

# INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

I  
J  
R  
C  
M



A Monthly Double-Blind Peer Reviewed Refereed Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A.

as well as in Open J-Gate, India (link of the same is duly available at Infibnet of University Grants Commission (U.G.C.))

Registered & Listed at: Index Copernicus Publishers Panel, Poland

Circulated all over the world & Google has verified that scholars of more than 1500 Cities in 141 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

[www.ijrcm.org.in](http://www.ijrcm.org.in)

**CONTENTS**

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	THE EFFECTS OF THE STOCKS PERFORMANCE RELATIVE TO THE INDEX PERFORMANCE, ON TRADERS' BEHAVIOR IN NYSE MOHSEN BAHRAMGIRI, SAJJAD NEAMATI, ASHKAN M. GHASHGHAEE & MOHAMMAD H. MUSAVI	1
2.	MEASURING PRICE INSTABILITY OF PULSES IN BANGLADESH M. MONIRUZZAMAN	12
3.	A COMPARATIVE ECONOMIC STUDY OF BRRI DHAN51 AND BR11 RICE PRODUCTION IN A SELECTED AREA OF RANGPUR DISTRICT IN BANGLADESH MD. SAIDUR RAHMAN & MD. KAMRUZZAMAN	23
4.	THE IMPACT OF CORPORATE GOVERNANCE MECHANISMS ON EARNINGS MANAGEMENT: EVIDENCE FROM BANKS IN ETHIOPIA OBSA TEFERI ERENA & TILAHUN AEMIRO TEHULU	27
5.	EDUCATION EXPENDITURE AND ECONOMIC GROWTH IN NIGERIA: CO-INTEGRATION AND ERROR CORRECTION TECHNIQUE AHEMD HALLIRU MALUMFASHI	34
6.	THE EFFECTS OF BUSINESS PLANNING ON SERVICING OF LOANS BY SMALL AND MEDIUM ENTERPRISES: A CASE STUDY OF HAIR SALON ENTERPRISES IN ELDORET TOWN NANDWA J. MUSAMBAYI	38
7.	THE POLITICAL ECONOMY OF POVERTY IN NIGERIA MARTINS IYOBOYI	45
8.	MICRO, SMALL AND MEDIUM ENTERPRISES IN INDIA- AN ANALYSIS DR. S. KALIYAMOORTHY & S. PARITHI	49
9.	SCOPE OF NEEM (AZADIRACHTA INDICA) PESTICIDES IN AGRICULTURE – A STUDY IN WEST BENGAL DR. A. K. NANDI, DR. JAYANTA DUTTA & DR. B. K. BERA	53
10.	MOOD STATE AND CUSTOMER ORIENTATION DR. ANANT GWAL, RAJESHWARI GWAL & DR. SANJEEVNI GANGWANI	58
11.	PERFORMANCE EVALUATION OF MUTUAL FUNDS IN RECESSION IN INDIA: AN EMPIRICAL STUDY SUBRATA ROY & SHANTANU KUMAR GHOSH	63
12.	PERSONALITY AS A MODERATOR OF QUALITY OF WORK LIFE AND JOB ATTITUDE SUSAN, V. & JAYAN, C.	74
13.	ROLE OF EDUCATION IN PROMOTING SOCIAL INCLUSION: AN ANALYSIS OF THE WORKING OF MID DAY MEAL S. K. PANT & MUKESH PANDEY	78
14.	EMPIRICAL STUDY OF URBANISATION IN INDIA DR. MOOL CHAND & DR. RAJ PAL SINGH	84
15.	AN EMPIRICAL STUDY ON RURAL CONSUMERS' PERCEPTION TOWARDS TRADE FAIR AS A MARKETING TOOL BHAUTIK A. PATEL & DR. RAJU M. RATHOD	89
16.	BUYING DECISIONS OF RURAL CONSUMERS WITH REFERENCE TO FAST MOVING CONSUMER GOODS R. MOHAMED NASRUDEEN & DR. L. P. RAMALINGAM	97
17.	A STUDY OF BENEFICIARIES AVAILING CONSUMER LOAN IN NATIONALIZED BANKS VILLAVARAYER LATHA & DR. K. KAMALAKANNAN	104
18.	CRUDE OIL PRICES VARIATIONS' ENCROACHMENT ON INDIAN STOCK MARKET [AN EMPIRICAL STUDY OF BSE] DR. NIDHI SHARMA & KIRTI KHANNA	108
19.	THE SPREAD OF SELF HELP GROUPS – BANK LINKAGE PROGRAMME IN INDIA DR. V.DHEENADHAYALAN	111
20.	SUSTAINABLE DEVELOPMENT IN NORTHEAST INDIA DR. RAJESHWAR SINGH	116
21.	COMPOSITION OF NON-PERFORMING ASSETS: A COMPARATIVE STUDY OF NATIONALISED BANKS AND SBI AND ITS ASSOCIATES MANISH B. RAVAL	124
22.	A CRITICAL EVALUATION OF PERFORMANCE OF MNREGA DR. TUSHAR CHAUDHARI	127
23.	WEAK-FORM OF EFFICIENCY IN CHINESE STOCK MARKET N. ANURADHA	131
24.	CHALLENGES AND PROSPECTUS OF SUCCESSFUL WOMEN ENTREPRENEURS (A CASE STUDY IN DAVANGERE CITY) VENKATESH BABU .S	135
25.	EVALUATING THE MICRO-CREDIT MODEL AND SUCCESS STORY OF GRAMEEN BANK, BANGLADESH DR. RICHA SINHA	139
26.	COMMON PROPERTY RESOURCES-AVAILABILITY AND DEPENDENCY PATTERN (A CASE STUDY OF BOLUVAMPATTI PANCHAYATH - TAMIL NADU) K. BABY & R. REMA	145
27.	HOUSING PROPERTY INVESTMENT PREFERENCESIN POST RECESSIONARY BANGALORE ECONOMY - A CONSUMER PERSPECTIVE ANALYSIS PRADEEPA.M & VIDYA.R	153
28.	VALUES FOR CORPORATE DEVELOPMENT DR. ANUVIYAN & SARISHA BHARUCHA	158
29.	CHILD LABOUR IN INDIA: CAUSES, PERSPECTIVE & GOVERNMENTAL POLICIES IMPERATIVES RATNA BINODINI AMIYA PRIYADARSHINI DAS & APARAJITA BISWAL	164
30.	IMPACT OF FOREIGN DIRECT INVESTMENT (FDI) ON INDIAN ECONOMY: A SECTORAL ANALYSIS IRAM KHAN	171
	REQUEST FOR FEEDBACK	178

**CHIEF PATRON**

**PROF. K. K. AGGARWAL**

Chancellor, Lingaya's University, Delhi  
Founder Vice-Chancellor, Guru Gobind Singh Indraprastha University, Delhi  
Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

**PATRON**

**SH. RAM BHAJAN AGGARWAL**

Ex.State Minister for Home & Tourism, Government of Haryana  
Vice-President, Dadri Education Society, Charkhi Dadri  
President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

**CO-ORDINATOR**

**DR. BHAVET**

Faculty, M. M. Institute of Management, MaharishiMarkandeshwarUniversity, Mullana, Ambala, Haryana

**ADVISORS**

**DR. PRIYA RANJAN TRIVEDI**

Chancellor, The Global Open University, Nagaland

**PROF. M. S. SENAM RAJU**

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

**PROF. M. N. SHARMA**

Chairman, M.B.A., HaryanaCollege of Technology & Management, Kaithal

**PROF. S. L. MAHANDRU**

Principal (Retd.), MaharajaAgrasenCollege, Jagadhri

**EDITOR**

**PROF. R. K. SHARMA**

Professor, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

**CO-EDITOR**

**DR. SAMBHAV GARG**

Faculty, M. M. Institute of Management, MaharishiMarkandeshwarUniversity, Mullana, Ambala, Haryana

**EDITORIAL ADVISORY BOARD**

**DR. RAJESH MODI**

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

**PROF. SIKANDER KUMAR**

Chairman, Department of Economics, HimachalPradeshUniversity, Shimla, Himachal Pradesh

**PROF. SANJIV MITTAL**

UniversitySchool of Management Studies, Guru Gobind Singh I. P. University, Delhi

**PROF. RAJENDER GUPTA**

Convener, Board of Studies in Economics, University of Jammu, Jammu

**PROF. NAWAB ALI KHAN**

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

**PROF. S. P. TIWARI**

Head, Department of Economics & Rural Development, Dr. Ram Manohar Lohia Avadh University, Faizabad

**DR. ANIL CHANDHOK**

Professor, Faculty of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana

**DR. ASHOK KUMAR CHAUHAN**

Reader, Department of Economics, Kurukshetra University, Kurukshetra

**DR. SAMBHAVNA**

Faculty, I.I.T.M., Delhi

**DR. MOHENDER KUMAR GUPTA**

Associate Professor, P.J.L.N. Government College, Faridabad

**DR. VIVEK CHAWLA**

Associate Professor, Kurukshetra University, Kurukshetra

**DR. SHIVAKUMAR DEENE**

Asst. Professor, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

***ASSOCIATE EDITORS*****PROF. ABHAY BANSAL**

Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida

**PARVEEN KHURANA**

Associate Professor, Mukand Lal National College, Yamuna Nagar

**SHASHI KHURANA**

Associate Professor, S.M.S. Khalsa Lubana Girls College, Barara, Ambala

**SUNIL KUMAR KARWASRA**

Principal, Aakash College of Education, Chanderkalan, Tohana, Fatehabad

**DR. VIKAS CHOUDHARY**

Asst. Professor, N.I.T. (University), Kurukshetra

***TECHNICAL ADVISORS*****MOHITA**

Faculty, Yamuna Institute of Engineering & Technology, Village Gadholi, P. O. Gadholi, Yamunanagar

**AMITA**

Faculty, Government M. S., Mohali

***FINANCIAL ADVISORS*****DICKIN GOYAL**

Advocate & Tax Adviser, Panchkula

**NEENA**

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

***LEGAL ADVISORS*****JITENDER S. CHAHAL**

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

**CHANDER BHUSHAN SHARMA**

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

***SUPERINTENDENT*****SURENDER KUMAR POONIA**

## CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the area of Computer, Business, Finance, Marketing, Human Resource Management, General Management, Banking, Insurance, Corporate Governance and emerging paradigms in allied subjects like Accounting Education; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Monetary Policy; Portfolio & Security Analysis; Public Policy Economics; Real Estate; Regional Economics; Tax Accounting; Advertising & Promotion Management; Business Education; Management Information Systems (MIS); Business Law, Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labor Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; Public Administration; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism, Hospitality & Leisure; Transportation/Physical Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Digital Logic; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Multimedia; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic and Web Design. The above mentioned tracks are only indicative, and not exhaustive.

Anybody can submit the soft copy of his/her manuscript **anytime** in M.S. Word format after preparing the same as per our submission guidelines duly available on our website under the heading guidelines for submission, at the email address: [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com).

## GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: \_\_\_\_\_

**THE EDITOR**  
IJRCM

**Subject:** SUBMISSION OF MANUSCRIPT IN THE AREA OF.

(e.g. Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)

**DEAR SIR/MADAM**

Please find my submission of manuscript entitled ' \_\_\_\_\_ ' for possible publication in your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the author (s) have seen and agreed to the submitted version of the manuscript and their inclusion of name (s) as co-author (s).

Also, if my/our manuscript is accepted, I/We agree to comply with the formalities as given on the website of the journal & you are free to publish our contribution in any of your journals.

**NAME OF CORRESPONDING AUTHOR:**

Designation:

Affiliation with full address, contact numbers & Pin Code:

Residential address with Pin Code:

Mobile Number (s):

Landline Number (s):

E-mail Address:

Alternate E-mail Address:

**NOTES:**

- a) The whole manuscript is required to be in **ONE MS WORD FILE** only (pdf. version is liable to be rejected without any consideration), which will start from the covering letter, inside the manuscript.
- b) The sender is required to mention the following in the **SUBJECT COLUMN** of the mail:  
**New Manuscript for Review in the area of** (Finance/Marketing/HRM/General Management/Economics/Psychology/Law/Computer/IT/Engineering/Mathematics/other, please specify)
- c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any specific message w.r.t. to the manuscript.
- d) The total size of the file containing the manuscript is required to be below **500 KB**.
- e) Abstract alone will not be considered for review, and the author is required to submit the complete manuscript in the first instance.
- f) The journal gives acknowledgement w.r.t. the receipt of every email and in case of non-receipt of acknowledgment from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending separate mail to the journal.

2. **MANUSCRIPT TITLE:** The title of the paper should be in a 12 point Calibri Font. It should be bold typed, centered and fully capitalised.

3. **AUTHOR NAME (S) & AFFILIATIONS:** The author (s) **full name, designation, affiliation (s), address, mobile/landline numbers, and email/alternate email address** should be in italic & 11-point Calibri Font. It must be centered underneath the title.

4. **ABSTRACT:** Abstract should be in fully italicized text, not exceeding 250 words. The abstract must be informative and explain the background, aims, methods, results & conclusion in a single para. Abbreviations must be mentioned in full.

5. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of five. These should be arranged in alphabetic order separated by commas and full stops at the end.
6. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. It must be prepared on a single space and single column with 1" margin set for top, bottom, left and right. It should be typed in 8 point Calibri Font with page numbers at the bottom and centre of every page. It should be free from grammatical, spelling and punctuation errors and must be thoroughly edited.
7. **HEADINGS:** All the headings should be in a 10 point Calibri Font. These must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
8. **SUB-HEADINGS:** All the sub-headings should be in a 8 point Calibri Font. These must be bold-faced, aligned left and fully capitalised.
9. **MAIN TEXT:** The main text should follow the following sequence:

**INTRODUCTION****REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESES****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****SCOPE FOR FURTHER RESEARCH****ACKNOWLEDGMENTS****REFERENCES****APPENDIX/ANNEXURE**

It should be in a 8 point Calibri Font, single spaced and justified. The manuscript should preferably not exceed **5000 WORDS**.

10. **FIGURES & TABLES:** These should be simple, crystal clear, centered, separately numbered & self explained, and **titles must be above the table/figure**. **Sources of data should be mentioned below the table/figure**. It should be ensured that the tables/figures are referred to from the main text.
11. **EQUATIONS:** These should be consecutively numbered in parentheses, horizontally centered with equation number placed at the right.
12. **REFERENCES:** The list of all references should be alphabetically arranged. The author (s) should mention only the actually utilised references in the preparation of manuscript and they are supposed to follow **Harvard Style of Referencing**. The author (s) are supposed to follow the references as per the following:
  - All works cited in the text (including sources for tables and figures) should be listed alphabetically.
  - Use **(ed.)** for one editor, and **(ed.s)** for multiple editors.
  - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
  - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
  - The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
  - For titles in a language other than English, provide an English translation in parentheses.
  - The location of endnotes within the text should be indicated by superscript numbers.

**PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:****BOOKS**

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

**CONTRIBUTIONS TO BOOKS**

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

**JOURNAL AND OTHER ARTICLES**

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

**CONFERENCE PAPERS**

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

**UNPUBLISHED DISSERTATIONS AND THESES**

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

**ONLINE RESOURCES**

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

**WEBSITES**

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>

## THE SPREAD OF SELF HELP GROUPS – BANK LINKAGE PROGRAMME IN INDIA

**DR. V.DHEENADHAYALAN**  
**ASST. PROFESSOR**  
**ANNAMALAI UNIVERSITY**  
**CHIDAMBARAM**

### ABSTRACT

*Women's development is directly related to national development. The effective management and development of interest, skills and other potentialities are of paramount importance. Today, the concept of Self Help Groups (SHGs) catching up as the most viable means to empower women, especially at the grass root level. Women have shown extraordinary dynamism in organizing themselves in group activities for income generating, better bargaining power and improvement in the quality of life. The predominant micro finance programme namely SHG bank linkage programme has become a supplementary channel for providing financial services from formal financial institutions to excluded category of poor segments of population. This paper discusses about the Spread of Self Help Groups – Bank Linkage Programme in India in terms of Growth, Models, Agency as well as Regional Distribution and Concluded with Recovery performance of Bank loan to SHGs.*

### KEYWORDS

SHGs, women development, Regional Distribution of SHGs, Models of SHGs, Spread of SHGs.

### INTRODUCTION

Millions of women in our hamlets know what unemployment means. Give them access to economic activities and they will have access to power and self-confidence to which they hitherto have been strangers". - Mahatma Gandhi

Women's development is directly related to national development. The effective management and development of interest, skills and other potentialities are of paramount importance. Today, the concept of Self Help Groups (SHGs) catching up as the most viable means to empower women, especially at the grass root level. Women have shown extraordinary dynamism in organizing themselves in group activities for income generating, better bargaining power and improvement in the quality of life.

One of the successful ways through which microfinance services are being provided to poor people is through Self-Help Groups. It all started with experiments of some non-government organizations (NGOs) working in south India during early 80s and has now come to be known as Self-Help Group approach to microfinance. With intervention of RBI, National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI), Rashtriya Mahila Kosh (RMK) and other organizations. The predominant micro finance programme namely SHG bank linkage programme has become a supplementary channel for providing financial services from formal financial institutions to excluded category of poor segments of population.

SHGs are a voluntary association of persons with common interests, formed democratically without any political affiliations. They are small and homogenous groups of 15-30 members. The uniqueness of these groups lies in the fact that to a large extent they are self supporting, self governing organization and politicization. The process empowers the poor and enables them to control direction of own development by identifying their felt needs.

The SHG bank linkage programme launched by NABARD has emerged as the largest and most cost-effective micro finance innovations. The principal objective of the SHG Bank linkage programme is 'economic empowerment of rural poor by improving their access to the formal credit system through various credit innovations in a cost-effective and sustainable manner' besides promoting saving habits among the poor.

### FEATURES OF SGH – BANK LINKAGE PROGRAMME

The following are the main features of SGHs – Bank Linkage Programme:

1. Supplementary credit delivery services for the unreached poor.
2. Create the habits of Savings.
3. Uplift the standard of living of the poor and promote the entrepreneurial development in rural areas.
4. On time repayment of loans to banks.
5. Reduction in transaction and monitoring costs of small lending for the banks as well as reach credit to the absolute poor.
6. Doorstep savings and credit facilities to the poor.
7. Exploitation of the untapped business potential in rural area.
8. To generate livelihood for poor women.
9. The group should be maintaining proper accounts and records.
10. Evidence of democratic setup in the group

### OBJECTIVES OF THE PAPER

The main purpose of this paper is to examine the spread of The Self Help Groups – Bank Linkage Programme in India. The following are the specific objectives of the study.

1. To Analyses The Growth Of Self Help Groups – Bank Linkage Programme
2. To Evaluate Models of Micro Credit Mechanisms in SHG- Bank Linkage Programme
3. To Study The Agency-Wise SHGs -Bank Linkage Position
4. To Study The Regional Distribution Of SHG s- Bank Linkage Programme
5. To Study The Recovery Performance and Outstanding Of Bank Loans to SHGs

**DATA SOURCES & METHODOLOGY**

The data has been collected from the secondary sources comprises of published reports of Reports on Trend and Progress of Banking in India, various journals , magazines and information from the related websites. The collected data was classified, tabulated and analyzed in a systematic manner.

**THE GROWTH OF SELF HELP GROUPS – BANK LINKAGE PROGRAMME**

The linkage of SHGs to banks has been promoted by NABARD in 1990 in rural credit delivery system. A pilot project introduced in 1992, has become a SHG movement and 22,39,000 SHGs have been linked with the banks during 2005-06. The SHGs – Bank Linkage model not only concentrates on the delivery of microfinance services but also aims for women empowerment.

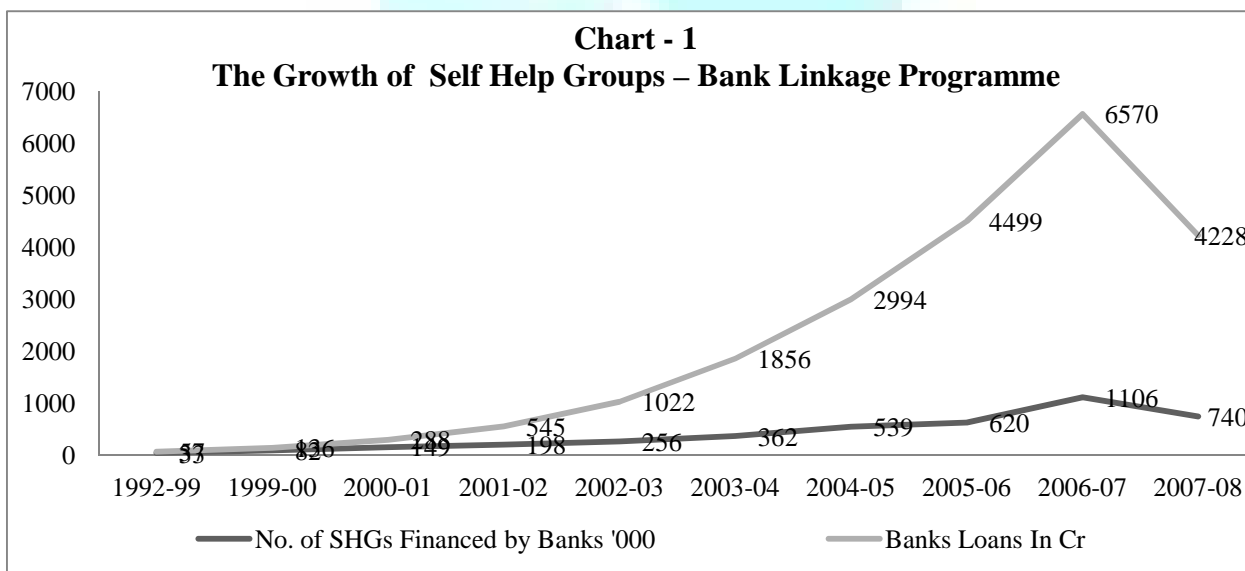
**TABLE 1: SHG-BANK LINKAGE PROGRAMME** (Amount in Rs. Crore)

Year	Total SHGs financed by banks (in '000)		Bank Loans	
	During the year	Cumulative	During the year	Cumulative
1992-99	33	33	57	57
1999-00	82 (147.9)	115 (247.9)	136 (138.1)	193 (238.1)
2000-01	149 (82.3)	264 (129.9)	288 (112.0)	481 (149.2)
2001-02	198 (32.6)	461 (74.9)	545 (89.0)	1,026 (113.4)
2002-03	256 (29.5)	717 (55.4)	1,022 (87.0)	2,049 (99.6)
2003-04	362 (41.4)	1,079 (50.4)	1,856 (81.0)	3,904 (90.6)
2004-05	539 (49.1)	1,618 (50.0)	2,994 (61.0)	6,898 (76.7)
2005-06	620 (15.0)	2,239 (38.3)	4,499 (50.3)	11,398 (65.2)
2006-07	1,106	–	6,570	–
2007-08 P	740	–	4,228	–

Source: RBI Trend and Progress 2007-08

P : Provisional

The highlights of overall progress of SHG Bank Linkage Programme are shown in the table I from 1992 to March 2008. The percentage of growth of SHGs, bank loans to SHGs and Refinance by NABARD has shown tremendous increases over the years; both in terms of the number of SHGs credit linked with banks as also the bank loans disbursed by SHGs. infact a significant growth on SHG, bank loans to SHG and refinance was exhibited during the year 1999-00.



The analysis of the data reveals that, the significant progress was made during the year that witnessed sustained expansion of the programme with credit linkage of 0.6 million new SHGs (during 2005-06) by the banking system, taking the cumulative number of such SHGs 2.2 million in the year 2005-06. The credit extended by the bank raised from Rs.4, 499 crore to Rs.6,570 crore during the year 2006-07 registering the growth rate of 46.03 percent. The cumulative bank loans disbursed to SHGs also witnessed a sharp increase from Rs. 57 crore in 1992-99 to Rs.481 crore in 2000-01 and further to Rs.11,398 crore in 2005-06. The correlation between the bank loan and number of SHGs financed by the bank also showed a positive correlation 0.987 .

It is revealed that, during the last two decades the huge growth has been registered during the year 2006-07 in terms of number of SHGs, bank loans to SHGs and refinance. This was due to government interest on alleviating the poverty from the gross root level.

The SBLP has made considerable progress since its inception in the early 1990s, both in terms of the member of SHGs credit linked with banks as also the banks loans disbursed by SHGs. At end-March 2008, a total of 3.6 million SHGs were having outstanding bank loan of Rs.17,000 crore were credit linked with the banks under the SBLP programme.



TABLE 2: CORRELATION

		No_SHG_fin_Banks	Bank Loan
No_SHG_fin_Banks	Pearson Correlation	1	.987(**)
	Sig. (2-tailed)		.000
	N	10	10
Bank Loan	Pearson Correlation	.987(**)	1
	Sig. (2-tailed)	.000	
	N	10	10

Source: Computed Data

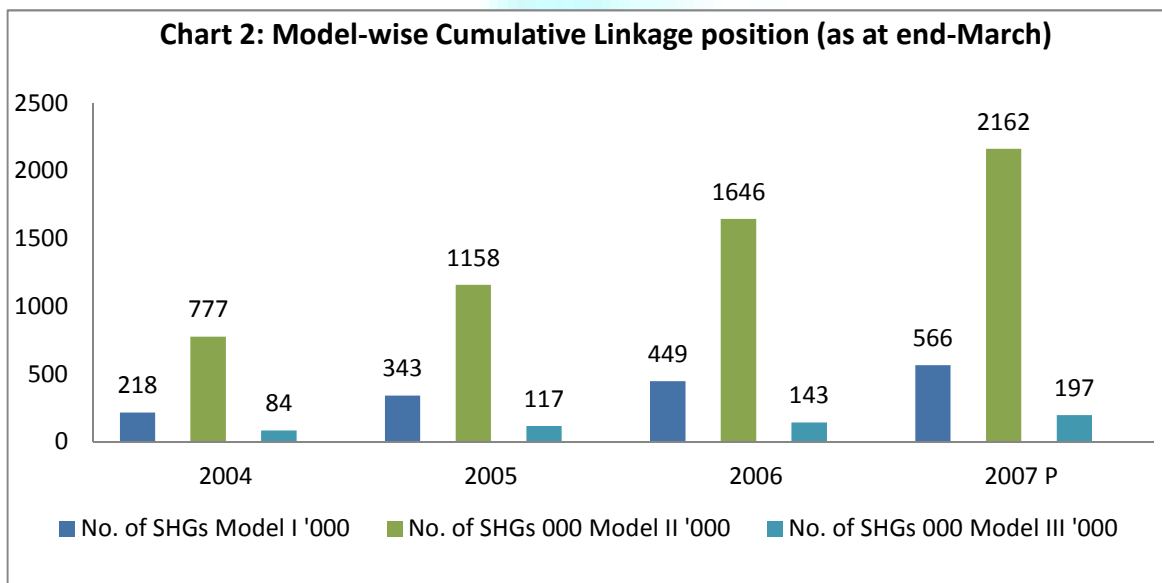
\*\* Correlation is significant at the 0.01 level (2-tailed).

**MODELS OF MICRO CREDIT MECHANISMS IN SHG- BANK LINKAGE PROGRAMME**

There are three different models of linkage in delivery of micro credit mechanisms being followed in India, they are:

Model-I, The banks themselves assume the role of promoting the formation of SHGs and extending credit to them. Up to March 2007, 13.2 per cent of the total numbers of SHGs financed were in this category.

Model-II, The SHGs are formed and developed by the NGOs, and formal agencies but are directly financed by banks. This model continues to have a lion's share, with 81.1 per cent of SHGs financed up to March 2007, falling under this category.



Model-III, SHGs are financed by banks using NGOs and other agencies as financial intermediaries. In areas where formal banking system faces constraints, the NGOs are encouraged to approach suitable bank for bulk loan assistance. The share of cumulative number of SHGs linked under this model up to end-March 2007 continued to be relatively small it is only 5.7 percent.

In order to analyze the model-wise SHG- Bank linkage position in India the relevant data was presented in Table No.2.

TABLE 2: MODEL-WISE CUMULATIVE LINKAGE POSITION (AS AT END-MARCH)

Year	Model I – SHGs promoted, guided and financed by banks		Model II- SHGs promoted by NGOs/ Government agencies and financed by banks		Model III- SHGs promoted by NGOs and financed by banks using NGOs/ formal agencies as financial intermediaries	
	No. of SHGs ('000)	Bank loans (Rs. crore)	No. of SHGs ('000)	Bank loans (Rs. crore)	No. of SHGs ('000)	Bank loans (Rs. crore)
2004	218	550	777	3165	84	189
2005	343	1013	1158	5529	117	356
2006	449	1637	1646	9200	143	561
2007 P	566	2383	2162	14633	197	1024
<b>CAGR</b>	<b>26.94</b>	<b>44.27</b>	<b>29.1542</b>	<b>46.64</b>	<b>23.75</b>	<b>52.57</b>
<b>Average</b>	<b>394</b>	<b>1396</b>	<b>1435.75</b>	<b>8132</b>	<b>135.3</b>	<b>532.5</b>
<b>STD</b>	<b>148.5</b>	<b>794.7</b>	<b>600.761</b>	<b>4995</b>	<b>47.72</b>	<b>361.3</b>
<b>Coefficient of Correlation</b>	<b>0.992**</b>		<b>0.993**</b>		<b>0.994**</b>	

Source: 1) NABARD.2) RBI Trend and Progress

P : Provisional, Figures in parentheses are percentages to total,

\*\* Correlation is significant at the 0.01 level (2-tailed).

Under the SHG-bank linkage programme models over the years, 81.1 percentage of SHG were financed by banks under model II, under model I only 13.2% of the SHG were financed by banks as on March 2007. Over the years the model II (The SHGs are formed and developed by the NGOs, and formal agencies but are directly financed by banks) both in terms of the number of SHGs and the bank loans disbursed to SHGs showed a significant growth rate compare to other models by exhibiting the Compound Annual Growth Rate (CAGR) and Average of 29.15 per cent and 1435.75 respectively.

**AGENCY-WISE SHG -BANK LINKAGE POSITION**

The SHG-Bank Linkage Programme has emerged as a major micro finance programme in the country. It is being implemented by commercial banks, RRBs and co-operative banks. The data relevant to the agency wise SHG -Bank Linkage Position was presented in table 3 for the year 2004-05 to 2007-08.

**TABLE 3: AGENCY-WISE SHG -BANK LINKAGE POSITION (Amount in Rs. crore)**

Agency	SHGs Credit Linked (in '000)				Bank Loan Disbursed			
	2004-05	2005-06	2006-07	2007-08P	2004-05	2005-06	2006-07	2007-08P
Commercial Banks	843 (52.1)	1,188 (53.1)	572 (52)	312 (42)	4,159	6,987	3,919 (60)	2,043 (48)
RRBs	564 (34.8)	740 (33.1)	381 (34)	241 (33)	2,100	3,322	2,053 (31)	1,599 (38)
Co-operative Banks	211 (13.0)	310 (13.9)	153 (14)	187 (25)	640	1,087	599 (09)	586 (14)
Total	1,618	2,239	1,106	740	6,898	11,398	6,570	4,228

Source: RBI Trend and Progress

P : Provisional data. Note : 1) Figures in parentheses are percentage shares in the respective total.

The table highlights that the commercial banks have maintain the share of distribution of micro finance to SHGs from 52.1 percent in the year 2004-05 to 52 percent in the year 2006-07. In terms of Agency-wise SHG -Bank Linkage Position, commercial banks continued to account for the largest share, both in terms of number of SHGs credit linked and bank loans disbursed, followed by regional rural banks and co-operative banks in all the years from 2004-05 to 2007-08. Among the commercial banks, public sector banks accounted for the largest share of loans disbursed to SHG sector (88.8 per cent) in 2006-07. Out of the total loans disbursed by the commercial banks, 86.9 per cent of the loans were disbursed exclusively to women SHGs.<sup>1</sup>

**REGIONAL DISTRIBUTION OF SHG - BANK LINKAGE PROGRAMME**

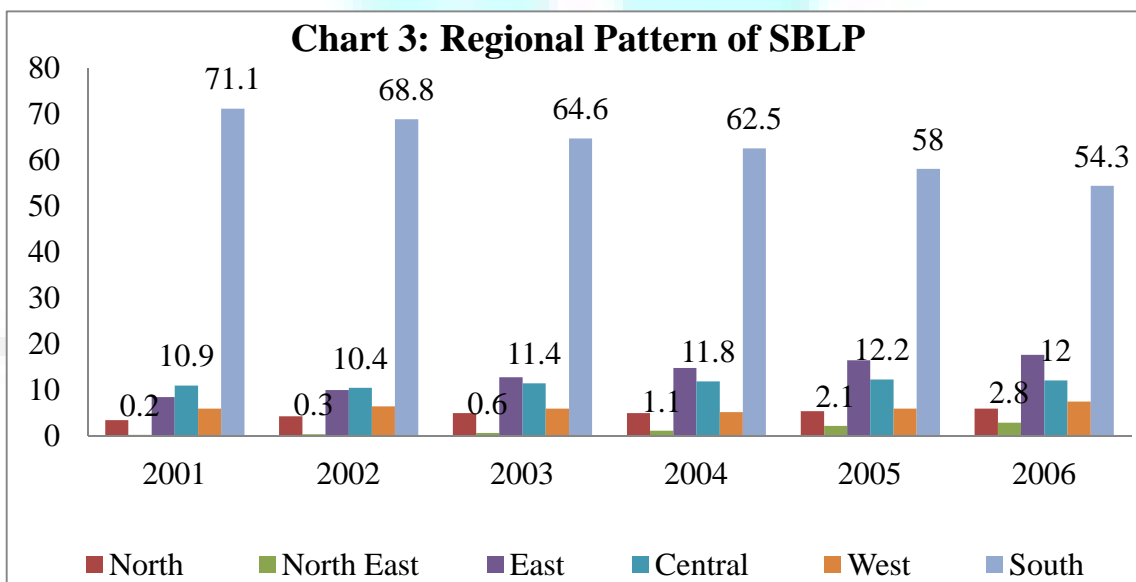
Regional Distribution of SHG - Bank Linkage Programme over the years was presented in the following table.

**TABLE 4: REGIONAL PATTERN OF SBLP (AS AT END-MARCH) (Per cent to total)**

Region	2001	2002	2003	2004	2005	2006
Northern	3.4	4.2	4.9	4.9	5.3	5.9
North-Eastern	0.2	0.3	0.6	1.1	2.1	2.8
Eastern	8.4	9.9	12.7	14.7	16.4	17.6
Central	10.9	10.4	11.4	11.8	12.2	12.0
Western	5.9	6.4	5.9	5.1	5.9	7.4
Southern	71.1	68.8	64.6	62.5	58.0	54.3
All-India	100.0	100.0	100.0	100.0	100.0	100.0

Source: NABARD.

From the table 4, it reveals that the region-wise pattern of SHGs linked to banks showed greater concentration in the southern region from 2001 to 2006 and very between 71.1 per cent to 54.3 percent. This may be due to the strong initiatives taken by the respective State Government; the SBLP gained more important movement in southern states like Andhra Pradesh, Tamilnadu and Kerala. However, the programme has also been shown a greater growth rate in eastern and north- eastern region by registering the CAGR of 20.31 per cent and 93.43 per cent respectively.



In order to reduce the imbalance in the regional distribution the NABARD has taken special efforts as resulted an increase in the number of SHGs credit linked in the non southern Indian states to 1.4 million as on March 3, 2007 as compared to 100 thousand as on march 31,2002<sup>2</sup>.

<sup>1</sup> Report on Trend and Progress of Banking in India, 2007-08, p 211.

<sup>2</sup> Report on Trend and Progress of Banking in India, 2007-08, p212.

**RECOVERY PERFORMANCE AND OUTSTANDING OF BANK LOANS TO SHGs**

The performance of Indian banking sector have been worsening due to non recovery of loan assets which reflected in the decline in productivity, liquidity, solvency, and profitability. So it is a challenge for the banks to manage their NPAs more effectively so that the character of loan assets changes from non-performing to performing. In comparison with other form of financing under micro financing, bank loans to SHGs showed a remarkable recovery performance. The Agency wise recovery performance of Bank loans to SHGs was presented in the following table.

**TABLE 5: RECOVERY PERFORMANCE OF BANK LOANS TO SHGs (AS AT END-MARCH 2007) (No of banks)**

Agency	Total No. of Reporting Banks	Recovery Performance of Bank Loans to SHGs			
		95 per cent and above	80-94 per cent	50-79 per cent	less than 50 per cent
Commercial Banks	36	11 (30.6)	15 (41.7)	10 (27.8)	0 (0.0)
Regional Rural Banks	73	20 (27.4)	35 (47.9)	13 (17.8)	5 (6.8)
Co-operative Banks	181	76 (42.0)	55 (30.4)	35 (19.3)	15 (8.3)
Total	290	10 (36.9)	105 (36.2)	58 (20.0)	20 (6.9)

Source: Report on Trend and Progress of Banking in India, 2007-08

The table 5, reveals that out of 290 reported banks 36.9 per cent of banks reported Recovery Performance of Bank Loans to SHGs of above 95 per cent under this programme, 36.2 per cent banks reported recovery in the range of 80-94 per cent and another 20 per cent banks reported recovery in the range of 50-79 per cent and only 6.9 per cent banks reported the recovery of SHGs Loans in the range of less then 50 percent. It should be noted that Individuals differences was found in the recovery rate between the Agency-wise recovery performances of Bank loans to SHGs during the year ended March 2007.

Under the SBLP, as on March 31, 2007, 2.9 million SHGs had outstanding bank loans of Rs.12,366 crore out of these 70.8 , 22.7 and 6.5 per cent are the share of loan outstanding in Commercial banks, Regional Rural banks and Cooperative Banks respectively. The recovery mechanism in cooperative and RRB was good in respect of recovery of loans to SHGs. But in case of distribution of loan to SHGs linkage programme commercial banks take a lead in comparison to other.

**CONCLUSION**

SHG - Bank Linkage Programme is an alternative formal credit delivery channel for the unreached poor. It creates a trust and confidence between the bankers and the poor and encourages the banking activity. The SHGs bank linkage programme is an innovation in the field of rural development plays a major role in transforming the rural economy by fulfilling the credit needs and helps the rural poor women to improve their economic status of each and every house hold in the rural area. Therefore special efforts should be taken by the States Governments to spread the SBLP throughout India to increase the number of SHGs credit linked programme and thereby reduce the regional imbalances in the distribution of micro finance.

**REFERENCES**

1. Abraham Punnoose, "Micro Finance Scenario of Kerala", *Sothern Economist*, Aug 2008, Vol.47, No.7.
2. Dheenadhayalan V, and Bharath M, "Micro Finance in India – An Overview", in "Micro Credit and Rural Development", Edited By Aranganathan T, Sundar K and Satheeskumar, Commerce Wing DDE, Annamalai University, Annamalainagar, 2008. Pp.189-194.
3. Dheenadhayalan V, and Kandasamy S, "Micro Finance Sector in India – An Overview", in "Cooperatives and Micro Finance", Edited By Frank Ratnakumar V and Joel Edwinraj D, Serial Publications, New Delhi, 2009. Pp.10-16.
4. Puhazhendi, V. and K. C. Badatya, 2002, SHG Bank Linkage Programme for Rural Poor-An Impact Assessment, available on www.microfinancegateway.org
5. Puhazhendi, V. and K. J. S. Satyasai, 2000, *Microfinance for Rural People: An Impact Evaluation*, NABARD
6. RBI Annual Report 2006-07, Reserve Bank of India, Mumbai.
7. RBI Trend and Progress, 2006-07, Reserve Bank of India, Mumbai.
8. Reddy C S, Jennifer living stone, and Sandeep Manak, Institutionalizing support to Self Help Gruous, the APMAS Experience, *The ICFAI Journal Management Research*, Vol5. No.1 March 2006.
9. Report on Trend and Progress of Banking in India.
10. Sharma H O , Nahatkar B, and Minshra, (2006) impact of Micro Finance Through Self Help Groups on Rural Economy, *Indian Journal of Economics.*, Mumbai
11. Yadairi and Gangadhar Micro Finance: the Emerging Horizons, *The Management Accountant*, Nov 2008, Vol.43 No.11.

## **REQUEST FOR FEEDBACK**

**Dear Readers**

At the very outset, International Journal of Research in Commerce, Economics and Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail [info@ijrcm.org.in](mailto:info@ijrcm.org.in) for further improvements in the interest of research.

If you have any queries please feel free to contact us on our E-mail [infoijrcm@gmail.com](mailto:infoijrcm@gmail.com).

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

**Academically yours**

Sd/-

**Co-ordinator**

## ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

### *Our Other Journals*

