

CHAPTER 3

PERFORMANCE OF SBLP IN INDIA

3.1 Introduction

SBLP is the key strategy adopted in India by NABARD to spread microfinance to rural areas through banking agencies. The four parameters which quantify the performance of the banking institutions in promoting SBLP are namely Saving Mobilization, Loan Disbursement, Loan Outstanding and Non Performing Assets (NPA). Micro Credit Innovations Department of NABARD uses these four parameters to measure yearly progress of this programme. The performance of the bank in promoting SBLP can be considered satisfactory if the number of SHG savings linked to the banks increase every year and banks facilitate both new and old SHGs with fresh and repeated loans respectively. Further high-quality SHG can be formed and will be sustainable in the long run if the ratio of loan disbursement to loans outstanding with the banks is low, eventually leading to a low rate of NPA against SHG loan.

There is a very few evidence in the literature that covered all banking institutions which deal with microfinance and all four parameters to measure the national as well as the regional progress of the programme. In this chapter, an attempt has been made to assess the performance of all three banking agencies in promoting SBLP in India and its regions on the basis of all the four parameters. Further, the chapter tries to give a comparison of the rate of progress of SBLP in all six Indian regions and all eight NE states with each other and with the national average. The study further tries to assess the performance of

all three banking agencies in promoting SBLP in Assam and compares the rate of SBLP progress of Assam with the national average on the basis of all the four parameters.

The chapter has been structured into four sections. The methodology has been discussed in the second section. Results and discussion have been presented in the third section and the fourth section concludes the chapter.

3.2 Methodology and Data Base for the Study:

The proposed study covers India, its regions and the state of Assam. The objective “**To find out the performance of SHG Bank Linkage Programme in India and its regions in general and in Assam in particular**” is sought to be fulfilled through the analysis of the secondary data.

The six regions categorized according to Zonal Councils of India are namely Eastern Region (ER), Western Region (WR), Northern Region (NR), Southern Region (SR), North Eastern Region (NER) and Central region (CR). The Zonal Councils were set up vide Part-III of the States Reorganisation Act, 1956. NER of India is comprised of eight states namely the seven sister states Arunachal Pradesh, Assam, Meghalaya, Manipur, Mizoram, Nagaland, Tripura and the Himalayan state of Sikkim. The state of Assam is divided into 33 administrative geographical units called districts.

The data has been collected from various issues of ‘Status of Microfinance in India’ report prepared by ‘Micro Credit Innovations Department’ of NABARD. Based on the availability of data, the national level information has been collected from 2008-09 to 2016-17 while regional level data have been collected from 2009-10 to 2016-17 and the information related to Assam has been collected for the period from 2011-12 to 2016-17.

In this chapter the performance of SBLP in India and its six regions based on four parameters namely 'saving mobilisation', 'loan disbursement', 'outstanding loan amount' and 'NPA percentage against SHG loans' is analysed. The study also analyses CMB, RRB and COB's performance in promoting SBLP. For the state of Assam the study analyses the performances of public and private CMB, two different RRB's namely AGVB and LDRB and Assam Cooperative Apex Banks separately.

3.3 Results and Discussions

This section presents the results and discussions which has been divided into four sub-sections namely 'saving mobilisation', 'loan disbursement', 'loan outstanding' and 'NPA percentage against SHG loans' in order to present the explanation in a more meaningful and systematic manner.

3.3.1 Saving Mobilisation

Saving mobilisation, the first indicator of SBLP coverage will show a positive impact on this programme if there is an increase in the number of SHG opening bank account to link their SHG's with formal finances and start saving money in their respective accounts. Increase in SHG saving linked every year shows gradually higher coverage of this programme and better performances of banking agencies in promoting the programme.

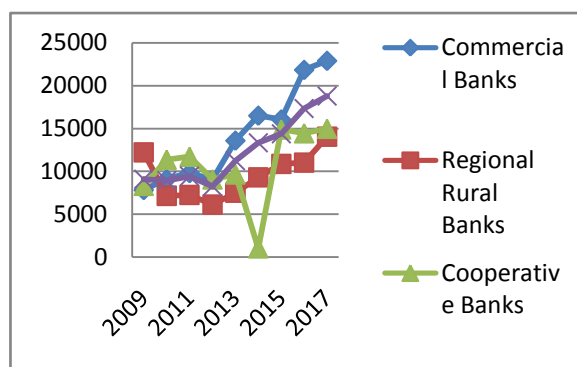
3.3.1. A SHG Saving Mobilisation in India and Its Region

Table 3.1 and figure 3.1 represents per SHG savings of India as of March 31st, 2017.

Table 3.1: Per SHG Savings in India as of March 31st, 2017

Year/ Bank	CMB	RRB	COB
2009	7813	12222	8302
2010	9067	7139	11357
2011	9785	7238	11696
2012	8993	6113	9047
2013	13574	7493	9630
2014	16488	9284	1009
2015	16035	10859	14876
2016	21821	11012	14430
2017	22883	14042	14956
CAGR	12.27%	8.82%	3.50%

Figure 3.1: Per SHG Saving in India as of March 31st, 2017



Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

From table 3.1 and figure 3.1 it is evident that among all banks, CMB has the highest CAGR in terms of per SHG savings. More than half of the SHG accounts and saving balances are with CMB. It is due to CMB's monopoly in promoting SBLP in early stage and its vast branch network in India. In the year 2012, per SHG savings of all the three

banking agencies decreased but regained gradually in the later years as is evident in Figure 3.1. Of the various factors, the prime factor responsible for the decrease is "Data

Cleansing” by banks to maintain accuracy in SHG accounts. Another factor responsible for the decrease in per SHG savings is the introduction of National Rural Livelihood Mission (NRLM) by Central Government in 2011 which lead to the gradual decline of Swarnajayanti Gram Swarojgar Yojana (SGSY) SHG accounts.

Table 3.2 and figure 3.2 represents the region-wise per SHG average savings with Bank as on 31st March 2017.

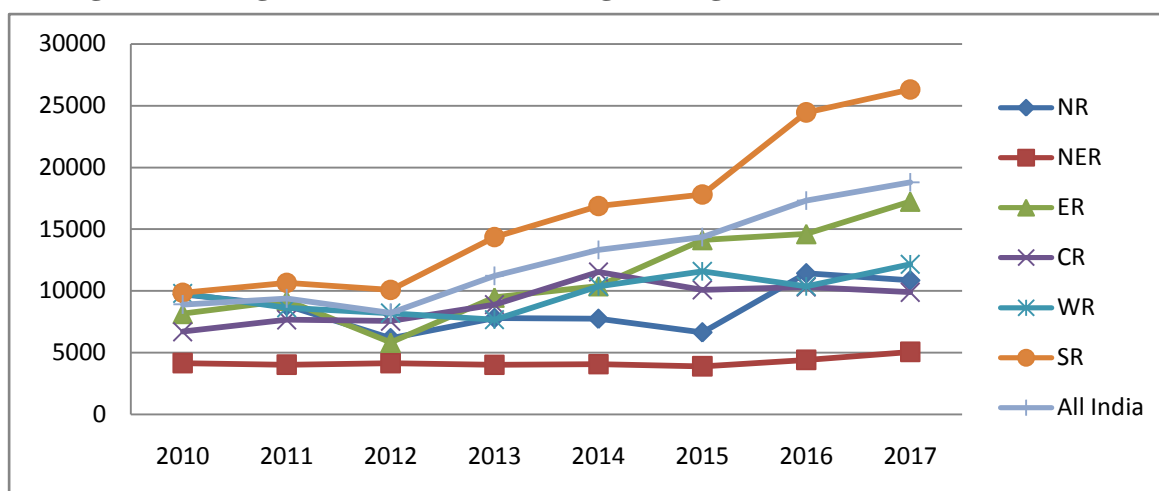
Table 3.2 : Region-Wise Per SHG Average Savings with Bank as On March 31st

2017

Region/ Year	2010	2011	2012	2013	2014	2015	2016	2017	CAGR
NR	9723	8814	6175	7810	7748	6649	11440	10865	1.60%
NER	4164	4035	4159	4017	4073	3899	4427	5069	2.85%
ER	8151	9219	5827	9471	10393	14124	14608	17231	11.29%
CR	6706	7672	7549	8889	11525	10079	10312	9888	5.70%
WR	9800	8627	8210	7680	10367	11595	10383	12160	3.13%
SR	9848	10649	10080	14352	16878	17801	24449	26302	15.07%
All India	8915	9403	8230	11230	13322	14368	17324	18788	11.24%

Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

Figure 3.2: Region-wise Per SHG average savings with Bank as on March 31st 2017



Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

As seen in Table 3.2 the CAGR of per SHG average savings is highest in SR and lowest in NR followed by NER. The early start of SBLP and high banking network in SR and low network and a late start in NR and NER are some of the reasons that can be cited for the observed trend. Moreover, NER has lowest per SHG average savings over the years due to a lesser number of high-grade old SHG with high saving balance. In 2012, per SHG average savings in all regions except for NER has decreased. This downward swing is the outcome of “data cleansing” by banks and “Indian microfinance crisis” which though started in MFI model of SR but later affected the SBLP model too and spread to other regions. But NER has not been affected due to the low expansion of the MFI model in this region.

3.3.1 B SHG Saving Mobilization in NER

In terms of saving mobilization, the performance of RRB is better than CMB and COB in NER (table 3.3). The poor set up of co-operative banks is cited as a reason for the NER being at the bottom position (Roy 2013).

Table 3.3: SHG Saving Account and Saving Amount in NER as On March 31st 2017**(amount in lakh)**

States	CMB		RRB		COB	
	SHG Saving Account	SHG Saving Amount	SHG Saving Account	SHG Saving Amount	SHG Saving Account	SHG Saving Amount
Assam	85433	4785.8	236228	5374.56	25844	286.28
Arunachal Pradesh	1962	699.41	1672	144.69	1826	297.81
Manipur	5282	161.2	7644	153.12	2544	22.18
Meghalaya	1561	121.93	4307	572.15	2574	267
Mizoram	233	22.45	7778	515.6	726	23.98
Nagaland	3747	352.58	846	67.12	8426	856.2
Sikkim	3003	1372.81	0	0	1208	202.86
Tripura	10538	1335.75	29380	5316.43	10125	3.79
NER	111759	8851.93	287855	12143.67	53273	1960.1
Percentage share In NER	25%	39%	63%	53%	12%	8%

Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

From Table 3.3 it is seen that RRBs have the highest share i.e. 63% of SHG account among all the three scheduled banks under SBLP. Another phenomenon which is observed from table 3.3 is that in terms of the number of SHG saving account and the SHG saving amount, Assam is the best performer for all the three scheduled banks under SBLP. But the CMB has a higher ratio of SHG saving amount (39%) to SHG account

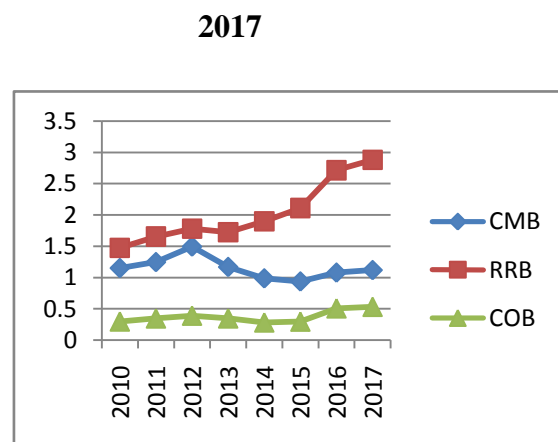
(25%) compared to RRB's ratio of 53% of SHG saving amount to 63% of SHG account in NER till 31st March 2017. This makes per SHG saving balance of CMB much higher than RRB and COB. It is 7921 for CMB against 4219 and 3679 of RRB and COB respectively as on 31st March 2017.

The difference in the performance of SBLP in different states of NER can be attributed to the differences in literacy, communication facility, geographical distribution and availability of banking agencies (Roy, 2013). Another reason for SBLP being less popular in NER is due to less awareness about microfinance among the poor (Roy, 2012). Besides that lack of banking network and sparse population makes the SHG model irrelevant in the hilly states (Choudhury and Pegu 2015). Further, Assam being the pioneer in the SBLP movement has the highest number of SHG accounts and SHG saving amounts in the entire NE Region (Roy, 2013). While Assam has reported 2817 SHG Saving linked per lakh BPL population, Mizoram is at the bottom of the list with only 92 SHG only.

**Table 3.4: No. Of SHG Saving Linked In
NER (In Lakh) as on March 31st 2017**

Year	CMB	RRB	COB
2010	1.15046	1.47368	0.29774
2011	1.24604	1.65494	0.34641
2012	1.49478	1.78118	0.39122
2013	1.16784	1.72423	0.34689
2014	0.98483	1.89590	0.28226
2015	0.93491	2.10906	0.29584
2016	1.07737	2.71305	0.50781
2017	1.11759	2.87855	0.53273
CAGR	0%	10%	9%

**Figure 3.3: No Of SHG Saving
Linked In NER as on March 31st**



Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

The number of SHG saving linked under SBLP gradually increased from 2010 to 2013 in NER. After 2013, SHG linked account started declining under all three banking agencies in

NER which can be seen in table 3.4 and figure 3.3.

The major factors that can be attributed to the decline are non-reporting of non-operative SHG saving linked account and closure of zero balance SHG accounts by the banks. Various commercial banks including State bank of India (SBI) which has a maximum branch network in NER adopted the system generated reporting of accounts which led to the closure of zero balance and zero transaction SHG accounts by banks that were inactive for three consecutive years. This has resulted in data clearing and accurate data

reporting of accounts which further leads to a reduction in a number of saving linked SHG accounts under commercial banks in NER.

Another factor is the introduction of NRLM by central Government which led to the gradual decline of SGSY SHG accounts. However, in 2016, the number of SHG saving account has increased in all three agencies. This is because of the rise in a number of saving linked SHG in Tripura, Nagaland and Assam and that resulted in 29% rise in a total number of saving linked SHG in NER (Status of Microfinance in India various issues).

Table 3.5 represents the average savings per SHG in NER by all the scheduled banks with respect to all India average. While comparing the performance of all the three banking agencies in NER under SBLP with the national average in terms of average savings per SHG, it is seen that the picture is quite disappointing.

Table 3.5: Average Savings Per SHG In NER With Respect To All India Average as on March 31st 2017

Bank/Year	CMB	AICMB	RRB NER	AIRRB	COB NER	AICOB
2010	4270	9067	3913	7139	5002	11357
2011	4504	9785	3673	7238	4084	11696
2012	4708	8993	3726	6113	4034	9047
2013	6864	13574	2669	7493	1132	9630
2014	7578	16488	2695	9284	1098	1009
2015	7364	16035	2593	10859	2262	14876
2016	7063	21821	3580	11012	3355	14430
2017	7921	22883	4219	14042	3679	14956
CAGR	9%	14%	1%	10%	-4%	4%

Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

As evident from for table 3.5, the performance of all the three agencies in NER has been all-time low over the period of seven years from 2010-1017 as compared to rest of India. Table 3.5 shows the varying rate of CAGR in case of both regional and national average under these three banking agencies. In the North Eastern States and other priority states, the average savings are low.

In the case of both CMB and RRB, the gap between the national average and NER has been increasing over the years. In the case of CMB, this gap increased from 4797 in 2009-10 to 14962 in 2016-17, and in the case of RRB, it has increased from 3226 in 2009-10 to 9823 in 2016-17. In the case of COB, this gap has increased from 6355 to 11277 in the above mentioned two financial years.

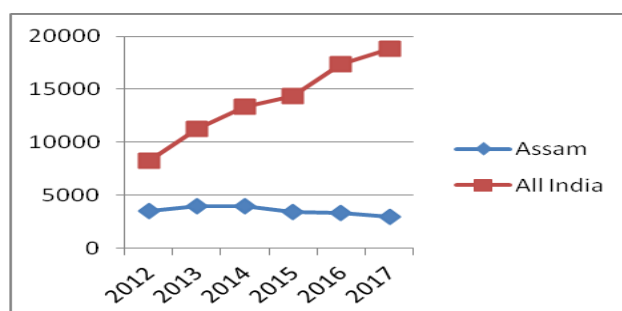
3.3.1. C SHG Saving Mobilisation in Assam

As seen in table 3.6 and figure 3.4 the per SHG saving amount in Assam has reduced from 3560 in 31st March 2012 to 3006 on 31st March 2017 resulting in a negative CAGR of -3%. On the other hand, the same has increased from 8230 to 18788 nationally during the period of six years under consideration. The all India CAGR of per SHG saving amount is 18%. As per the estimate of NABARD, only one-third of SHG savings kept in a bank account and the remaining two-thirds remain with SHG members in the form of loans. On the basis of this estimate, as on 31^{s t} March 2017, SHG's gross saving is only Rs 900 in Assam against Rs 5635 in all India basis (Compiled by a researcher from various issues of "Status of Microfinance in India", NABARD).

**Table 3.6: Per SHG Saving Amount
as on March 31st 2017**

Year	Assam	All India
2012	3560	8230
2013	3966	11230
2014	3957	13323
2015	3404	14369
2016	3335	17324
2017	3006	18788
CAGR	-3%	18%

**Figure 3.4: Per SHG Saving Amount in
Assam as on March 31st 2017**



Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

The reduction in the Per SHG saving amount in Assam is due to the rate of growth of saving amount which is less than the rate of growth of the number of SHG saving linked with banks. In contrast to this as seen in figure 3.6, the growth rate of per SHG saving amount in India has been increasing which results in an increased gap between Assam and the national figure. Low bank penetration leads to unavailability of any other banking option if one bank is unwilling to provide the linkage. This results in a low growth rate of fresh SHG deposit linkage every year (Choudhury & Pegu, 2015). The geographical constraint and remoteness of many regions of Assam have lead to low branch penetration. Distance becomes prohibitive for conducting financial transactions, especially in small amounts due to high transportation cost for both bank and SHG members (Sharma, 2011). Lack of knowledge about microfinance amongst the poor is another reason of less popularity of SBLP in NER (Roy, 2012).

CAGR of per SHG saving from 31st March 2012 to 31st March 2017 of CMB, RRB and COB in Assam are -1 %, 2% and -20% respectively against CAGR of CMB, RRB and COB at all India basis which are 21%, 18 % and 11% respectively (Compiled from various issues of “Status of Microfinance in India”) . The performance of CMB is better than the other two banking agencies at all India bases. But in Assam, the RRB is taking lead although the CAGR of RRB’s of Assam is far behind that of all India CAGR. Till 31st March 2012, 37% SHG’s were deposit linked under CMB against 54% and 7 % deposit linked SHG’s of RRB and COB respectively. In 31st March 2017, the share of RRB’s deposit linked SHG increased to 68 % and CMB and COB’s got reduced to 25% and 7% respectively leading to a negative growth rate of CMB and COB (status of microfinance in India, 2001-12 and 2016-17 issue). Nearly 64% of the SHG needs to come to the CMB branch more than 5 times for a single linkage (Sharma, 2011). That indicates the unwillingness on the bank’s side to waste time in disbursing microloans. Instead, they focused more on big loans with high returns. Another reason for low saving mobilisation in Assam is the inability to save even a small amount of earning by the majority of the members due to uncertain income source (Choudhury & Pegu, 2015).

Table 3.7: Bank Wise Average Savings Per SHG As On March 31st 2017

Bank/ Year	2012	2013	2014	2015	2016	2017	CAGR
Public CMB	5830	8071	7883	6960	6444	5593	-1%
Private CMB	5400	3880	2717	6208	7697	8413	9%
AGVB	1860	2024	2020	1879	1982	1895	0%
LDGB	4287	4110	10233	8525	7532	7514	12%
ACAB	3327	1034	1062	1066	1108	1108	-20%
All India Average	8230	11230	13323	14369	17324	18788	18%

Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

Table 3.7 shows negative growth in CAGR of average saving per SHG for Public CMB and ACAB. The total amount of saving by Public CMB and ACAB has reduced from 59.91 crores and 8.15 crore as on 31st March 2012 to 47.64 crore and 2.86 crores on 31st March 2017. This has resulted in a negative CAGR of these two banks in the average per SHG savings. Although AGVB has shown zero growth in bank wise savings average, there has been a 10% increase in both in terms of the number of SHG saving linked and saving amount. Further, there has been an 11% increase in the number of people covered under formal finance through SBLP in a period of six years. The share of SHG account under AGVB has increased from 50% to 63% from 2012 to 2017. Similarly, the share of SHG amount under AGVB has increased from 26% to 40% whereas the same has reduced in case of Public CMB from 61% to 46% during the same time. To increase the per SHG savings with the bank, the bank will have to promote SHG's for voluntary savings which have been prevalent in other parts of India (APMAS, 2009).

3.3. 2. Loan Disbursement

Loan Disbursement, the second indicator of SBLP will depict a positive impact on the programme when banks facilitate new and old SHGs with fresh and repeated loans. This way banks will make formal finances available for the poor which otherwise would not have been possible due to the inability of poor in providing collateral against bank loans.

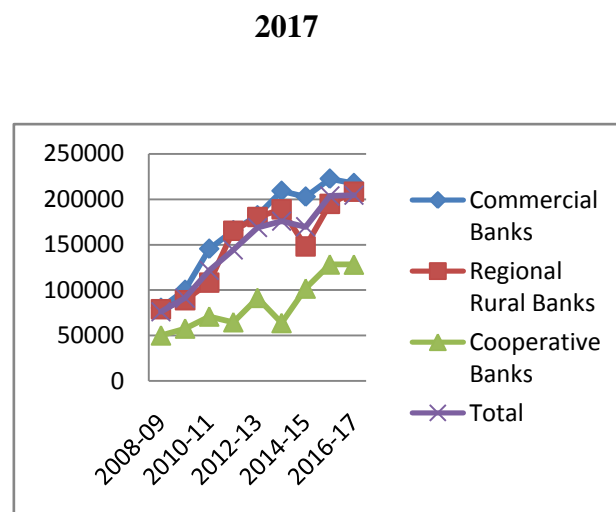
3.3.2. A SHG Loan Disbursement in India and Its Region

Table 3.8 and Figure 3.3 represent the per SHG loan disbursement. As seen in table 3.8, CAGR of per SHG loan disbursement by RRB is highest and lowest by CMB with a small margin among all the three banking agencies.

Table 3.8: Per SHG Loan Disbursed in India as on March 31st 2017

Year/ Bank	CMB	RRB	COB
2008-09	80284	78851	50225
2009-10	100104	88648	57755
2010-11	145360	108028	70985
2011-12	165701	165331	64738
2012-13	182109	180337	91502
2013-14	209094	188833	63838
2014-15	202738	147993	101732
2015-16	222482	194999	128253
2016-17	217629	208290	128097
CAGR	10.19%	11.27%	10.47%

Figure 3.5: Per SHG Loan Disbursed in India as on March 31st 2017



Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

From the table 3.9 and figure 3.5 it is seen that all India average in 2014-15 of per SHG loan disbursement of CMB and RRB has reduced and the same pattern was

observed for COB in the preceding year. This can be accredited to the high growth rate in the number of SHG credit link than the growth of share in credit disbursement.

Table 3.9 and figure 3.6 represents region-wise per SHG average bank loan amount. It is seen from table 3.9 that CR has the lowest CAGR whereas WR has the highest in terms of average per SHG loan disbursement.

Table 3.9 : Region-Wise Per SHG Average Bank Loan Amount as on March

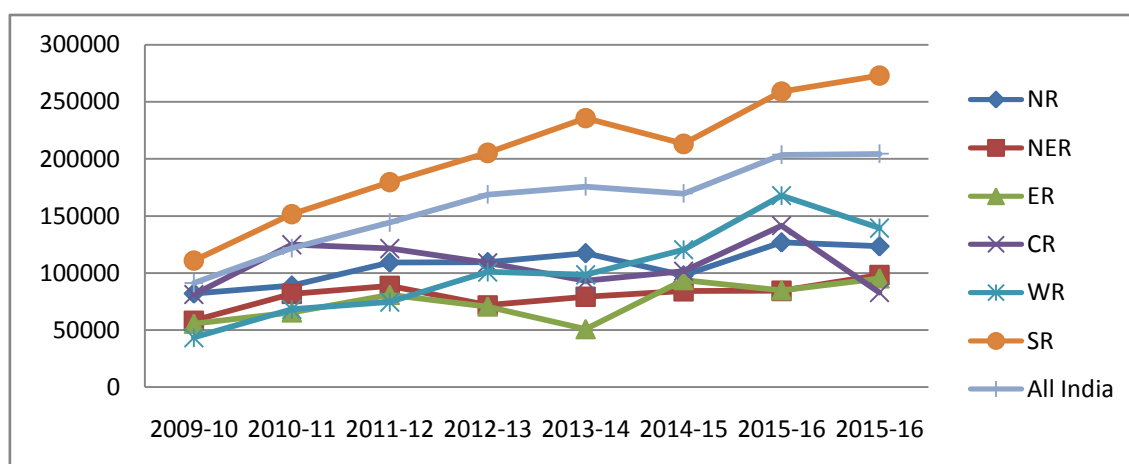
31st 2017

Region/ Year	2009- 10	2010- 11	2011- 12	2012- 13	2013- 14	2014- 15	2015- 16	2016- 17	CAGR
NR	81962	88843	109080	109412	117269	97777	126746	123293	6.01%
NER	58241	81654	88483	71606	79125	84056	84375	98134	7.74%
ER	55513	65402	80718	70570	50783	93690	84709	95193	8.01%
CR	81199	124667	121343	108895	93092	101536	141272	82864	0.29%
WR	43383	68068	74508	100803	98404	120279	167636	139310	18.14%
SR	110880	151459	179493	205262	235718	213083	258996	272926	13.73%
All India average	91083	121623	144046	168757	175768	169608	203495	204313	12.23%

Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

Figure 3.6: Region-Wise Per SHG Average Savings with Bank as on March 31st

2017



Source: Calculated by the author from the various issues of Status of Microfinance in India, NABARD

Further table 3.9 reveals that though per SHG average bank loan amount of SR is highest during the study period, in 2014-15 it had a downward swing which was offset in the 2015-16. It was due to the decline in the share of the number of SHGs which has reduced from almost half (49.8%) in 2013-14 to 44.9% in 2015-16. Rationalization of data by banks, especially in Kerala, Tamil Nadu and Pondicherry, has resulted in a decline in the number of SHG (Status of Microfinance in India, 2015-16). Reduction in the share of the number of SHG with the bank has resulted in a reduction of a number of SHG credit linked so has the credit amount. SR has a larger number of matured SHG with a good track record of on-time loan repayment. Such SHG's are eligible for a higher amount of repeated loan facilities. On the other hand, NER has a low CAGR of per SHG average loan disbursement below the national average. Bank provides a small loan at the time of first credit linkage which drags down the average credit per group in those states where SBLP had a late start.

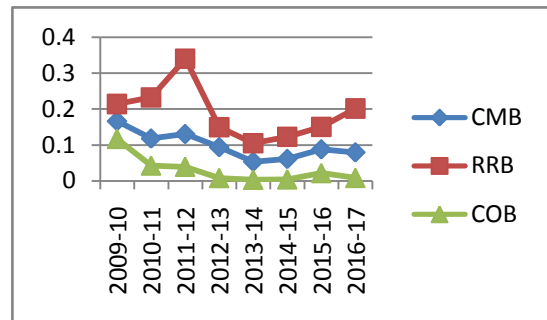
3.3.2. B SHG Loan Disbursement in NER

There is a huge gap between the number of SHG saving linked and the number of SHG credit linked to the banks. This gap is highest for NER region than any other regions in India (Sharma 2011). Table 3.10 reveals that the number of SHG credit linked by all three agencies has decreased over the years due to which the CAGR for all the three agencies are negative. Although in 2014-15 and 2015-16 it has shown an increasing trend, still it has not reached its former position as it was in 2011-12.

Table 3.10: Number of SHG Credit Linked in India (in Lakh) as on March 31st 2017

Year	CMB	RRB	COB
2009-10	0.16652	0.21429	0.11679
2010-11	0.11802	0.23224	0.04281
2011-12	0.13049	0.34005	0.03949
2012-13	0.09391	0.14956	0.00821
2013-14	0.05323	0.10524	0.00354
2014-15	0.06095	0.12262	0.00434
2015-16	0.08793	0.15058	0.02186
2016-17	0.07941	0.20162	0.00858
CAGR	-10%	-1%	-31%

Figure 3.7: No of SHG Credit Linked in Indi as on March 31st 2017



Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

In figure 3.7, it is seen that RRB has outperformed the other two agencies in terms of a number of SHG credit linked, but the ratio of number of SHG saving linked to the number of SHG credit linked of RRB is lowest among all three agencies (Ratio is calculated from table 3.4 and 3.10 by taking common factors). Alarming,

this ratio reveals a declining trend over the years for all the three agencies. In 2009-10 the ratio of the number of SHG saving linked to the number of SHG credit linked of CMB, RRB and COB are 8:1, 7:1 and 5:2 respectively. In 2016-17 this ratio has reduced to 12:1, 18:1 and 15:1 respectively. This indicates that RRB could link 1 out of 7 SHG in 2009-10 whereas in 2016-17 it linked only 1 out of 18 SHG. Thus, RRB has the lowest rate of SHG credit linking.

Table 3.11 presents the average loan disbursed per SHG in NER by all the three scheduled banks

Table 3.11: Average Loan Disbursed Per SHG in NER With Respect to All India

Average As on March 31st 2017

Bank/ Year	CMB	AICMB	RRB NER	AIRRB	COB NER	AICOB
2009-10	75290	100104	52646	88649	44206	57755
2010-11	100978	145360	63070	108028	129192	70985
2011-12	88560	165701	86293	165331	107081	64739
2012-13	84189	182109	61732	180337	107558	91502
2013-14	80225	209094	78469	188833	82082	63839
2014-15	117235	202738	69055	147993	41901	101732
2015-16	71080	222482	92648	194999	80861	128253
2016-17	88324	217629	99835	208290	32429	208290
CAGR	2%	12%	10%	13%	-4%	20%

Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

In the financial year, 2016-17 average loan disbursed per SHG by CMB in NER was only 88,324 whereas it is nearly 3 times higher nationally as is evident from Table 3.11. There is a huge gap between the performance of the same bank in NER and in other parts of the

country. Same is the case with RRB as depicted in table 3.11. All India average loans disbursed per SHG by the COB is even lower than NER till 2013-14.

On the basis of the cost of funds, transaction cost and the required spread, banks decide the lending rate. The funding and transaction cost in NER is higher coupled with less required spreads, credit linked SHG account is fewer and loan disbursement is also low (Roy, 2012). Further, the drop in the SHGs credit linkage would indicate that groups are defaulting and the banks are thus reluctant to credit link any other group (Sharma, 2011). Among all NE states, Assam has the highest number of SHG credit linked with the bank (Status of Microfinance in India, 2016-18).

3.3.2. C SHG Loan Disbursement in Assam

Table 3.12: Per SHG Loan

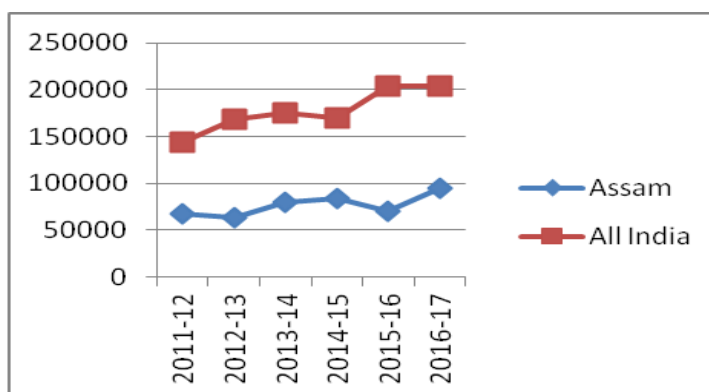
Mobilization in Assam

March 31st 2017

Year	Assam	All India
2011-12	66925	144157
2012-13	63946	168871
2013-14	79552	175823
2014-15	83556	169633
2015-16	70124	203531
2016-17	94463	204314
CAGR	7%	7%

Figure 3.8: Per SHG loan Disbursement in Assam

March 31st 2017



Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

A report on 'Impact and Sustainability of Self Help Group Bank Linkage Programme in India', 2017, highlighted that in Assam, the volume of loan taken from banks is small as compared to the other states of India. From table 3.12 and Figure 3.8 it is seen that even though the CAGR is 7% for both Assam and India as a whole, the per SHG average loan amount is more than double as compared to the loan amount of Assam. Most of the SHGs of Assam do not have the capacity to formulate a microcredit plan and negotiate with the bankers for an adequate loan. On the other hand banks and other formal financial institutions more or less prefer to stay away from banking with the poor, due to the high risk involved in the repayment of the loan (Roy, 2013).

From the financial year 2011-12 to 2016-17, CAGR of per SHG loan disbursement of CMB, RRB and COB in Assam is 0%, 13% and 3% respectively and it is 6%, 5% and 15% respectively at all India basis in the same period (From different issues of "Status of Microfinance in India"). It is found that the CAGR of per SHG average loan disbursement of RRB in Assam is more than the national average although the average loan amount is less than half for all India average during all the six years. The reason for zero CAGR of CMB and poor growth of COB in Assam is a drop in the SHGs credit linkage. This indicates that defaulting groups and banks are unenthusiastic for further credit linkage (Sharma, 2011).

**Table 3.13: Bank-Wise Average Per SHG Loan Disbursement In Assam as on
March 31st 2017**

Banks/Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	CAG R
Public CMB	81703	76027	78924	121968	68583	82592	0%
Private CMB	55000	115000	220000	51818	115134	263200	37%
AGVB	51313	56666	80590	68374	71781	100570	14%
LDGB	89721	58942	54938	51716	60423	66961	-6%
ACAB	110011	113433	90827	32868	61887	126857	3%
All India Avg	144157	168871	175823	169633	203531	204314	7%

Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

From table 3.13 it is seen that AGVB has the highest growth rate in average per SHG loan disbursement amongst all banks functioning in Assam. LDGB has a negative CAGR and growth of public CMB is zero. Though Private CMB has a CAGR of 37%, only 5 SHGs were credit linked by HDFC bank in the financial year 2016-17 with a total loan amount of Rs 0.13 crore. On the other hand in states like Tamil Nadu, 44304 numbers of SHG's were credit linked with a total loan amount of Rs 1486.49 crore in the same year by private CMB. In the case of ACAB, in the financial year 2016-17, only 140 SHG got credit linked with a credit volume of 1.77 crores. This is because only one COB functions in Assam with branch network confined to urban and semi-urban areas only.

Whereas in a state like Uttar Pradesh (UP) and Maharashtra 36 and 32 different COB are working respectively with a strong branch network.

3.3.3 Loan Outstanding

The impact of the outstanding Loan amount (the third indicator) on SBLP will depend on loan disbursement to loan outstanding ratio. Low loan disbursement to loan outstanding ratio will indicate better performance of the programme and vice versa. Therefore a high outstanding loan amount rate will always may not be depicting a positive growth of the programme if the rate of growth of loan disbursement is much lower than the rate of growth of loan outstanding.

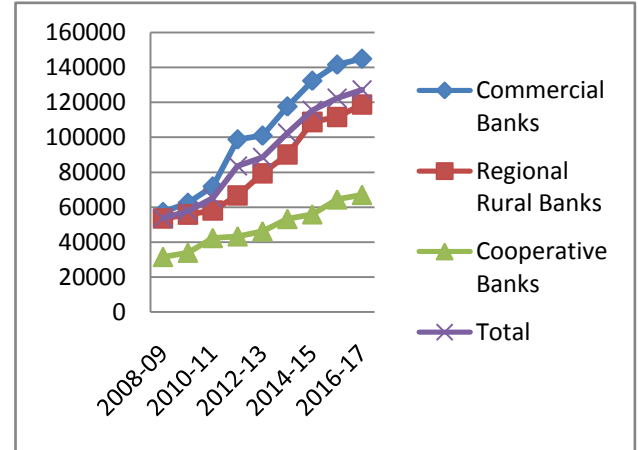
3.3.3. A SHG Loan Outstanding in India and its Regions

Table 3.14 and Figure 3.9 represents per SHG outstanding loan amount in India. Figure 3.9 depicts that per SHG loan outstanding under all three agencies is increasing over the years. As seen from Table 3.14 CAGR of per SHG outstanding loan amount of CMB is highest and lowest in COB.

**Table 3.14: Per SHG Outstanding
Loan Amount in India as on March
31st 2017**

Year/ Bank	CMB	RRB	COB
2008-09	57045	53474	31470
2009-10	62294	55707	33901
2010-11	71678	58002	42303
2011-12	98625	66617	43254
2012-13	100792	79286	46138
2013-14	117507	90048	53209
2014-15	132233	108683	55884
2015-16	141453	111483	64404
2016-17	144809	118622	66996
CAGR	11.12%	9.91%	8.89%

**Fig 3.9: Per SHG Outstanding Loan
Amount as on March 31st 2017**



Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

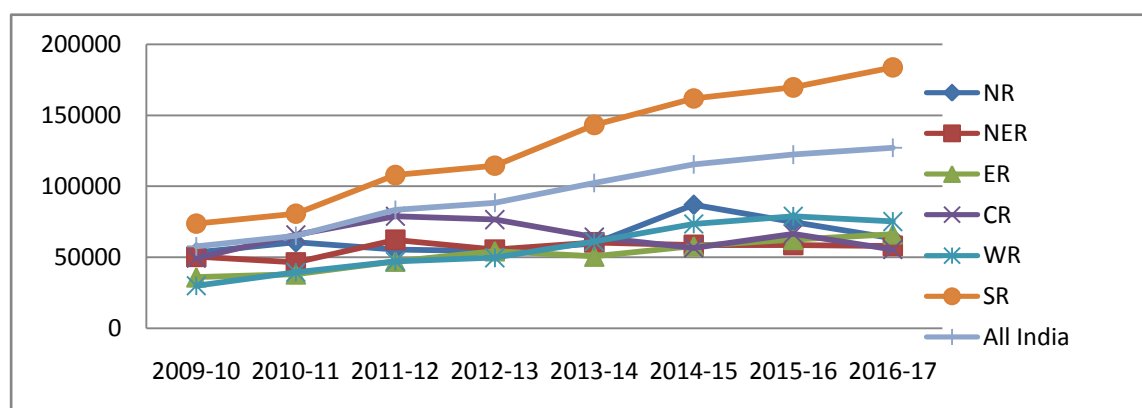
Table 3.15 and Figure 3.10 represents region-wise per SHG average bank loan outstanding. The average per SHG loan outstanding was highest in SR over the years.

Table 3.15 :Region-Wise Per SHG Average Bank Loan Outstanding as on March 31st 2017

Region/ Year	2009- 10	2010- 11	2011- 12	2012- 13	2013- 14	2014- 15	2015- 16	2016- 17	CAGR
NR	53455	60570	55568	54249	59840	87036	74912	63352	2.46%
NER	50340	46344	62307	55461	60513	58687	58646	58063	2.06%
ER	35958	38014	46987	54261	50509	57704	62231	66147	9.10%
CR	49453	65912	78884	76598	64232	56733	66604	55562	1.68%
WR	29936	39335	47113	49670	60982	73412	78825	75120	14.05%
SR	73672	80581	107799	114423	143137	161674	169499	183562	13.93%
All India Average	57795	65224	83455	88455	102273	115361	122242	127016	11.91%

Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

Figure 3.10: Region-Wise Per SHG Average Savings with Bank as on March 31st 2017



Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

From table 3.14 and Figure 3.10 we can see that WR illustrates the highest CAGR on average per SHG loan outstanding and is lowest in CR which is closely followed by NER. According to Status of Microfinance in India report 2016-17, the ratio of the loan outstanding to loan disbursement in India as a whole has marginally increased to 1.6 from 1.5 in 2015-16. The high loan outstanding to low loan disbursement implies a situation where the repayment rate is low and many of the SHGs are not eligible for subsequent loans because of previous outstanding loans. The ratio was found to be high at 3.3 for CR, followed by NER at 2.9 and lowest in SR. That is indicative of the fact that though average SHG loan outstanding rate is low in CR and NER, the loan disbursement rate is even much lower than outstanding rate and this has resulted in speedy growth of NPA of SHG loans in CR and NER.

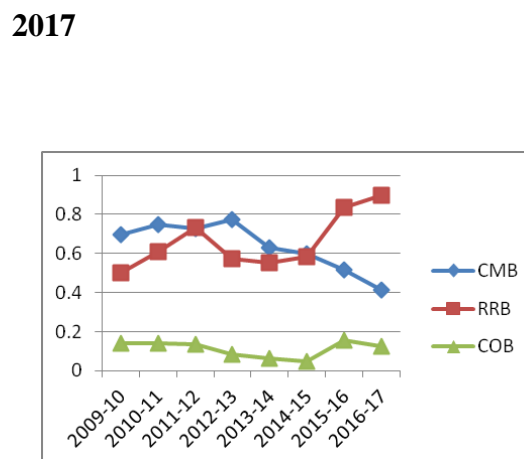
3.3.3. B SHG Loan Outstanding In NER

From Table 3.16 and Figure 3.11, it is seen, SHG with an outstanding loan amount of CMB is highest in 2009-10 but over the years SHG with outstanding loan amount with RRB has increased at a higher rate than other two banking agencies.

Table 3.16: SHG with Outstanding Loan in NER (in lakh) as on March 31st 2017

Year	CMB	RRB	COB
2009-10	0.69571	0.50297	0.13917
2010-11	0.74954	0.61024	0.14043
2011-12	0.72674	0.73366	0.13376
2012-13	0.77625	0.57532	0.08503
2013-14	0.6303	0.55369	0.0617
2014-15	0.59917	0.58507	0.04617
2015-16	0.51861	0.83401	0.15598
2016-17	0.41191	0.89595	0.12436
CAGR	-7%	9%	-2%

Figure 3.11: Outstanding Loan Amount in NER as on March 31st 2017



Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

Table 3.16 shows a positive CAGR of all India average of SHG with outstanding loan amount only in case of RRB. Also, in 2016-17, the RRB has

the highest SHG loan outstanding amount in NER against CMB and COB respectively. One of the reasons for RRB's having high outstanding loan amount in 2016-17 is the increase in the number of credit linked SHG by RRB in the same year. The ratio of the loan outstanding to loan disbursement under SBLP declined from 2.1 to 1.5 in 2015-16 as highlighted by the Status of microfinance in India, 2015-16. A high ratio indicates a relatively high NPA rate and vice versa. High outstanding loan coupled with low disbursement implies a situation of low repayment rate. As such several SHGs become

non-eligible for subsequent doses of loans. The ratio was high at 4.0 for NER followed by 2.4 in CR and NR while it was the lowest at 1.4 for the SR.

Table 3.17: Average Loan Outstanding Per SHG In NER With Respect To All India Average March 31st 2017

Year	CMB	AICMB	RRB		COB	
			NER	AIRRB	NER	AICOB
2009-10	55808	62294	45438	55708	40725	33902
2010-11	52514	71678	35634	58002	59949	42303
2011-12	61528	98625	63302	66617	61078	43254
2012-13	57424	100792	53139	79286	53254	46138
2013-14	66024	117507	54978	90048	53880	53209
2014-15	62739	132233	56025	108683	39836	55884
2015-16	74384	141453	50760	111483	48484	64404
2016-17	70843	144809	54316	118622	42738	66996
CAGR	3%	13%	3%	11%	1%	10%

Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

It is seen that although the average loan outstanding for all the banks has been increasing over the years the differences between the national average with the NER has been widening over time as depicted in table 3.17.

Nikita (2014) explains that the growth in the loan outstanding of SHG is responsible for the increase in NPAs. Another study by Sharma (2011) estimates that improper functioning of SHGs has resulted in poor quality SHG and has resulted in poor loan repaying capacity of these SHG's. Inability to repay SHG loan on time converts the loans to NPA. It can thus be interpreted that the quality of SHG, high rate of outstanding SHG loan and high rate of NPA are interlinked. The protuberant outstanding loan amount may be due to the inability of the SHG to repay the loan on time which is the result of improper functioning of the group. Among all NE states, Assam has the highest number of SHG with outstanding loan amount (Status of Microfinance in India, 2016-18).

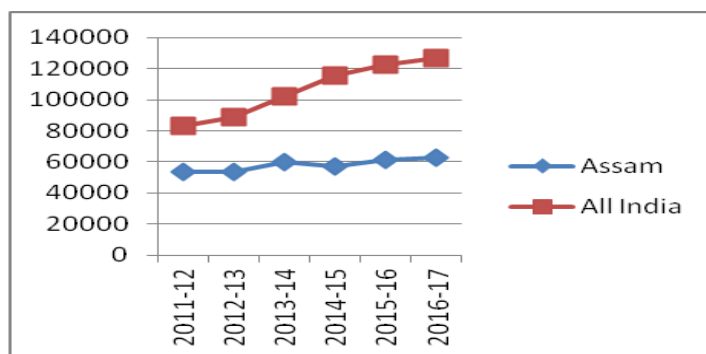
3.3.3. C SHG Loan Outstanding In Assam

From Table 3.18 and figure 3.12 it is evident that the CAGR of per SHG loan outstanding in Assam is 3 % against 9 % all India average rate in the financial year ranging from 2011-12 and 2016-17. While the rate of per SHG outstanding loan amount with banks is constantly increasing nationwide, it has been stagnant in Assam with a CAGR of zero over the study period. On the other hand, the total number of SHG with an outstanding loan in Assam has decreased from 0.011 crores to 0.010 crores resulted in a negative CAGR of -3% during the study period.

Table 3. 18: Per SHG Loan Outstanding in Assam as on March 31st 2017

Year	Assam	AI India
2011-12	53495	83463
2012-13	53384	88464
2013-14	59815	102281
2014-15	56854	115366
2015-16	61632	122259
2016-17	62469	127017
CAGR	3%	9%

Figure 3.12: Per SHG Loan Outstanding in Assam as on March 31st 2017



Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

The reason behind this negative growth is a reduction in the rate of number and amount of credit linked SHG's in the state. A comparatively high rate of the outstanding loan amount against its number has resulted in per SHG loan outstanding amount to have a positive CAGR of 3% in between these six years.

CAGR of per SHG loan outstanding for the financial year 2011-12 to 2016-17 in Assam under CMB, RRB and COB are 3%, 6%, and -14% respectively against an all India CAGR of CMB, RRB and COB are 8%, 12 % and 9 % respectively for the same time period (From various issues of "Status of Microfinance in India"). There is a huge variation in agency wise performance in Assam with that of the rest of the country in terms of per SHG outstanding loan amount. Though CMB in Assam has a positive CAGR of 3% over the study period and have a negative CAGR of -10 % and -8 % in terms of number of SHG with outstanding loan and amount respectively. The ratio

between SHG's funds in bank account and loan outstanding to banks is 1:5 for Assam which indicates a high rate of dysfunctional SHG in the state.

Table 3.19: Bank-Wise Per SHG Average Outstanding Loan Amount In Assam as on March 31st 2017

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	CAG R
Public CMB	60998	55051	63283	61250	75808	70029	3%
Private CMB	42250	112045	87706	27100	75350	124733	24%
AGVB	44087	51884	55748	54537	54975	60662	7%
LDGB	85680	56504	63754	52404	51849	55858	-8%
ACAB	50401	48718	64265	37053	19056	23653	-14%
All India Avg	83463	88464	102281	115366	122259	127017	9%

Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

Except for AGVB and Private CMB, all other bank has a negative CAGR of total number and amount of outstanding SHG loan in between 2011-12 and 2016-17. Private CMB in Assam has not made any big difference in total SBLP scenario of Assam by their contribution even after having a high CAGR. In the financial year 2016-17, with Private CMB there were only 15 SHG with an outstanding loan amount of Rs 18.71 lakh. AGVB has performed better than all other banks in Assam in terms of per SHG average outstanding loan amount (Table 3.19).

3.3.4 NPA against SHG Loan

The last indicator which is “Non-Performing Assets against SHG Loans” actually depicts banks performance in promoting the SBLP. High NPA rate means failure in the part of banks in nurturing SHG’s properly so that they become able to repay the loan amount from the profit generated from their investment and also failure in the part of SHG which could not repay the loan amount on time due to its poor performances and eventually such SHG’s will be unsustainable in the long run. The low rate of NPA against SHG loan depicts better performance of banks, SHG’s and eventually better performance of the programme.

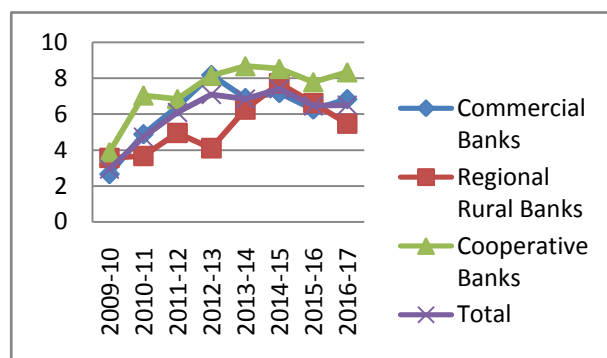
3.3.4. A NPA Percentage against SHG Loan in India and Its Regions

Table 3.20: NPA % against SHG Loan in India as on March 31st 2017

Year/ Bank	CMB	RRB	COB
2009-10	2.66	3.56	3.88
2010-11	4.88	3.67	7.04
2011-12	6.41	4.95	6.84
2012-13	8.17	4.1	8.13
2013-14	6.89	6.26	8.67
2014-15	7.17	7.71	8.52
2015-16	6.25	6.61	7.78
2016-17	6.83	5.47	8.33
CAGR	14.42%	6.33%	11.53%

Figure 3.13: NPA% of SHG

Loan in India as on March 31st



2017

Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

In Table 3.20 and Figure 3.13 shows that

CMB has the highest CAGR of NPA against SHG loan amount. Mounting outstanding loan amount with low credit disbursement rate has resulted in a rapid increase in NPA of SHG loans in CMB and COB. The rate of NPA under RRB has always been regulated except for the financial year 2013-14 and 2014-15. As revealed in figure 3.20, RRB has become successful in lowering down the NPA rate again in the last two financial years. This is indicative of the fact that though the pace of microfinance coverage of RRB is very slow, SHG formed under RRB will be sustainable in the long run.

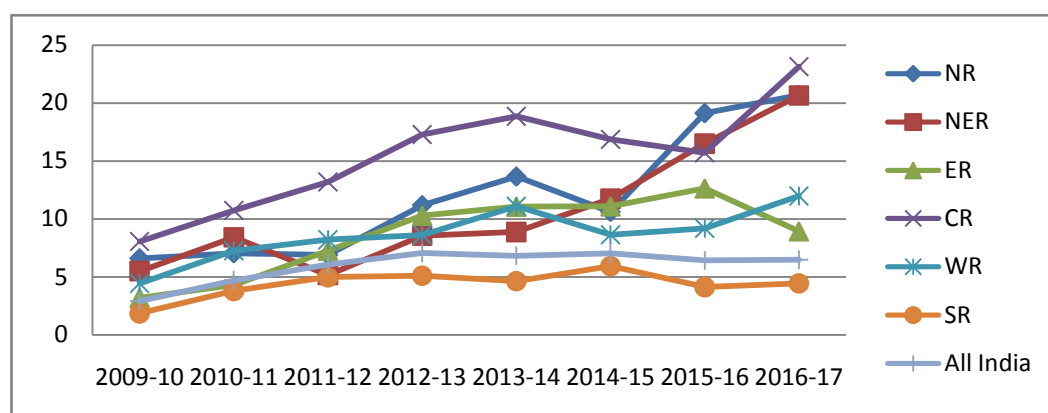
Table 3.21 represents the lowest CAGR of NPA percentage against SHG loans in SR. This is suggestive of the best quality SHG formation in the SR region which will be highly sustainable in the long run. High CAGR of NPA percentage of NER indicates the presence of a higher number of low-quality SHG in this region. Low bank network rate in the region stands as an obstacle in attracting individual attention and proper nurturing of SHG, which is because of less number of a branch against population size and even lesser bank officials against the number of SHGs.

Table 3.21: NPA Percentage against Bank Loan's Region-Wise Position as on March 31st 2017

Region/ Year	2009- 10	2010- 11	2011- 12	2012- 13	2013- 14	2014- 15	2015- 16	2016- 17	CAGR
NR	6.61	7.05	6.92	11.19	13.67	10.62	19.14	20.69	17.70%
NER	5.51	8.42	5.17	8.56	8.88	11.75	16.49	20.64	20.76%
ER	3.21	4.31	7.28	10.3	11.07	11.1	12.65	8.95	15.78%
CR	8.07	10.74	13.2	17.28	18.87	16.87	15.72	23.14	16.24%
WR	4.46	7.26	8.22	8.63	11.11	8.64	9.2	11.98	15.16%
SR	1.87	3.79	4.98	5.11	4.64	5.93	4.14	4.45	13.18%
All India Average	2.94	4.72	6.09	7.08	6.83	7.04	6.45	6.5	12.00%

Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

Figure 3.14: NPA Percentage against Bank Loan's Region-Wise Position as on March 31st 2017



Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

Another reason for the high rate of NPA is because of not abiding by the procedures laid down by NABARD in the formation of SHG under Government sponsored schemes. Extending credit to such SHGs results in high NPA rate as the quality of those SHG's is always compromised. These SHGs has a tendency of not repaying the loan. Further the members of the SHG's spend the loan amount mostly for consumption purposes and later those SHG become defunct.

3.3.4. B NPA Percentage against SHG Loan in NER

Table 3.22 shows that Mizoram and Manipur had more than 50% SHG loans as NPA in 2013-14. The high share of NPA is mainly due to a high average of NPA per SHGs in these states (Sharma 2011).

**Table 3.22: State-Wise Position of NPA% to Total Loan Outstanding in NER as on
March 31st 2017**

States/ Year	2009- 10	2010- 11	2011- 12		2013- 14	2014- 15	2015- 16	2016- 17	CAGR
Assam	5.29	8.31	4.59	8.12	7.35	10.22	13.21	18.08	19%
Arunachal Pradesh	3.99	6.51	16.24	10.81	22.49	27.23	22.78	35.13	36%
Manipur	12.99	17.4	20.72	35.56	55.09	49.19	24.56	19.81	6%
Meghalaya	10.16	8.45	33.08	8.13	19.37	19.73	28.31	20.79	11%
Mizoram	16.09	52.06	5.12	1.49	61.83	9.36	5.86	18.64	2%
Nagaland	12.49	14.26	12.28	14.32	20.82	26.21	14.95	16.31	4%
Sikkim	8.47	31.22	12.13	9.85	10	8.51	5.28	4.06	-10%
Tripura	1.01	2.16	2.7	3.95	7.49	18.53	34.07	35.75	66%
All India	2.94	4.72	6.09	7.08	6.83	7.4	6.45	6.5	12%

Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

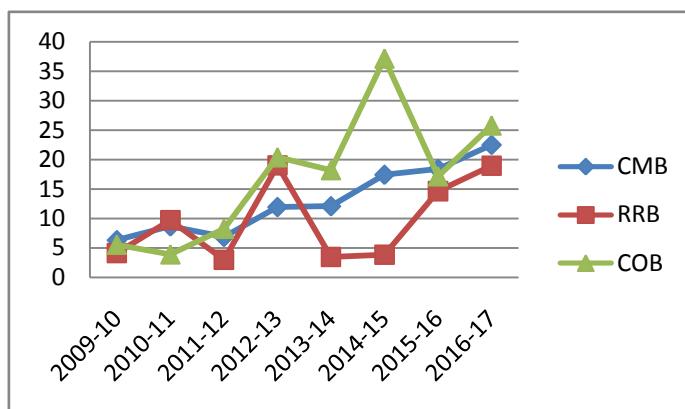
From table 3.22 though Sikkim shows negative CAGR of NPA% over the eight financial years, it is not a result of their better performance in curbing NPA rate. It is rather because of a lesser number of SHG linked by banks under SBLP in this state. Moreover, SBLP has been promoted only by CMB in Sikkim which eventually has resulted in less NPA rate in this state. One of the many reasons for high NPA may be due to the fact that most of the SHG loans are under the government-sponsored programme. As such the SHG members prefer not to repay the loan granted to them through a subsidy scheme. The loan availed is equally distributed amongst the members and is lavishly spent. But they are not prompt in repayment and usually skip paying the loans. The reason for non-

repayment is usually due to the fact that once the money is spent on desired means, SHG's are left with no money for repayment (Rao, 2010). The SHPIs themselves are not experienced enough to create cohesive SHGs with strong internal record-keeping systems. As a result, most often weak SHGs are seen which are not able to sustain as institutions, as they lack reliable financial records and often default on their loans (Microfinance Vision, 2015). Among NER states though CAGR of NPA % against SHG loan is high in Tripura the NPA amount is highest in Assam.

Table 3.23: NPA% in NER as on March 31st 2017

Bank/ Year	CMB	RRB	COB
2009-10	6.33	4.12	5.55
2010-11	8.67	9.72	3.91
2011-12	6.88	2.98	8.25
2012-13	11.94	19.01	20.39
2013-14	12.08	3.45	18.2
2014-15	17.41	3.84	37.14
2015-16	18.41	14.64	17.16
2016-17	22.47	18.97	25.78
CAGR	20%	24%	25%

Figure 3.15: NPA Percentage in NER as on March 31st 2017



Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

Table 3.23 and Figure 3.15 illustrate the share of NPA to SHG loans in NER. It has been seen that the percentage of NPA of SHG loans is increasing every year for all three banking agencies and it is highest in case of COB followed by CMB and RRB respectively in the financial year 2016-17. The

CAGR of NPA percentage of RRB has increased massively and highest for these eight

financial years. As mentioned earlier high outstanding loan amount leads to a gradual increase in NPA in the loan. Further, the higher growth of outstanding SHG loan amount in RRB may have resulted in a stiff rise in NPA of SHG loans of RRBs.

**Table 3.24: NPA% Of Banks In NER With Respect To National
Average as on March 31st 2017**

Bank/ Year	CMB	AICMB	RRB	AIRRB	COB	AICOB
2009-10	6.33	2.66	4.12	3.56	5.55	3.88
2010-11	8.67	4.88	9.72	3.67	3.91	7.04
2011-12	6.88	6.41	2.98	4.95	8.25	6.84
2012-13	11.94	8.17	19.01	4.1	20.39	8.13
2013-14	12.08	6.89	3.45	6.26	18.2	8.67
2014-15	17.41	7.17	3.84	7.71	37.14	8.52
2015-16	18.41	6.25	14.64	6.61	17.16	7.78
2016-17	22.47	6.83	18.97	5.47	25.78	8.33
CAGR	20%	14%	24%	6%	25%	12%

Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

It is seen that the number and amount of credit that has been disbursed to SHGs in NER is less than the national average. However, all three banking agencies incurred more losses in NER than other parts of India owing to the high rate of NPA on SHG loans. The rate of NPA has been increasing over the years in the NER and it is higher than the national average which is shown in table 3.27.

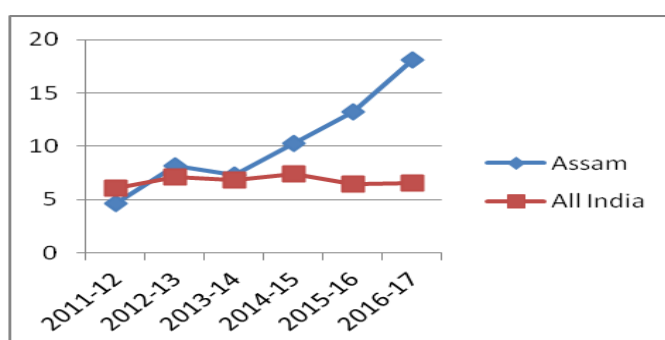
NABARD in a report stated that the rate of NPA in the loans to SHGs under NRLM/SGSY was notably higher. Such NPA accounted for about 45% of the total NPA against SHGs. The SGSY and SBLP have commenced its operations in NER at about the same time. In some states of NER like Nagaland, Manipur all SHG's credit linked by banks is under SGSY programme. The rate of NPA of the government-sponsored programme is higher nationwide. This is one of the main factors of the high rate of delinquencies of SHG loans in NER.

3.3.4. C NPA Percentage against SHG Loan in Assam

**Table 3.25 : NPA % in Assam
as on March 31st 2017**

Year	Assam	All India
2011-12	4.59	6.09
2012-13	8.12	7.08
2013-14	7.35	6.83
2014-15	10.25	7.4
2015-16	13.21	6.45
2016-17	18.08	6.5
CAGR	32%	1%

**Figure 3.16: NPA Percentage in Assam as on
March 31st 2017**



Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

The poor progress of SBLP in Assam is clearly visible with mounting CAGR of 32 % of NPA percentage against SHG loans (Table 3.25). The all India average for the financial year 2011-12 to 2016-17, however, has stood at 1%. Long-term sustainability of SBLP in Assam is quite doubtful due to an increase in the gap between Assam and all India average as is seen in figure 3.16. There are numerous reasons for this rising gap. One such reason is the mindset of people of Assam regarding microfinance which results in poor quality SHG formation and high delinquency rate. For example, one of the significant practices adopted from the Xonchois (RASCA) is the payment of interest only for the loan taken and the principal being paid at the end of the term or at different intervals based on the income of the members. Xonchois break at a specific time interval and the principal amount is repaid before the designated date of closure. Unfortunately, the members of SHGs in lower Assam have also adopted this practice of repayment in SHG, which hampers the recovery rate of intra SHG loans leading to high rate of NPA against SHG loans (Sharma, 2011).

CAGR of NPA percentage against SHG loans under CMB, RRB and COB in Assam is 31%, 57 % and 45 % respectively for the financial year 2011-12 to 2016-17 against an all India CAGR of CMB, RRB and COB of 1%, 2 % and 4 % respectively (Compiled from various issues of “Status of Microfinance in India”). Although RRB has the highest CAGR among all three banking agencies, the NPA percentage of SHG loans of RRB has always been lower than CMB and COB in the period of study. In 2011-12 NPA percentage of RRB were 1.52% against 5.94% and 10.41% of CMB and COB respectively which increased to 14.59% in 2016-17 for RRB against 22.63% and 67.09% for CMB and COB respectively. But the high growth rate of NPA under RRB is a matter of serious concern. Highly elevated NPA percentage of COB reflects the high

delinquency rate of SHG under them. As a result, they have reduced linking fresh SHG and are instead making efforts to raise the quality of existing SHG. Weak SHG's are unsustainable as an institution, as they lack reliable financial records and often default on their loans. This is reflected in the high NPAs in the SBLP of Assam (Choudhury & Pegu, 2015). Impact and Sustainability of SBLP in India report of 2017, has highlighted two principal reasons for the high NPA rate of Assam. One reason that can be cited is that most of the SHG formed under SGSY became dormant as the prime motive of group formation under SGSY is to get subsidy loans. Yet another reason is that many SHG formed by NGOs in the past transformed into JLGs by the NGO MFI like Satra, Bandhan, RGVN etc.

Table 3.26: Bank-wise NPA as a Percentage of Total Loan Outstanding in Assam as on March 31st 2017

Bank/ Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	CAGR
Public CMB	5.94	11.34	10.04	16.12	16.47	22.63	31%
Private CMB	0.00	72.05	107.85	1.40	1.92	24.21	--
AGVB	1.27	1.56	2.81	2.23	9.13	14.94	64%
LDGB	4.00	6.56	14.23	19.85	6.15	4.19	1%
ACAB	10.41	24.57	17.53	42.44	49.78	67.09	45%
All India Avg	6.09	7.08	6.83	7.4	6.45	6.5	1%

Source: Calculated by the author from Status of Microfinance in India, NABARD (various issues)

A CAGR under AGVB which is the only healthy promoter of SBLP in Assam is 64% which is a matter of concern (table 3.26). Till 2015-16, NPA as a percentage to the total loan outstanding under AGVB was 9.13% which soared to 14.94% in the following financial year. This indicates the formation of low-quality SHG under AGVB in recent years. Among all banks, LDRB has the lowest CAGR of NPA percentage. But this does not imply that RRB's are performing better in lowering NPA rate in Assam, as LDRB is functioning only in three districts of Assam. High NPA rate of SHG loans in Assam is due to zero income generating activity exercised by a majority of SHG's of Assam. Most of the SHGs under SGSY/NRLM are interested in receiving the subsidy amount alone. The tendency of such SHG is to distribute received subsidy amount among its members instead of investing the same in some income generating activity and employment generating scheme (Bhuyan, 2008). The 'subsidy culture' associated with the SGSY/NRLM programme has also affected the SBLP movement, making the long-term growth of both the programme unsustainable (Sharma, 2011).

3.4 Conclusion

SBLP has a positive growth in all six regions although the rates of growth vary from region to region. SR is single-handedly taking SBLP movement forward over the years with the high rate of SHG's saving deposit, credit disbursement and loan outstanding and low NPA and also has a CAGR higher than national average under all four indicators. The poorest performer in SBLP is NER with low CAGR of SHG's credit disbursement, deposit mobilisation, outstanding loan amount and high NPA rate over the study period. SBLP in NER is concentrated mainly in Assam and to some extent in Tripura. But with a low rate of Saving Mobilisation, Credit Disbursement, Outstanding Loan and very high NPA the programme has not been successful as it was expected to be in Assam.

Among all the three banking agencies, CMB performance is better in terms of saving mobilisation and outstanding loan amount at all India level. However, in terms of credit disbursement and NPA against SHG loan, RRB's performance is better. The current study reveals about the poor performance of COB in promoting SBLP. In NER, RRBs performance is better in terms of the number of SHG saving linked, the amount deposited, credit linked with respect to the other two agencies. Though RRB has been performing well due to the laudable role played by AGVB in promoting the SBLP movement in Assam, the long-term sustainability of this programme in Assam is uncertain as a result of burgeoning NPA rate of SHG loans in recent times.

With these concluding remarks, the next chapter is primarily dedicated towards the empowerment of the women through SBLP in the state of Assam especially in the Lower Brahmaputra Valley.