CHAPTER 4

SHG Financing in Kamrup District of Assam.

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4.1: Kamrup District: A Brief Profile.

4.2: Progress under SHG Bank Linkage Programme in Kamrup District of Assam.

4.1 KAMRUP DISTRICT: A BRIEF PROFILE

Kamrup district, presently an administrative district in the state of Assam in India, derived its name from the word ‘Kamrupa’, a name by which Assam was previously known in ancient times. The district, however, is now a small western part of Assam, with a distinctive native Kamrup culture and dialect (both known as Kamrupi). The distinctive dialect etc, are however, shared with the present administrative districts of Nalbari and Barpeta, (these districts being part of undivided Kamrup before the 1980s). Assam has been referred to as Kamrup in many of the ancient Indian literature. It was also known as Pragjyotishpur due to Jyotish Shastra practices that prevailed in this part of the country during that time. Thereafter Kamrup became an administrative district of Assam with its headquarter located at Guwahati city. The greater part of the district consists of plain areas. The river Brahmaputra flow a steady course from east to west through the lower portion of the district.

In the year 2003, the district has been divided between Kamrup (Metro) and Kamrup (Rural). The pair of district occupies a total area of 4,111 sq. km. and has a population of 27,78,621 (as per 2011 census).

Kamrup (Metro) District is situated between 25.43 degree and 26.51 degree North Latitude and between 90.36 degree and 92.12 degree East Longitude. The District is bounded by - Brahmaputra river and Darrang on the north; Meghalaya on the south; Meghalaya and Morigaon on the east; and Kamrup (Rural) on the west. It comprises of only one sub- divisions namely, Guwahati sadar sub division. The City of Guwahati is the Head Quarter of the District. Kamrup (metro) occupies a total area of 627 sq. km., and a total population of 12,60,419 (as per 2011 census).

Kamrup (Rural) District, normally called Kamrup is situated between 25.46 degree and 26.49 degree North Latitude and between 90.48 degrees & 91.50 degree East Longitude. It is bounded by Udalguri and Baksa Districts in the north, Meghalaya in the south, Darrang and Kamrup Metropolitan in the east and Goalpara and Nalbari District in the west. It comprises of two sub- divisions namely, Guwahati sub division and Rangiya sub division. Amingaon is the Headquarter of the Guwahati sub division and Rangiya is the Headquarter of Rangiya sub division. Kamrup occupies a total
area of 3,484 sq. km., and a total population of 15,17,202 (as per 2011 census).  
(Economic Survey, Assam, 2011-12)\textsuperscript{1}

\textbf{Figure 4.1: Map of Kamrup Districts}

\textit{Source: http://kamrup.nic.in/geofr.htm}
4.2 PROGRESS UNDER SHG BANK LINKAGE PROGRAMME IN KAMRUP DISTRICT OF ASSAM:

As mentioned previously, financing the rural poor through SHG has taken firm pedigrees in our country which started as experimentation on pilot basis in 1992-93 by NABARD under the banner SHG Bank Linkage Programme. And accordingly NABARD from time to time has developed various stratagems to make its dream project a successful one both at state levels as well as the district level depending upon the situation. For the Kamrup District of Assam, being one of the pioneering districts in the micro finance movement of the Assam, NABARD has put forward the following strategies for the expansion of the SHG Bank Linkage Programme:

i) Strengthening the data base on SHGs is required at all levels namely NGOs, banks and DRDA which will assist to take appropriate decisions to increase the quality and number of SHGs functioning in the district.

ii) Coordination between NGOs working in the field of micro-credit and DRDA should be achieved. Meetings and exchange of information on problems and prospects relating to SHG movement should take place at regular intervals between DRDA and NGOs.

iii) Consolidation of SHG movement with focused efforts on capacity building of SHGs, especially in the areas of self management, leadership development and financial management etc.

iv) SHPIs may design innovative and fully participatory modules of Rural Entrepreneurship Development and Skill Upgradation programmes for inducing confidence in rural folk for setting up of micro-enterprise coupled with effective project opportunity guidance.

v) The banks may have to incorporate the micro finance programmes in their annual credit plans.

vi) The SHPIs and banks should sharpen the skills of their staff to conduct the grading exercise of SHGs as per the guidelines at periodical intervals.

vii) NGOs and development agencies of Government should make concerted efforts to increase the number of SHGs in the districts.
As a part of the SHG promotional programme, NABARD regularly conducts various SHG training programmes, workshops etc., in the districts for the benefit of branch managers/field officers of banks, officials of the government departments, NGOs, leaders of SHGs, Anganwadi workers, elected members of PRIs, office bearers of Farm Management Committees etc. The main purpose of organizing the above programmes is to create awareness and guide all concerned about the objective, concept of SHGs and advantage of SHG–Bank Linkage Programme. *(PLP Report, NABARD, 2006-07 to 2012-13)*

**Some activities undertaken in Kamrup districts for promotion of SHGs**

A motivation camp supported by National Bank for Agriculture and Rural Development (NABARD), Guwahati on “Self Help Group promotion and bank credit linkage programme” was held recently at Shoula (Dagaon) village under Bihdia Jajikona Development Block near here. The camp was organised by Graphic World, a registered institute for rural development of the locality with a view to apprise the participants of implementation and benefit of the scheme to enhance socio economic development. Speaking on the occasion, general secretary Khijir Ahmed of the body explaining the aim of the camp told the participants that the scheme, supported by National Bank for Agriculture and Rural Development (NABARD), Guwahati, would try to motivate people for formation of self help groups at five different villages of Bihdia Jajikona Development Block of Kamrup District. The scheme is implemented for promotion, nurturing, credit linkage and monitoring of 50 SHGs. The scheme will especially cover poor women, girls and youth, he said. Similar motivational camps were already organised at four other villages of the block where schemes had already been launched. *(Assam Tribune, 2009)*

The District Rural Development Agency (DRDA) would impart skill development training to 200 youths to generate self-employment opportunities. The block level Swarnajayanti Gram Swarojgar Yojna (SGSY) has selected various new schemes for Chandrapur, Dimoria and Rani development blocks located on the outskirts of Guwahati to develop infrastructure there.
Virendra Mittal, project director of DRDA (Kamrup Metropolitan), said the agency would provide skill upgrade training to youths selected for the programme to help them become successful masons, carpenters, electricians, motor mechanics and plumbers.

"By October this year, we hope they will become self-employed and would show the path to the unemployed. The subsidy provided by the DRDA will certainly help them in becoming successful entrepreneurs," he added. Mittal said masons were needed for ensuring quality of work while constructing houses under Indira Awas Yojana (IAY).

"During the financial year 2011-12, the block level SGSY committee has selected construction of bundh with canal at Panbari in Chandrapur development block for reserving and distributing spring water to horticulture as well as agricultural fields. Among few other selected schemes are construction of self-help group haat cum fish cold storage on block campus and construction of mini eco-hatchery at block headquarters in Dimoria development block," added Mittal. He said construction of market sheds and meeting halls also feature in the scheme of things.

Mittal added that a training-cum-meeting hall for self-help group members at Palashbari Anchalik High School Campus in Rani development block would be set up. He said the aforementioned schemes for development blocks would be placed before the district and state level committees for finalization and approval. *(Times of India, 2011)*

### 4.3 PERFORMANCE OF SHG BANK LINKAGE PROGRAMME IN KAMRUP DISTRICTS OF ASSAM

As mentioned in the previous chapter that Kamrup District is one of the pioneering districts in the micro finance movement of the Assam state gathered momentum only from 2001-02 with the introduction of NABARD’s SHG –Bank linkage programme and its position and growth can be analysed through the following facts are narrated below:
Table 4.1: Progress under SHG Bank Linkage Programme (Kamrup District)

<table>
<thead>
<tr>
<th>Year</th>
<th>No of SHG linked with SBLP</th>
<th>Bank Loan Disbursed (Rs. in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>1,719</td>
<td>547.410</td>
</tr>
<tr>
<td>2007-08</td>
<td>2,026</td>
<td>440.639</td>
</tr>
<tr>
<td>2008-09</td>
<td>2,325</td>
<td>978.815</td>
</tr>
<tr>
<td>2009-10</td>
<td>3,288</td>
<td>987.370</td>
</tr>
<tr>
<td>2010-11</td>
<td>2,764</td>
<td>1261.107</td>
</tr>
<tr>
<td>2011-12</td>
<td>2,626</td>
<td>1460.217</td>
</tr>
</tbody>
</table>

*Source: Official Record, NABARD, Guwahati Regional Office*

Figure 4.2: No of SHG linked with SBLP in Kamrup Districts

Figure 4.3: Bank Loan Disbursed to SHGs in Kamrup Districts
Table 4.1; Figure 4.2 & 4.3 shows number of SHGs linked with SBLP and bank loan disbursed to SHGs in the Kamrup District of Assam. During the year 2006-07, 1,719 SHGs were linked against which the bank disbursed a loan (including repeat loan) of Rs.547.410 lakhs, and during the year 2007-08, 2,026 SHGs were linked against which the bank disbursed a loan (including repeat loan) of Rs.440.639 lakhs thereby registering a growth at a rate of 17.85% in terms of number of SHGs linked with SBLP and declined at a rate of 19.50% in terms of the amount of bank loan disbursed to SHGs if compared with the previous year 2006-07.

Again during the year 2008-09, 2,325 SHGs were linked against which the bank disbursed a loan (including repeat loan) of Rs.978.815 lakhs thereby registering a growth at a rate of 14.75% in terms of number of SHGs linked with SBLP and 122.14% in terms of the amount of bank loan disbursed to SHGs if compared with the previous year 2007-08.

And accordingly during the year 2009-10, 3,288 SHGs were linked with SBLP against which the bank disbursed a loan (including repeat loan) of Rs.987.370 lakhs and if compared with that of the previous year 2008-09 it recorded a growth at a rate of 41.42% in terms of number of SHGs linked with SBLP and 0.87% in terms of the amount of bank loan disbursed to SHGs.

Consequently during the year 2010-11 and 2011-12, 2,764 SHGs and 2,626 SHGs were linked with SBLP respectively against which the bank disbursed a loan of Rs.1261.107 lakhs during 2010-11 lakhs and Rs.1460.217 lakhs during 2011-12 and if compared with that of the previous years it recorded a decay at a rate of 15.93% and 4.99% respectively in terms of number of SHGs linked with SBLP and in terms of the amount of bank loan disbursed to SHGs it registered a growth rate of 27.72% and 15.79% respectively.
Table 4.2: No of SHG linked with SBLP
(A comparative analysis of Assam and the district of Kamrup)

<table>
<thead>
<tr>
<th>Year</th>
<th>Assam</th>
<th>% growth</th>
<th>Kamrup</th>
<th>% growth</th>
<th>Kamrup District as a % of Assam</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>26,343</td>
<td>-</td>
<td>1,719</td>
<td>--</td>
<td>6.52</td>
</tr>
<tr>
<td>2007-08</td>
<td>20,318</td>
<td>(22.87)</td>
<td>2,026</td>
<td>17.85</td>
<td>9.97</td>
</tr>
<tr>
<td>2008-09</td>
<td>26,448</td>
<td>30.17</td>
<td>2,325</td>
<td>14.75</td>
<td>8.79</td>
</tr>
<tr>
<td>2009-10</td>
<td>39,058</td>
<td>47.68</td>
<td>3,288</td>
<td>41.42</td>
<td>8.41</td>
</tr>
<tr>
<td>2010-11</td>
<td>29,094</td>
<td>(25.51)</td>
<td>2,764</td>
<td>(15.94)</td>
<td>9.50</td>
</tr>
<tr>
<td>2011-12</td>
<td>28,012</td>
<td>(3.72)</td>
<td>2,626</td>
<td>(5)</td>
<td>9.37</td>
</tr>
</tbody>
</table>

CAGR for 2006-07 to 2011-12: 1.03

Source: Status of Microfinance NABARD 2006-07 to 2011-12 & Official Record, NABARD, Guwahati Regional Office

Figure 4.4: A comparative analysis of Assam and the District of Kamrup regarding No. of SHG linked with SBLP

Table 4.2 and figure 4.4 reveals a comparative analysis of Kamrup District with that of Assam position as a whole in terms of number of SHGs linked with SBLP during the period 2006-07 to 2011-12. With respect to the district of Kamrup the performance regarding the number of SHGs linked with SBLP is almost at par with that of Assam as a whole except for the year 2007-08 during which the performance
of Kamrup District as compared to Assam during which period the performance of Kamrup District registered a growth of 17.85% whereas for Assam the situation is reversed since it recorded a decline of 22.87% if compared with that of the previous year. However, during the year 2008-09 the performance of Assam with respect to Kamrup District regarding the number of SHGs linked with SBLP is very promising since Assam registered a growth of 30.17% as against 17.85% in Kamrup District.

Further the analysis shows that in the year 2006-07 the number of SHGs linked with SBLP is only 6.52% of the total number of SHGs linked with SBLP in Assam and in the year 2007-08 the rate increased to 9.97% and in the year 2008-09 the rate decreased to 8.79% followed by a further decrease in 2009-10 i.e., 8.41%. However during the year 2010-11 and 2011-12 the number of SHGs linked with SBLP is 9.50% and 9.37% respectively, of the total number of SHGs linked with SBLP in Assam.

The CAGR (Compound Annual Growth Rate) calculated for the period 2006-07 to 2011-12 showed that there is a growth rate of 1.03% in case of Assam and 7.32% in case of Kamrup District with respect to number of SHGs linked with SBLP.

Table 4.3: Bank Loan Disbursed
(A comparative analysis of Assam and the District of Kamrup)

<table>
<thead>
<tr>
<th>Year</th>
<th>Bank Loan Disbursed to SHGs</th>
<th>Assam</th>
<th>% growth</th>
<th>Kamrup</th>
<th>% growth</th>
<th>Kamrup District as a % of Assam</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td></td>
<td>8681.10</td>
<td>-</td>
<td>547.410</td>
<td>--</td>
<td>7.26</td>
</tr>
<tr>
<td>2007-08</td>
<td></td>
<td>8869.10</td>
<td>21.34</td>
<td>440.639</td>
<td>(19.50)</td>
<td>4.97</td>
</tr>
<tr>
<td>2008-09</td>
<td></td>
<td>15696.20</td>
<td>76.98</td>
<td>978.815</td>
<td>122.14</td>
<td>6.24</td>
</tr>
<tr>
<td>2009-10</td>
<td></td>
<td>19573.61</td>
<td>24.70</td>
<td>987.370</td>
<td>0.87</td>
<td>5.04</td>
</tr>
<tr>
<td>2010-11</td>
<td></td>
<td>22715.61</td>
<td>16.05</td>
<td>1261.107</td>
<td>22.72</td>
<td>5.55</td>
</tr>
<tr>
<td>2011-12</td>
<td></td>
<td>18746.98</td>
<td>(17.47)</td>
<td>1460.217</td>
<td>15.79</td>
<td>7.78</td>
</tr>
<tr>
<td>CAGR for</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006-07 to 2011-12</td>
<td></td>
<td>13.69</td>
<td></td>
<td>17.77</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Status of Microfinance NABARD 2006-07 to 2011-12 & Official Record, NABARD, Guwahati Regional Office
Figure: 4.5
A comparative analysis of Assam and the district of Kamrup regarding Bank loan disbursed to SHGs

Table 4.3 and figure 4.5 reveals a comparative analysis of Kamrup District with that of Assam position as a whole in terms of bank loan disbursed to SHGs during the period 2006-07 to 2011-12.

With respect to the districts of Kamrup the performance regarding the amount of bank loan disbursed to is at disparity with that of Assam as a whole. For the year 2007-08 the performance of Kamrup District registered a decay of 19.50% whereas for Assam state as a whole it recorded a growth of 21.34% if compared with that of the previous year. However, during the year 2008-09 the performance of Assam as well as Kamrup District regarding the amount of bank loan disbursed very promising since Kamrup District registered a growth of 122.14 as against 76.98% in Assam if compared with that of previous year 2007-08.

And for the year 2009-10 the performance of Kamrup District registered a growth of 0.87% and in case of Assam as a whole the performance registered a growth of 24.70% while compared with previous year 2008-09 and during the year 2010-11 the growth rate in case of Kamrup District is 22.72% and that of Assam is 16.05%. Whereas during the year 2011-12 the performance of Kamrup District with respect to bank loan disbursed to SHGs showed a growth of 15.79% but for the state of
Assam as a whole the situation is reversed since it recorded a decay of 17.47% if compared with that of the previous year 2010-11.

Further the analysis shows that in the year 2006-07 the bank loan disbursed to SHGs in Kamrup District is only 7.26% of the total amount of bank loan disbursed to SHGs in Assam. And during the year 2007-08 the bank loan disbursed to SHGs in Kamrup districts is only 4.97% of the total amount of bank loan disbursed to SHGs in Assam and in the year 2008-09 the rate is 6.24% followed by a 5.04% in 2009-10. However during the year 2010-11 and 2011-12 the bank loan disbursed to SHGs in Kamrup District is only 5.55% and 7.78% respectively of the total amount of bank loan disbursed to SHGs in Assam.

The CAGR (Compound Annual Growth Rate) calculated for the period 2006-07 to 2011-12 showed that there is a growth rate of 13.69% in case of Assam and 17.77% in case of Kamrup District with respect to the amount of bank loan disbursed to SHGs.

The position of Kamrup District including both Metro and Rural with respect to SHG coverage in Assam can further be analysed with the help of the map given below:

Figure 4.6: Assam SHG Coverage

Source: Status of Microfinance, NABARD, 2012-13
The figure below clearly indicates that the SHG coverage in the Kamrup district of Assam lies between 50% to 80% of the total BPL households in the district of Kamrup (Rural) and less than 50% of the total BPL households in the district of Kamrup (Metro). If compared with the Assam state as a whole.

References:


ii) NABARD (2006-07 to 2012-13); Potential Linked Credit Plan, District Kamrup; Guwahati, Assam.

iii) Assam Tribune (2009); *Rangia Correspondent, November 14, 2009*; Guwahati.

iv) Times of India (2011); *Guwahati Correspondent, August 12, 2011*; Guwahati.