	7501
B.	Cumulative internal savings mobilized by SHGs (As at the end of reporting Month)	Rs. 1504.47 Lakshs

Source: Monthly progress Report DCC Bank Bidar

**Table No. 6**  
**District Monthly Progress report on promotion and credit linkage of SHGs Taluka wise. As on 31-01-2004**

Taluk	Formation			Linkage		
	As on previous month progress	During the month progress	Total	As on previous month progress	During the month progress	Total
Bidar	1677	11	1688	1266	27	1293
B.kalyan	1441	45	1486	1022	23	1045
Bhalki	1482	43	1525	1070	21	1091
Aurad	1476	45	1521	987	19	1006
Hbd	1392	36	1428	1087	25	1112
Total	7468	180	7648	5432	115	5547

Source: Monthly progress Report DCC Bank Bidar

**Table No. 7**  
**BIDAR District Monthly Progress report on promotion and credit linkage of SHGs as on 31-03-2004**  
**( Including all Taluks) (Rs. in Lakhs) (Tentative)**

Sl No.	Particulars	No. of SHGs.	
1	a. SHGs promoted up to the end of the previous year	6520	
	b. of (a) No. of women SHGs	6307	
2.	SHGs Promoted during the Current year (i.e., From 1 April - to the end of the reporting month)		
	a. By PACCs	778	
	b. By NGOs	208	
	c. By Stree Shakti	364	
	d. others	451	
	e. Total	1801	
	f. of (d) of women SHGs	1275	
3.	Cumulative No. of SHGs promoted (i.e., 1(a) + 2(d))	8321	
4.	Of 3 above, No. of SHGs more than 6 months old	7318	
5.	Total No. of women SHGs (i.e., 1(b) + 2(e))	8167	
B.	Cumulative internal savings mobilized by SHGs (As at the end of reporting month)	1603.27 Lakhs	
C.	Credit Linkage of SHGs	Number	Amount of loan disbursed
1.	Credit linkage during the current year		
	SHGs promoted By:		
	a. PACCs	619	245.05
	b. NGOs	273	182.69
	c. Stree Shakti	211	129.73
	d. Others	75	11.00
	e. Total	1178	568.47
	f. of (e) of women SHGs	1163	537.97



2.	Cumulative Credit Linkage (Since inception till the end of reporting month) SHGs promoted by:		
	a. PACCS	2583	715.42
	b. NGOs	1963	834.21
	c. Stree Shakti	1379	305.58
	d. Others	75	11.00
	e. Total	6000	1866.21
	f. of (e) of women SHGs	5847	1723.25

Source: Monthly progress Report DCC Bank Bidar

### SHGs have realized the business potential of SHGs

SHG deposits are increasing in the PACS, though SHG loan portfolio is not large. Work culture & customer relation in the PACS has tremendously improved with timely opening of counters, timely service, right attitude to poor & women.

The study made a profitability analysis at the level of PACS (Ladwanthi), branch Bhosga and for the bank as a whole. The study found that the profitability of the SHG banking product to be positive at all the levels. The study findings are given below.

### PACS Level profitability

The study found that of the 171 PACS in the district, 77 participated in SHG Banking the profitability of PACS was examined by carrying out analysis of Ladwanthi PACS. The PACS of Ladwanthi has 1,065 regular members, 135 women; 664 members have loans outstanding. Most of the PACS members are land owners. SHGs are nominal, non-voting members. Admitting SHG members, who are mostly poor women, as regular members on a broad scale- some are already members – would totally alter the composition of membership.

The Ladwanthi PACS provides financial services to 69 SHGs, 43 of them have loans outstanding. SHG deposits account for 38% of outstanding. Non-performing loans in the PACS are coming down, but are still high at 3.6%. In contrast, NPLs are zero the cooperative's lending to SHGs. The PACS attributes much of the change over the last three years to its participation in SHG linkage banking and its indirect effects on cooperative members: an increase in deposits from Rs. 1.30 m to Rs. 3.50 m, an increase in loans outstanding from Rs. 4.10 m to Rs. 9.10 m and increase in the recovery from 91% to 94%. There is new almost forgotten awareness that the society accepts deposits 12 out of 113 fixed deposits holders are SHG members.

**Table No. 8**  
**Participated in SHG Banking the profitability of PACS**

PACS, Ladwanthi (31 <sup>st</sup> March 2002)	SHG	PACS
Total assets (In Rs. '000)	1,320	2,503
Net loans outstanding (in Rs. '000)	1,262	9,131
Deposits	481	3,524
Non-performing loans	0%	3.6%
Return on average assets (ROA)	2.0%	1.5%
Operational self-sufficiency (OSS)	116%	13%

Source: Monthly progress Report DCC Bank Bidar



### Branch Level Profitability

The banks out of 43 branches, 40 are participated in SHG banking. The study made profitability analysis of Bhosga branch, which acts as an intermediary for 6 PACS, where 129 SHGs hold their accounts. Most of the outstanding SHG portfolio is covered by SHG deposits. There are no non-performing SHG loans, compared to an overall NPL ratio of 2.6% of the branch. The branch earned 2.3% on its total average assets, equivalent to an OSS of 121% and 4.2% on SHG Banking, equivalent to an OSS of 157%.

**Table No. 9**  
**Branch level profitability of PACS**

DCCB branch Bhosga (31 <sup>st</sup> March 2002)	SHG/PACS	Branch.
Total assets (In Rs. '000)	1,650	39,233
Net loans outstanding (in Rs. '000)	1,607	34,654
Deposits	1,500	10,472
Non-performing loans	0%	2.6%
Return on average assets (ROA)	4.2%	2.3%
Adjusted (Marginal cost calculation)	7.7%	
Operational self-sufficiency (OSS)	157%	121%
Adjusted (marginal cost calculation)	286%	

Source: Monthly progress Report DCC Bank Bidar

### Profitability of SHG Banking at the bank level

DCCB started SHG banking in 1996. By Marcy 2002, a total of 6,900 SHGs were formed, 5,005 SHGs had opened savings accounts with DCCB and 3,005 had been credit linked, 1,183 financed by PACS and 1,822 by branches. A comparison of SHG banking vis-a vis total business of the bank revealed that SHG banking due to its heavy expenditure on SHG promotion through training and the establishment of a MCD, SHG banking DCCB is just breaking even. However, profitability estimated based on amortization of training expenditure over five years pushed the ROA to 2.1 per cent and OSS to 118 per cent.

**Table No. 10**  
**Financial parameters of the DCCB**

Select financial parameters of the DCCB (31 <sup>st</sup> March 2002)	SHG	Bank
Total assets (in Rs. Million)	45.0	4,438.4
Net loans outstanding (in Rs. million)	44.9	3,425.0
Deposits	12.1	561.5
Non - performing loans (in %)	0.0	2.7
Return on (av.) assets (ROA)	0.1%	0.8%
ROA adjusted (training amortized over 5 years)	2.1%	
Operational self-sufficiency (OSS)	101%	108%
OSS adjusted (training amortized over 5 years.)	118%	

Source: Monthly progress Report DCC Bank Bidar

The study findings clearly found that, SHG banking is breaking even at bank level where the overhead costs have borne while the bulk of the profit making SHG business is shifted to the branches and PACS. At PACS and branch level, SHG banking is highly profitable above the profitability of the respective units.

### Future Plans of SHGs in Bidar District

The Bidar district has 600 villages comprising 2, 80,000 families. It would be the endeavor of the bank to bring all the families under its banking fold. Towards this end, the bank has drawn a medium term plan covering the period up to March 2008. The plan envisages:

1. Each village to have at least 3 SHGs.
2. Every PACS to have at least 40 SHGs.
3. All SHGs data to be computerized.
4. To ensure sustainability, the SHGs would be federated at village level, taluka level and district level federation. The federations would take up non financial functions like monitoring, training, conflict resolution, input supply, marketing assistance, every PAACS to promote at least two SHG federations.

**Table No. 11**  
**Future plans of SHGs in Bidar District**

S. No.	particulars	2003-04	2004-05	2005-06	2006-07	2007-08
1	No. of SHGs to be formed	700	700	600	500	300
2	Formation of taluka level SHG federation	1	2	2		
3	Linkage of groups with banks					
a	First linkage	1000	750	500	500	500
b	Second and subsequent linkage	200	1750	1500	1500	1000
4	Skill based training for SHG members	10	50	50	50	50
5	Formation of farmers clubs	100	100	100	100	50

Source: Monthly progress report DCC Bank Bidar

### STUDY FINDINGS

- i.) In 1997-98, the percentage of SHG members who were able to sign was about 18%. This has gone up to 70%.
- ii.) In many SHGs the weekly saving increased from Rs. 5/- per week to 20/- per week.
- iii.) Total deposits in 43 bank branches increased from Rs. 0.75% to Rs. 2.50 (233%).
- iv.) Total deposits in 171 PACS increase from Rs. 26.60m to Rs. 136.70m (414%).
- v.) SHG deposits in the form of passbook savings in bank branches increased from Rs. 0.70m to Rs. 12.1m (1648%).
- vi.) SHG deposits in the form of passbook savings in PACs increased from Rs. 0.30m to 17.4m (5275%).
- vii.) The recovery rate of the branches has increased from 70% to 89%.
- viii.) The recovery rate of the PACs, where the impact of SHG members is stronger, has increased from 72% to 95%.
- ix.) The number of profit-making PACS has increased from 93 to 131.

x.) Many money lenders have gone out of business; the competitions by ones have reduced their rates due to competition by SHGs.

**STUDY SUGGESTIONS:**

1. The main aim of Self-help group is to elevate women to a more central position in the developmental process. Another aim is to create mechanisms that allow them to participate in decision making at the village level in all activities. This shows that prime importance of Self-help group is to improve Social relations between poor women and other Social groups within the community. SHGs help in avoiding gender differences and to create an atmosphere where women would be in a better bargaining position.
2. The sample Self-Help groups have been formed with a new culture and system of collective existence. Income generation is advocated not for individual, but for collectives of women emphasizing collective ownership and production. It emphasizes that the capacity of women leaders to communicate with other women is found to be an important factor for development of women.
3. The entire sample Self-Help groups have been formed on the concept of Self-Help or mutual help having strong objectives like freedom from exploitation in micro credit delivery mechanism, attainment of economic growth by women empowerment, providing resources to rural poor for economic development, promoting habit of saving among the group members, providing emergency loans and consumption loans.
4. Banks, NGOs and other micro financial institutions should motivate, encourage & conduct various promotional activities.
5. NGOs and other financial institutions should encourage for increasing savings from Rs. 20/- to 50/- per week.
6. NGOs & Banks should encourage to the SHGs members for Increase the saving deposit in the banks.

**REFERENCES:**

1. SHGs Bank Linkage – Bidar DCCB. Shows the way pp. 8,
2. SHGs Bank Linkage – Bidar DCCB. Shows the way pp. 17.
3. Monthly progress report DCC Bank Bidar January 2004.

# Publish Research Article

## International Level Multidisciplinary Research Journal

### For All Subjects

Dear Sir/Mam,

We invite unpublished Research Paper, Summary of Research Project, Theses, Books and Book Review for publication, you will be pleased to know that our journals are

## Associated and Indexed, India

- \* International Scientific Journal Consortium
- \* OPEN J-GATE

## Associated and Indexed, USA

- Google Scholar
- EBSCO
- DOAJ
- Index Copernicus
- Publication Index
- Academic Journal Database
- Contemporary Research Index
- Academic Paper Database
- Digital Journals Database
- Current Index to Scholarly Journals
- Elite Scientific Journal Archive
- Directory Of Academic Resources
- Scholar Journal Index
- Recent Science Index
- Scientific Resources Database
- Directory Of Research Journal Indexing

Indian Streams Research Journal  
258/34 Raviwar Peth Solapur-413005, Maharashtra  
Contact-9595359435  
E-Mail-[ayisrj@yahoo.in](mailto:ayisrj@yahoo.in)/[ayisrj2011@gmail.com](mailto:ayisrj2011@gmail.com)  
Website : <http://oldisrj.lbp.world/>