Appendix - I - Photographs Taken During Survey

Jaibhim SHG - Midday Meal Preparation for children (Shingori)
Taluka - Warud

Triratna SHG : Milk & Duary Production & Marketing, Pohara, Tq. Amravati
Sale of Sari by Savitribai Fule SHG Member (Loni)

Sale of Breakfast & Tea by Triranta SHG Member (Amt.)
Sale of Vermi Compost & Honey by Gadge Baba Men SHG, Shandgaon, Tq. Daryapur

Sale of Snakes by Minakshi Mahila Bachat Gat, Amravati
Cement Sale by Jai Santoshi Ma SHG Member's
Pohara, Tq. Amravati

Income Generating Activity Goat Farming by Jai Ambe Ma WSHG
(Fatepur Tiwsa)
Sale of Milk & Dairy Product by Laxmi Mahila Bachat Gat, Wastapur, Tq. Dharni

Sale of Wooden Handy Craft Material by Bambu Kala Men Bachat Gat, Chunkhadi, Tq. Chikhaldara
Income Generating Activities Practiced by Vaishnavi SHG Member,
Wadali, Tq. Amravati

Sale of Snakes by Minakshi Mahila Bachat Gat, Mahavir Nagar, Amravati
Three Day Exhibition Come Sale Organised by D.R.D.A. to Promote Sale of Products of SHG, Amravati
Appendix - II - Questionnaire

A) Personal Details:

1) सदस्याचे नाव:-

2) गांव :-
   तालुका :-
   जिल्हा :-

3) लिंग :- पुरुष □ सिंह □

4) वय :- अ) २५ □ ब) २६ - ३५ □ क) ३६ - ४५ □ द) ४६ पेक्षा जास्त □

5) पैतृक स्वरूप :- अ) अशिष्ट वि ब) प्राथमिक शिक्षण □ क) माध्यमिक शिक्षण □ द) उच्च माध्यमिक □ ए) पदवीवर □

6) सदाची आर्थिक स्थिती :- अ) बीपीएल □ ब) एपीएल □ क) मिश्रीत □
   आपत्ता व्यवसाय अ) नीकती □ ब) शेती □ क) शेत मजुर □ ए) चरकाम □
   द) शासकीय नीकती □ फ) शिक्षक □

7) आपत्ता कुटुंबातील एका पेक्षा अधिक व्यक्ती बचतगटाचे सदस्य आहेत का ?
   होय □ नाही □

B) About the Group

प्र. १ बचत गटाचे प्रकार -
   अ) स्वी □ ब) पुरुष □ क) मिश्रीत □

प्र. २ कोणत्या तारखेला बचतगट तयार झाला ?
   दि □

प्र. ३ आपत्ता गटाचे किती सदस्य आहेत ?
   अ) ९ पेक्षा कमी □ ब) १० - १५ □ क) १६ - २० □ द) २१ पेक्षा जास्त □

प्र. ४ गटाचा आकार अ) स्विफ्ट □ ब) वाचल जागें □ क) कमी होत जागें □
C) Motive behind joining Group

1. Appearance: What motivated you to join the group?
   a) Satsang
   b) Pati
   c) Maha Prana
   d) Swami
   e) Varta

2. Why did you join the group?
   a) Satsang
   b) Varta
   c) Pran
   d) Mahapran
   e) Pati

3. Is your appearance in the group good?
   a) Yes
   b) No

4. Appearance: What motivated you to join the group?
   a) Satsang
   b) Varta
   c) Pran
   d) Mahapran
   e) Pati

5. Appearance: What motivated you to join the group?
   a) Satsang
   b) Varta
   c) Pran
   d) Mahapran
   e) Pati

6. How do you feel about being in the group?
   a) Happy
   b) Unhappy

7. Appearance: What motivated you to join the group?
   a) Satsang
   b) Varta
   c) Pran
   d) Mahapran
   e) Pati

8. Have you ever considered leaving the group?
   a) Yes
   b) No

9. Have you ever debated leaving the group?
   a) Yes
   b) No
प्र० १० मुलीनाचा कोणता वर्गांमध्ये शिक्षणाची इच्छा आहे?

अ) Xth  ब) 12th  क) Graduation  द) Post Graduation

प्र० ११ बचतावर स्वरूप प्राप्त ज्ञान का होय? होय  नाही

अ) मान्यतादर  ब) आपसी गतिमेध  क) बाहेरील व्यक्तीचा समावेश

प्र० १२ कोणाचा सहकारी संग्राम गट स्वरूप प्राप्त होतुन शक्त नाही असे आपणास बाटले काय?

अ) लोकप्रतिनिधी  ब) स्वयंसेवी संस्था  क) शासकीय संस्था

ड) Meeting

प्र० १ भाववाहनाचा सम्बन्ध कसा होतात?

अ) आठवड्यांतून एकदा  ब) पंधरा विवि सातून एकदा  क) महिंद्राच्यावर एकदा

प्र० २ साधारणतः किती लोक (सदस्य) समेलन हजर असतात?

अ) सर्वजन  ब) बहुतांश  क) फार कमी  द) नमथा

प्र० ३ मिटिंगचा अनेकदा कोण ठरतो?

अ) काही सदस्य  ब) बहुतांश  क) गटसदस्य व स्वयंसेवी संस्था सदस्य

प्र० ४ गट मिटिंग कोडे पॉट असता?

अ) अध्यक्षाच्या घरी  ब) ग्रामपंचायत  क) इतर ठीकाणी (नयूं काही).

प्र० ५ गटाचे निर्णय कसा प्रकारे घेतले जातात?

अ) सर्वसमुत्तम  ब) नवशुद्ध  क) समुह प्रतिनिधीने  द) संबंधीत कर्मचारी व सदस्य वर्ग

प्र० ६ बचत गट कसा प्रकारे क्रम येतान?

प्र० ७ गटाच्या मालिके पैसा समावेश सवरूप आपणी कार्याची मामली कसा प्रकारे केली जाते?
E) Trift and Saving Management

Pr. 1 बचत राशी कसे केली जाते?

ा) दिनेल्या मिट्टीच्या तारखेला सदस्यानी जमा करणे

ब) मोटां बाहेर प्रतिनिधी सदस्यांकडून जमा करणे.

क) इतर पद्धती

Pr. 2 मटाचे पैसे कसे प्रकार ठेवले जातात?

ा) बंक खात्यात जमा करणे

ब) सदस्याजम्या प्रेम महणून वापर घेणे.

क) गटप्रतिनिधी जवळ ठेवणे

ड) गटच्या पैसेपेटी मध्ये ठेवणे
F)  Credit Rotation

a) Spread of Loan

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<th>Sr. No.</th>
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<td>सदस्यांची अदालती कर्जांची संख्या</td>
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<td>प्रतिवर्षी अदालती कर्जांची संख्या</td>
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b)  Credit Utilization and Repayment

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<td>हिर तरीम</td>
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**G) Training and Experience**

**प्र. १** बचत गटाच्या संबंधित सदस्यांसाठी कोणते प्रशिक्षण/orientation/Exposure चेतले आहे का? हॉय □ / नाही □

कोणते? ...........................................................................................................................................

**प्र. २** गटाला कोण प्रशिक्षण देतात?

ा) स्वयंसेवी संस्था व प्रतिनिधी □

ब) शासकीय संस्था □ क) इतर □

**प्र. ३** आपल्या गटाला शासकीय योजनांचा फायदा मिळाला आहे का? हॉय □ / नाही □

मिळाल्यास आ) कोणत्या योजनाचा........................................................................................................

........................................................................................................................................

........................................................................................................................................

ब) रकम ₹/ संबंधवा ...................................................................................................................

........................................................................................................................................

........................................................................................................................................

क) रोजगार मिळाला ..................................................................................................................
प्र. 4 राष्ट्रिय असलेंवा योजनांचा फायदा / उपयोग वेळात अन्यत्र अडचणी अन्वया आहेल?  
 हॉय ☐ / नाही ☐  
असल्यास .........................................................................................................................

प्र. 5 उद्योग सुरू करताना अडचणी अन्वया होत्या का? असल्यास त्या कशा प्रकारे दुर केल्यात?  
 ...........................................................................................................................................

प्र. 6 उद्योगातून आलेला नफा आपल्याच्या कसा बाहून घेता?  
 ...........................................................................................................................................

प्र. 7 तुमच्या तुमच्या बचतगंगदारी खरोखरच समाधानी आहेल का?  
 a) संपूर्ण समाधानी ☐ b) अन्य समाधानी ☐  
 c) असमाधानी ☐ d) अन्तर्वेदना समाधानी ☐  

H) Credit Plus Activities

प्र. 1 कोणते सामाजिक कार्यक्रम / चटवटी गटादरी घेतले आहेत?

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<td>प्र.</td>
<td>सवंत</td>
<td>कृपया विकल्प नमूनेदार करें।</td>
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<td>झंडा (नमूने कराने)</td>
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I) **Influence Power of SHG on Village and Community Affairs**

**प्र. 1** स्वयंसहाय्यता गट तयार केलेल्या सिया विषयी समाजाची तुच्चीकरण काय आहे?

a) योग्य आयोजित कुंदेंचे
b) ल्यांचे पती सोबत चांगले संबंध
c) आत्मविश्वास वाढविणे
d) विचारसंवर नियंत्रण
e) जागरूकता
f) खासगी साविकाराखून होणारी उसनवार बांधविणे

J) **Opinion**

**प्र. 2** प्रत्येक खेळाडू महिला बचत गट तयार होतात महिला सशक्तीकरण होईल असे वाहन का?

होय ☐ / नाही ☐

**प्र. 3** महिलांचे स्वार्थीकरण म्हणजे?

a) महिलांचे सामाजिक व आर्थिक विकास घडून आणे
b) वobierno व जवाबदिरीतील जाणीव कल्याण देणे
c) देशाचा लोकतंत्र संशोधन राजसत्तेत भागीदारी देणे
d) सर्व ☐

**प्र. 4** हस्ताक्षर विकिया काय सांगू इच्छिला?

a) महिलांच्या उल्लेखी करून बचतमात आवश्यक आहे
b) आत्मनिर्भर वाढविणे ☐

(298)
K) Participation in Election

प्र. १ निवडणूकीत मतदान करता काय?

होय □ / नाही □

प्र. २ कोणाला मतदान करावेचे हे कोण ठरवित असतो?

(1) स्वतः □ (2) पती □ (3) समुह संपूरक □  (4) सामाजिक प्रभाव □

प्र. ३ तुमच्या बचतातील कोणती संदर्भ आहे की जी ३२ टक्के आरक्षणातून निवडून आले आहे?

.................................................................

प्र. ४ बचत गटातील सिमा राजकारणात भाग घेतात का?

होय □ / नाही □

तसेच असत्यास त्यांचे उद्देश / महत्त्वाकांक्षा कोणते असले पाहिजे?

.................................................................

प्र. ५ तुमच्या कर्जाची वसूली नियममीत आहे काय?

होय □ / नाही □

प्र. ६ गटात्या व्यावस्थित दुसरे कोठे ते पासे जमा केले आहे?

होय □ / नाही □

ते कोठे .................................

(1) सहकारी पतंजल्याचा □  (2) बॅंक □  (3) पोहत □  (4) धिमा □

प्र. ७ लोणवरील व्यावस्था कोण ठरवित असतो?

(1) समुहहून, □  (2) सर्वजन □  (3) इतर □

प्र. ८ एकाचचॉटे दोन सदस्यांनी लोन मागिते त्या बाबतचे निर्णय कसे घेता?

(1) समाधानात कर्ज देखून □  (2) आवश्यकतेनुसार □  (3) इतर □
L) **Book - Keeping & Documentation**

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<thead>
<tr>
<th>अ.क्र.</th>
<th>बुक/लेजरचे नाव</th>
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M) **Details of Economic Activities/Income Generation Activities.**

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DECEMBER 08
New Emerging Cooperatives—A Critical study of Self Help Group

Dr. D.Y. Chacharkar*
R.C. Satpute**

SHG’s are new forms of cooperatives and have gained a lot of importance in the present time. Formation of SHG enables them to obtain credit from the institutional lenders thereby providing much needed succour to its landless member labourers who in their individual capacity are unable to obtain a credit line for themselves. Enthused by their performance, Government is taking initiatives for empowering SHG’s by adding new facet to SHG’s activities. The members of SHG are from a section of society which faces similar problems. SHG promote small saving among their members. SHG’s have played crucial role in micro finance and for social and economic upliftment of women. The SHG show how unity is strength.

SHG’s are new forms of cooperatives and have gained lot of importance in the present time. Government has also proposed to table a Micro-Finance bill where SHG’s have very important role to play. This form of cooperatives not only leads to employment generation on the principles of cooperation but also empowers the women for their social and economic upliftment. Public and private sector banks are coming forward to finance these institutions. Formation of SHG enables them to obtain credit from the institutional lenders thereby providing much needed succour to its landless member labourers who in their individual capacity are unable to obtain a credit line for themselves.

SHG’s have played crucial role in micro finance and for social and economic upliftment of women. Since, the early 1990’s, micro finance was being disbursed largely due to linkages between NABARD, Self Help Groups and banks. As on March 2006, there were 2.2 million SHGs covering 32.98 million poor households. Cumulative disinvestments of Rs.11,398 crore have been achieved, with a growth rate of 51% in priority states. However, demand for micro finance is much bigger and estimated to be between Rs.75,000 crore and Rs.100,000 crore approximately. Self Help groups (SHGs) have the potential to rejuvenate cooperatives and so the Government is extending help to SHGs. Similarly, empowering of women through SHGs is slowly taking shape throughout the country. Government on their part design and implement various schemes for SHGs. The schemes are not only for offering credit facilities to SHGs but also for providing market for goods produced by them. NABARD and District Development Organization(s) channelise various schemes of Government for SHGs and are playing vital role in this regard.

Empowering of women for their social and economic upliftment

Given the widespread gender bias faced by women in various fields a view is emerging that schemes like micro finance can turn the situation in their favour as it makes them financially better. This enables them to realize their potential for a better career.

One study of SHG brought out some interesting facts. A longer association of members with their SHGs enables them to be more confident, financially more secure, in better

Dept. of Business Administration & Management, SGB Amravati University, Amravati-444602, Maharashtra

* Sr. Lecturer, ** Research Student
control of their lives and in a stronger position vis-a-vis their family. Further, in case the women members continue to participate in SHGs for a longer period their economic self-reliance will be strengthened. Enthusiastic by their performance, Government is taking initiatives for empowering them by adding new facet(s) to them activities. Few such examples in this context are quoted in the following paragraphs:

- The Government of Maharashtra has planned to open 9000 new Fair Price Shops and in this regard Kerosene distribution licenses/ shops will be allotted to women SHGs. The Women Economic Development Corporation and International Agriculture Development will provide support for it.

- Govt. of Maharashtra for this year introduces ‘Tejaswini Rural Women Empowerment Programme’ in collaboration with Women’s Economic Development Corporation (WEDC) and financially supported by International Fund for Agriculture Development (IFAD). Programmes will be run in 13036 villages of Maharashtra through WEDC. Programme has following objectives to be achieved i.e.;
  - Development of public institutions by SHGs.
  - Providing micro credit to women members of the SHGs.
  - Employment generation.
  - Women empowerment and social equality.

IFAD will support ‘Tejaswini Programme Publicity Managed Resources Centers’. In this scheme one ‘Public Institution will be formed by 150-200 SHGs. The institution will be run and managed by elected members of the group in the institution. These institutions will be provided trained staff to manage their routine activities. 120 NGO’s are also involved in this programme. Financial grant of Rs.50 crore from Govt. of Maharashtra and Rs.115 crore from IFAD is given for this programme.

Swanajawant Rural Self Employment Programme is also one of such initiatives of Government in this direction. In the programmes, people below poverty line are encouraged to form SHG. If group functions satisfactorily for stipulated time, the group becomes eligible for loan to extent of Rs.25,000/- (Rs.10,000/- from Govt. and Rs 15,000/- bank loan). Loan amount include 50% subsidy and repayment is in a period of five years. Four-Five major sources for employment are identified at block level. These sources are identified based on sources and local people skills. Govt. also shares responsibility to ensure marketing for the produce by the groups.

Role of SHGs

United we stand and divided we fall, we heard story of the birds caught in a net. They could not escape one by one. But when they flew together in a group, they escaped. The Self Help Group (SHG) stands true on the above mentioned story and sayings. The SHG shows us as to how the unity is strength. Man is a social animal. They form a group for various reasons. For example, similar living conditions, same caste, community or religion, same place of origin, etc. hold them together as a formal group which has joined hands together for same common goal to achieve. It is being observed that process of forming groups normally takes five or six months. Once the Group is formed, it takes one and a half year to settle for stable activities.

SHGs are small group of poor people. The members of the SHG are from a section of society which faces similar problems. They, therefore, help each other to solve their problems. SHG promote small saving among their members, the saving is kept with bank and this small savings becomes big deposit as time progresses. This is a common fund which stands in the name of SHG. This fund is used to share the small financial problems of the group members. SHGs provide small loan amounts to its members from

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the common fund. All the members agree to share the responsibilities for the benefit of all members. Responsibilities are shared on rotation basis. The responsibilities are book-keeping, organizing meetings and so on. They decide on different issues like when to meet; How frequently they should meet; How much should be the amount of saving; How much loan amount need to be sanctioned to each member; Taking loan from bank and where there is a need for and so on.

**Some important guidelines for SHGs for Banking**

The SHG shall maintain simple and clear books of all transactions. Register of receipts and payments shall be maintained and approved by members of the group. Similarly savings and loan registers shall be maintained separately with details of individual’s loans, repayments, interest collected and balance outstanding. Members should also be offered passbook to develop regular saving habits. Those are some simple rules of Book-keeping which should strictly be followed by SHGs.

The Reserve Bank of India has issued instructions, permitting banks to open Saving Bank account of the registered and unregistered SHGs. It was a landmark decision for linking SHG with bank. It is important for giving a formal status to SHG and adds transparency in their transactions. It also boosts faith among members of the group. There are few formalities to be completed for opening an account with bank. The steps involved in the process of opening accounts are as under as per the booklet of ‘Banking with Self Help Groups (SHGs): How and why: A handbook for branch level Manager’

**Step 1:** Document submission

SHGs are required to submit the following documents.

- Resolution from the SHG, signed by all members indicating their decision to open saving bank account.
- Authorization from the SHG; SHG should authorize at least three members to operate their account.
- Copy of rules and regulations of the SHGs.

**Step 2:** Proper conduct of internal lending by the SHG

- Funds raised through saving should be used for lending to its members.
- Members through discussion may decide about the interest.

**SHG members as a group have a realization of their responsibility to discourage defaults and they are found responsible in this regard. It has been the experience of bankers who lend to SHG that the repayments from SHG are far better when compared to individual accounts.**

- Simple and clear books of account should be kept.

**Step 3:** Assessment of SHGs

- Bankers before extending credit facilities to SHG need to know functioning of SHG.
- The checklist is also offered to bankers to assess the performance of SHG.

**Step 4:** Sanctioning of credit facility to SHG

A loan is sanctioned in the same name of group. Usually loan amount is restricted to 1-4 times of savings. The group is collectively responsible for repayment of loan. As per the rules of RBI/NABARD, no collateral security is necessary for sanctioning loan to SHG. At the same time, RBI has been given freedom to decide on the interest rate to be charged.

**Step 5:** Repayment of loan by the SHG

The schedule for repayment is decided in consultation with SHG. Small and frequent installments are considered as better than large
installments covering a long period. SHG members as a group have a realization of their responsibility to discourage defaults and they are found responsible in this regard. It has been the experience of bankers who lend to SHG that the repayments from SHG are far better when compared to individual accounts. The case study of banking with a leading SHG i.e. swanajayanti Gram Swarozgar Yojana is discussed in the following paragraphs:

**Swanajayanti Gram Swarozgar Yojana (SGSY)**

The Ministry of Rural Development, Govt. of India has launched a programme known as 'Swanajayanti Gram Swarozgar Yojana' (SGSY) by restructuring the existing schemes. The scheme aims at establishing a large number of micro enterprises in the rural areas. The list of Below Poverty Line (BPL) households identified through BPL census duly approved by Gram Sabha will form the basis for identification of families for assistance under SGSY. The objective of SGSY is to bring the assisted poor families (swarozgaris) above the poverty line by ensuring them good income. This objective is to be achieved by organizing the rural poor into Self Help Groups (SHGs) through the process of social mobilization, their training and capacity building and provision of income generating assets. The SGSY Scheme is operative from 1st April 1999 in rural areas of the country. SGSY is a holistic Scheme covering all aspects of self-employment such as organization of the poor into Self Help Groups, training, credit, technology, infrastructure and marketing.

Financial Institutions, Panchayat Raj Institutions, District Rural Development Agencies (DRDAs), Non-Government Organizations (NGOs), Technical Institutions in the district, will be involved in the process of planning, implementation and monitoring of the scheme. NGO’s help may be sought in the formation and nurturing of the Self Help Groups (SHGs) as well as in the monitoring of the progress of the Swarozgaris. The SC/ST will account for at least 50%, Women 40%, and the disabled 3% of those assisted.

**Organization of Self-Help Groups (SHGs)**

The Self Help Groups shall be organized by Swarozgaris drawn from the BPL list approved by Gram Sabha. SHGs may be an informal group or registered under Societies Act, State Co-operative Act or as a partnership firm. The assistance (loan cum subsidy) may be extended to individuals in a group or to all members in the group for taking up income generating activities. Group activities will be preferred and majority of the funding will be for Self Help Groups. Half the groups formed at block level should be exclusively women groups.

**Activity Clusters, Key Activities**

The focus under the scheme should be on development of activity clusters with emphasis on key activities identified in the block, both for group as well as individual assistance. The SGSY Committee will select about 10 activities per block. However, focus should be on 4-5 key activities, which are identified for training and micro enterprise development in a cluster approach for larger number of groups. Care should, however, be taken that the market is either readily available or there is a potential for creating market of the products.

**Revolving Fund**

SHGs that are in existence for about six months and have demonstrated the potential of a viable group enters the third stage, wherein it receives the Revolving Fund from DRDA and banks as cash credit facility. The DRDAs may release subsidy, which is equal to the group corpus with a minimum of Rs. 5,000/- and a maximum of Rs. 10,000/- linked with bank credit. The banks would sanction credit, which would be in multiples of the group corpus and could go up to four times of the group corpus as cash credit facility based on the absorption capacity and credit worthiness of the group.

The group corpus would be defined as the total amount available with the group inclusive of cash with the group, amount in Savings Bank account of the groups, loans outstanding against members of the group and interest earned on the loans as well as deposits. The revolving fund is provided to the groups to augment the group corpus so as to enable larger number of members to avail loans and also to facilitate increase in the per capita loan available to the members.

**Lending Norms**

The size of loan under the scheme will depend on the nature of project.
There is no investment ceiling other than the unit cost i.e. investment requirement worked out for the project. The loans under the scheme would be composite loan comprising of Term Loan and Working Capital. The loan component and the admissible subsidy together would be equal to total project cost. Banks may follow model project report set out in key activities of the districts for finalizing the project cost of the Swarajgaris. Under Financing needs to be avoided, Swarajgaris will be given the full amount of loan and subsidy and they will have the freedom to procure the assets themselves. Disbursements upto Rs.10,000/- under Industry, Service and Business (ISB) sector may be made in cash where a number of items are to be bought.

**Group Loans**

When there is group loaning, the group should ideally take up single activity, but if, there is a necessity, the group could also take up multiple activities under the group loaning. In either case, loan will be sanctioned in the name of the group and the group stands as guarantee to the bank for prompt repayment of loan. The group is entitled to subsidy of 50% of the project cost subject to per capital subsidy of Rs. 10,000/- or Rs. 125 lakh, whichever is less. The financial assistance is by the Govt. through a Nationalized Bank.

**Interest rates**

Loans under the Scheme will carry interest as per the directives on interest rates issued by Reserve Bank of India from time to time. However, the rates of Interest to be charged on Group loans under SGSY may be linked to per capita size of the loans so as to mitigate the burden on the BPL beneficiaries on the analogy of IRDP group loans.

### Loan applications

#### (a) Time limit for disposal of applications

All loans granted under the scheme are to be treated as advances under priority sector. Loan applications under the scheme should be disposed of within the prescribed time limit of 15 days and at any rate not later than one month. It should be ensured that documentation process is kept simple to avoid hardship to the beneficiaries and consequent delay in disposal of applications.

#### (b) Rejection of loan applications

If some loan applications are rejected by the branch managers, the reason for rejection should be clearly recorded on the application form itself and the relevant application should be returned to the sponsoring authority immediately for their information and further action as they deem necessary. Branch Managers may be vested with adequate discretionary powers to sanction proposals under the scheme without reference to any higher authority.

**Insurance Cover**

Insurance cover is available for assets/livestock bought out of the loan. Swarajgaris are covered under the Group Insurance Scheme. Insurance Cover at present is available for livestock assets given under IRDP (now SGSY). The General Insurance Corporation has agreed to provide this cover on the terms and conditions as reflected in the specimen Master Policy and Long Term Master Policy Agreement signed between the GIC and the State Government. Few important points are as under:-

- **Livestock Insurance**
  The coverage and premium rates are to be fixed in accordance with the Master Policy Agreement.

- **Scope of Cover**
  The Livestock policy provides indemnity in the event of death of animal/bird due to accident inclusive of fire, lightning, riot and strike, cyclone, earthquake, famine or due to any fortuitous cause of disease contracted or occurring during the period of insurance subject to certain exclusions.

- **Sum Insured**
  The cost of the asset shall be treated as the sum insured for the settlement of claims. For permanent total disablement (PTD) claims, 75% of the sum insured shall be payable.

**Security norms**

For individual loans upto Rs.50,000/- and group loans upto Rs.5.00 lakh, the assets created out of bank loan would be hypothecated to the bank as primary security. In case where movable assets are not created, as in land-based activities such as dug-well, minor irrigation etc., mortgage of land may be obtained. Where mortgage of land is not possible, third party guarantee may be obtained at the discretion of the bank. For all individual loans exceeding Rs.50,000/- and group loans exceeding Rs. 5.00 lakh, in addition to primary security such as hypothecation/mortgage of land or third party guarantee as the case may be, suitable margin money/other collateral security in the form of insurance policy or marketable security/deeds of other property etc. may be obtained at the discretion of the bank. While deciding the limit for collateral security, the total project cost (bank loan plus Government subsidy) should be taken into consideration by banks.
Subsidy

Subsidy under SGSY will be uniform at 30% of the project cost, subject to a maximum of Rs. 7,500/- In respect of SC/STs it will be 50% of the project cost subject to a maximum of Rs. 10,000/- The group is entitled to subsidy of 50% of the project cost to per capital subsidy of Rs. 10,000/- or Rs. 1.25 lakh, whichever is less.

Role of Banks and State Agencies

Banks will be closely involved with Government agencies in implementing and preparation of projects, identification of key activities, clusters, Self Help Groups, identification of individual swarajgaris, infrastructure planning as well as capacity building and choice of activity of the SHGs, grading of SHGs, selection of Swarajgaris, pre-credit activities and post credit monitoring including loan recovery. The bank has the final say in the selection of Swarajgaris. Where banks are involved as facilitators/Self Help Promoting Institutions (SHPIs), the amount towards the cost of social mobilizations, training and capacity building of groups may be decided in the State Level SGSY Committee keeping in view of the local need and requirements.

Role of DRDAs

DRDAs may facilitate in planning of network of SHGs by federating them at appropriate level, once SHGs have reached the stage of maturity and have stabilized. DRDAs should put in concerted efforts to strengthen and consolidate the groups formed by various organizations as some level of synergy already exists and then take steps to form new groups. The DRDA shall regularly monitor the progress of the groups through periodic evaluations. The DRDAs may act as nodal agency for developing database, which should include SHGs formed under all the schemes to ensure convergence of various schemes as well as better planning for training and other requirement of SHGs.

Linkage with Banks and grading exercises

During the stage of group formation, the SHG should be brought into contact with the loaning banks through opening of saving bank account preferably in their service area branch. The BDO and the banker may visit the SHG as often as they can and explain to the members the opportunities for self-employment. The DRDAs should involve the bank functionaries also in the training programme of SHGs.

Supervision and Monitoring

Banks may set up SGSY cells at Regional/Zonal Offices. These cells should periodically monitor and review the flow of credit to SGSY Swarajgaris, ensure the implementation of the guidelines of the scheme, collect data from the branches and make available consolidated data to the Head Office of the bank. The banks should ensure that no query from the field level remains unattended by the Head Office. Monitoring of the Scheme at the Head Office level of the bank may be entrusted to a Senior Officer and the Top Management may review the progress of this programme on a regular basis. Banks should ensure to achieve the credit mobilization target set for each financial year without fail.

The Central Level Co-ordination Committee in its meeting on 7th February, 2005 reviewed the performance under the SGSY Scheme and made following recommendations which were advised to the banks to ensure successful implementation of the scheme.

1. Powers be delegated to Branch Managers for sanction of all SGSY applications without making any reference to higher authorities.
2. Pending applications should be brought forward and disposed off in the first quarter of the succeeding year.
3. Banks may explore the possibility of utilizing micro-finance institutions for bridging the credit gap.
4. Banks may take appropriate action to achieve the desired credit to subsidy ratio of 1:3.
5. Banks may furnish a status report to Ministry of Rural Development on the under-performance of their branches in lending under the scheme during the last two years.

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